ST. CLAIR TERRACES CONDOMINIUM

SECOND AMENDED AND RESTATED CONDOMINIUM BYLAWS

(EXHIBIT A TO THE SECOND AMENDED AND RESTATED MASTER DEED)

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ARTICLE I
ASSOCIATION OF CO-OWNERS

Section 1. **The Association.** St. Clair Terraces Condominium, a private residential Condominium located in the City of Grosse Pointe, Wayne County, Michigan, is administered by an Association of Co-owners which shall be a nonprofit corporation, hereinafter called the "Association", organized under applicable Michigan law, being St. Clair Terraces Association (New: ID No. 800881097, formerly CID #849101).

The Association, through its Board of Directors, is responsible for the management, maintenance, operation, and administration of the Common Elements, easements, and affairs of the Condominium Premises in accordance with the Second Amended and Restated Master Deed, these Second Amended and Restated Condominium Bylaws, the Restated Articles of Incorporation, duly adopted Rules and Regulations of the Association, and Michigan law.

Section 2. **Purpose of the Condominium Bylaws.** These Second Amended and Restated Condominium Bylaws are designed as both the Condominium Bylaws (relating to the manner in which the Condominium and the common affairs of the Co-owners of the Condominium Units shall be administered, referred to in the Master Deed and required by Section 3(9) of Act No. 59 of the Michigan Public Acts of 1978, as amended (hereinafter the "Condominium Act")), and the Corporate Bylaws (governing the operation of the Association as a corporate entity), provided for under the Michigan Nonprofit Corporation Act and required by Act No. 162 of the Michigan Public Acts of Michigan of 1982, as amended. These Second Amended and Restated Condominium Bylaws shall supersede any prior Bylaws.

Section 3. **Membership.** Each person or entity acquiring title to a Unit in the Condominium shall become a Co-owner and shall be a Member of the Association. No other person or entity is entitled to membership. A land contract purchaser or person or entity acquiring title by operation of law is a Co-owner for all purposes consistent with the Condominium Documents. Copies of the evidence of ownership (deed or land contract) shall be furnished to the Association when received to be eligible to vote.

A land contract purchaser is presumed to be the Co-owner for voting purposes unless the

land contract provides to the contrary or the land contract seller submits a dated written statement to the Association providing to the contrary. Both the land contract seller and the land contract purchaser shall be jointly and severally responsible for all obligations imposed by the Condominium Documents and Michigan law.

All Co-owners in the Condominium Premises and all persons including, without limitation, tenants, lessees, licensees, invitees, vendees or other Non-Co-owner Occupants or members of their family or household, mortgagees or other persons or entities using or entering upon or acquiring any interest in any Unit or the Common Elements, are subject to the provisions and terms of the Condominium Documents.

Section 4. **Transfer of Interest; No Refunds of Reserves.** The share of a Co-owner in the funds, reserves, and assets of the Association cannot be assigned, pledged, or transferred in any manner except with the Co-owner's Unit in the Condominium. A Co-owner selling or the voluntary or involuntary transfer of any interest in a Unit is not entitled to any refund whatsoever from the Association for any reserve or other asset of the Association.

Section 5. **Availability of Condominium Documents.** The Association shall keep current copies of the Master Deed, Condominium Bylaws (Exhibit A), Condominium Subdivision Plan (Exhibit B), any amendments thereto, and other Condominium Documents available for examination and inspection at reasonable business hours to Co-owners, prospective purchasers, and prospective mortgagees of Units in the Condominium, subject to the provisions of MCL 450.2101, et seq., applicable Rules and Regulations of the Association, and Article XIII of these Second Amended and Restated Condominium Bylaws.

Section 6. **Ownership Limitation.** Subject to the exception of mortgage lenders that acquire title to Units via foreclosure, no Co-owner may own more than three (3) Units within the Condominium, regardless of whether the Co-owner is an individual or legal entity. No more than three (3) of the non-lender owned Units may be owned by a Co-owner or by an affiliate entity of a Co-owner (or affiliate entity of an entity) in which the Co-owner or the Co-owner's immediate family (or the affiliate entity) owns twenty (20%) percent or more of interest in the entity. For purposes of this Section 6, "immediate family" is defined as parent, spouse, child, or step relationship thereof. "Affiliate entity" is defined as one in which an entity Co-owner has an ownership or controlling interest of more than twenty (20%) percent in another entity.

An individual may not circumvent this restriction by acquiring title or beneficial ownership to multiple Units in the Condominium through the use of a separate legal entity or entities. Any individual who has any interest (ownership or otherwise) in any legal entity or entities that own Units in the Condominium shall be deemed to be the "Co-owner" of any and all of such entity-owned Units for purposes of this Section 6.

Any Co-owner who owns more than three (3) Units in the Condominium at the time of the recording of these Second Amended and Restated Condominium Bylaws is exempt from this restriction insofar as such Units are concerned. However, any such Co-owner may not acquire title to any additional Units at the Condominium beyond those already owned at the time of the recording of these Second Amended and Restated Condominium Bylaws if doing so would result

in the Co-owner owning more than three (3) Units in the Condominium. In the event any Co-owner owns more than three (3) non-lender owned Units, such Co-owner may not serve on the Board of Directors and may not exercise more than the voting rights of three (3) units.

Section 7. **Notices.** Notices provided for in the Condominium Act and Governing Documents shall be in writing addressed to the Association at its registered office in the State of Michigan. The Association may designate a different address by giving written notice of such change of address. Notices to any Co-owner shall be in writing to the address on the Designated Voting Representative Form on file with the Association, or if in default thereof, to the Unit address or the address in the instrument establishing title. Any Co-owner may designate a different address by filing a new Designated Voting Representative form.

ARTICLE II
ASSESSMENTS

Section 1. **Taxes and Assessments.** 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. Personal property taxes based upon the personal property shall be treated as expenses of administration of the Association. Special assessments and property taxes shall be assessed against the individual Condominium Units identified as Units on the Condominium Subdivision Plan and not on the total property of the project or any other part thereof. Special assessments and property taxes in any year in which the property existed as an established condominium project on the Tax Day shall be assessed against the individual Unit, notwithstanding any subsequent vacation of the Condominium Project. The levying of all property taxes and special assessments shall comply with Section 131 of the Condominium Act.

Section 2. **Expenses of Administration.** Expenditures affecting the administration of the Condominium Premises include costs incurred in the satisfaction of any liability arising within, caused by, or connected with the Common Elements or Units or the administration of the Premises and the Condominium Documents. Receipts affecting the administration of the Condominium Premises include all sums received as the proceeds of, or pursuant to, a policy of insurance securing the interest of the Co-owners against liabilities or losses arising within, caused by, or connected with the Common Elements or Units or the administration of the Condominium Premises or under the terms of the Condominium Documents.

Section 3. **Determination of Assessments.** Expenses arising from the management, administration, repair, replacement, remediation, extraction and desiccation, renovation, insurance, and operation of the Association by the Board of Directors shall be levied against the Co-owners. Assessments shall be determined in accordance with the following provisions:

A. **Annual Budget.** The Board of Directors shall establish an annual budget in advance for each fiscal year and the budget shall project all expenses for the forthcoming year which may be required for the proper operation, management, insurance, and maintenance of the Condominium, and a reasonable allowance for contingencies and reserves. Any budget adopted shall include a reserve fund for major repairs, remediation, extraction and desiccation, reconstruction, renovation, and replacements of Common Elements that must be replaced on a

periodic basis, in accordance with Section 3(D). Upon adoption of an annual budget by the Board, copies of the budget shall be delivered to each Unit in care of the Designated Voting Representative. Failure or delay of the Board of Directors to prepare or adopt a budget for any fiscal year, shall not constitute a waiver or release of Co-owners' obligations to remit assessments in an amount previously determined by the Board in prior fiscal years, until a new budget is adopted. Any Co-owner not receiving a copy of the new budget or notice of the annual assessment on or before the first day of each fiscal year shall be obligated to contact the management company or Board to request the same.

B. Annual Assessment. The annual assessment for each fiscal year shall be established based upon the annual budget adopted by the Board of Directors. The annual assessment as so determined and levied shall constitute a lien against all Units as of the first day of the fiscal year to which the assessments relate.

C. Additional Assessments. The Board of Directors has the authority to increase the annual assessment or to levy such additional assessment or assessments as it deems to be necessary in the Board's sole discretion, provided that the same shall be required for only the following purposes only:

(1) To meet deficits incurred or anticipated because current assessments are insufficient to pay the costs of operation, administration, and maintenance, reconstruction, repair, remediation, extraction and desiccation, and renovations of the Association;
(2) To make necessary maintenance, reconstruction, repair, remediation, extraction and desiccation, or replacement of existing Common Elements;
(3) To maintain an adequate reserve fund;
(4) To provide additions to the Common Elements at a total annual cost not exceeding 10% of the current year's annual operating budget;
(5) To pay shortfalls in utilities or insurance premiums or proceeds; or
(6) To respond to an emergency or unforeseen development affecting the Condominium.

The Board shall have the authority, without the necessity of Co-owner consent, to levy assessments pursuant to the provisions of the Condominium Documents pertaining to the default of any Co-owner or mortgagee in the payment or performance of any Co-owner's or mortgagee's obligations under the Condominium Documents. At least thirty (30) days prior to the date when the additional assessment or the initial installment of an additional assessment becomes due and payable, the Association shall deliver to each Co-owner, at the last address registered with the Association, an itemized statement of the projected costs and expenses giving rise to the additional assessment.

The discretionary authority of the Board to levy assessments pursuant to this Section 3(C) rests solely with the Board for the benefit of the Association and its Members, and shall not be enforceable by any creditors of the Association or its Members, except in the event that the Association may voluntarily and conditionally assign the right to levy assessments to any lender in connection with any voluntary loan transaction entered into by the Association.

D. Special Assessments. Special assessments, in addition to those assessments described in Section 3(B) and Section 3(C), may be made by the Board of Directors from time to time and approved by the Co-owners as provided in this Section 3(D), to meet other needs or requirements of the Association, including, without limitation:

(1) Assessments for additions to Common Elements whose total annual cost exceeds 10% of the current year's annual operating budget;
(2) Assessments to purchase a Unit at public auction (the highest active bidder at the sale) upon foreclosure of the Association's lien for assessments described in Section 8 hereafter; or
(3) Assessments for any other appropriate purpose not elsewhere described.

Special assessments, as provided for by this Section 3(D) shall not be levied without the prior approval of more than sixty (60%) percent of all eligible and qualified Co-owners.

The authority to levy assessments pursuant to this Section 3(D) is solely for the benefit of the Association and its Members and shall not be enforceable by any creditors of the Association or its Members, except in the event that the Association may voluntarily and conditionally assign the right to levy assessments to any lender in connection with any voluntary loan transaction entered into by the Association.

E. Reserve Fund. The Board of Directors shall maintain a reserve fund solely for major repairs and replacements of Common Elements and emergency expenditures. The reserve fund shall be in the amount of not less than ten (10%) percent of the Association's annual budget, excluding that portion of the budget allocated to the reserve fund itself, on a noncumulative basis. The Association may increase or decrease the reserve fund, but it may not reduce it below ten (10%) percent of the annual budget of the Association. The reserve fund must be funded at least annually from the proceeds of the annual assessment payments set forth in Section 3(B) above, rather than by special assessments, but may be supplemented by additional or special assessments if determined necessary by the Board. The minimum standard required by this Section 3(E) may prove to be inadequate. The Board shall annually consider the needs of the Condominium to determine if a greater amount should be set aside in the reserve fund or if additional reserve funds should be established for any other purposes.

All reserve funds shall be placed in accounts and obligations which are insured and/or backed by the full faith and credit of the United States Government and shall at all times be under the direct control of the Board of Directors, and not a brokerage company. The Board may adopt such rules and regulations as it deems desirable from time to time with respect to type and manner of investment, funding of reserves, disposition of reserve funds, or any other matter concerning the reserve funds.

Section 4. Apportionment of Assessments. Unless otherwise provided herein, all assessments levied against Co-owners to cover expenses of administration of the Association shall be apportioned among and paid by the Co-owners in accordance with the percentage of value allocated to each Unit in Article V, Section 2 of the Master Deed, without increase or decrease for the existence of any rights to the use of Limited Common Elements appurtenant to a Unit. The

common expenses associated with the maintenance, repair, renovation, restoration, remediation, extraction and desiccation, or replacement of a Limited Common Element may be assessed against the Unit serviced by the Limited Common Element at the time the expenses were incurred. If the Limited Common Element involved services more than one Unit, the expenses may be assessed against each of the affected Units equally so that the total of the assessment equals the total of the expenses.

Any other unusual common expenses, charges, late charges, fines, interest, administrative charges, costs or other expenses benefiting less than all of the Condominium Units, or any expenses incurred or expended by reason of Co-owner default or as a result of the conduct of less than all those entitled to occupy the Condominium Premises or by their licensees or invitees, guests, lessees, vendees, renters or Non-Co-owner Occupants, contractors, agents, employees or members of their family or household, shall be assessed against the Condominium Unit(s) involved.

Each Co-owner (whether one or more persons or entity) is and remains personally liable for the payment of all assessments, late charges, costs of collection and enforcement of payment, fines, administrative charges, attorney and other professional fees, or other costs and expenses pertinent to the Co-owner's Unit which may be levied while the Co-owner has ownership of the Unit, and which are incurred in the collection of such debt, without regard to whether the Co-owner still owns or resides in the Unit. All amounts due survive the ownership of a Unit.

For any Unit subject to a land contract, the seller and purchaser shall be jointly and severally liable for the payment of all assessments, charges, costs of collection, fines, administrative charges, attorney and other professional fees, or other costs and expenses pertinent to the subject Unit which are levied during the land contract term and any extension or termination, (including any redemption periods from foreclosure or forfeiture of the land contract) and which are incurred in the collection of such debt without regard to whether either party still owns or resides in the Unit.

Surrender of any Condominium Unit to a mortgagee or in Bankruptcy without actual transfer shall not exclude the Co-owner from the levy of assessments and all other obligations due pursuant to these Second Amended and Restated Condominium Bylaws.

Section 5. Payment of Assessments.

A. Due Dates. The annual assessment, as determined in accordance with Section 3(A) above (but not additional or special assessments which shall be payable as the Board of Directors elects), shall be payable by the Co-owners in twelve (12) equal monthly installments, or in such other periodic installments or lump sums as the Board may determine, commencing with acceptance of a Deed to a Unit, or a land contractor purchaser's interest in a Unit, or with the acquisition of title to a Unit by any other means. Monthly installments of the annual assessment are due on the first day of each month.

B. Penalties for Default. The payment of an assessment is in default if the assessment, or any part thereof, is not received by the Association in full on or before the due date

for the payment. A late charge shall be levied for any assessment or installment of an assessment in default paid more than ten (10) days after its due date. The late charge shall be in the amount of Twenty-five ($25.00) Dollars, or such other amount as may be determined by the Board of Directors from time to time. In the event the Board establishes a new late charge amount, it shall give written notice to all Co-owners thirty (30) days before the new late charge rate shall become applicable. Such late charge shall not be deemed to be a penalty or interest upon the funds due to the Association but is intended to constitute a reasonable estimate of the administrative costs and other damages incurred by the Association in connection with late payment of assessments. Assessments in default shall bear interest at the rate of seven (7%) percent per annum or any higher rate allowed by law until paid in full.

C. **Application of Payments.** The Association may accept any payment tendered without waiver of the right to collect all amounts due, regardless of any notation by payer on the draft or accompanying letter or document. There shall be no accord and satisfaction or compromise without an express writing by the Association.

All payments on delinquent accounts shall be applied in the following order of priority (to the extent that any of these items have been assessed to the account and are unpaid):

(1) Costs of collection and enforcement of payment, including attorney fees and other professional's fees and expenses;
(2) Late fees and interest;
(3) Non-sufficient funds check charges;
(4) Fines;
(5) Miscellaneous (such as expense Co-owner chargebacks); then
(6) Unpaid assessments in the order of their due dates, earliest to latest.

If a Co-owner owns more than one Unit with a delinquent account, the Board of Directors shall have the discretion to credit payments to whichever Unit in whatever amount the Board chooses.

Section 6. Statutory Lien for Unpaid Assessments. Any amounts assessed to a Unit which remain unpaid, including, without limitation, annual assessments, additional assessments, special assessments, attorney's fees and costs assessed to a Co-owner's Unit pursuant to the Second Amended and Restated Condominium Bylaws, fines, interest, late charges, advances for taxes, insurance, utilities, other liens, or for any other purpose, which are made by the Board of Directors to protect the Association's lien, priority, and community standards, shall constitute a statutory lien upon the Unit owned by the Co-owner at the time of the assessment and upon the proceeds of sale thereof. All charges which the Association may levy against any Co-owner shall be deemed to be assessments for purposes of this Section 6 and Section 108 of the Condominium Act. The lien upon each Unit owed by the Co-owner shall be in the amount assessed against the Unit, plus proportionate share of the total of all other unpaid assessments attributable to a Unit no longer owned by the Co-owner, but which became due while the Co-owner had title to the Unit.

The Association's lien has priority over all other liens except those for taxes upon the Unit in favor of any state or federal taxing authority and a first mortgage recorded prior to the

Association's lien. The lien upon each Unit owed by the Co-owner shall be in the amount assessed against the Unit, plus proportionate share of the total of all other unpaid assessments attributable to a Unit no longer owned by the Co-owner, but which became due while the Co-owner had title to the Unit. The lien may be foreclosed by judicial action or by advertisement in the name of the Condominium Project on behalf of the other Co-owners as hereinafter provided.

Section 7. Waiver of Use or Abandonment of Unit; Uncompleted Repair Work. No Co-owner is exempt from liability for payment of assessments and for contribution toward the Association's expenses of administration by waiver of the use or enjoyment of any of the Common Elements, amenities, or abandonment of the Unit. No Co-owner is exempt from payment of assessments based upon the failure of the Association or any managing agent to provide services, Unit repairs or management to the Co-owner.

Section 8. Enforcement.

A. Enforcement – Generally. In addition to any other remedies available, the Association may enforce collection of delinquent assessments by a suit at law for a money judgment or by foreclosure of the statutory lien that secures payment of assessments, or both, in accordance with the Condominium Act. Pursuant to Section 139 of the Condominium Act, no Co-owner may assert in an answer or set-off to a complaint brought by the Association for nonpayment of assessments, or as a challenge to foreclosure of the lien brought by the Association for nonpayment of assessments, the fact that the Association or its agents have not provided services or management to the Co-owner. All remedies shall be cumulative and not alternative.

B. Right to Accelerate. In the event of default by any Co-owner in the payment of an assessment or any portion of an assessment levied against their Unit, or any other obligation of a Co-owner that, according to these Second Amended and Restated Condominium Bylaws, may be assessed to and collected from the responsible Co-owner in the manner provided in Article II hereof, the Association shall have the right to declare all unpaid installments of any annual assessment for the pertinent fiscal year (and for any future fiscal year in which said delinquency continues), and all unpaid portions or installments of an additional or special assessment, if applicable, immediately due and payable. Such accelerated amounts may be deemed to be unpaid assessments for lien recordation purposes.

C. Penalties for a Delinquent Co-owner. A Co-owner who is delinquent in the payment of an amount due to the Association, and therefore, not in Good Standing, shall not be entitled to do any of the following:

(1) Utilize any General Common Elements of the Condominium Project;
(2) Vote at any meeting of the Association or Board of Directors;
(3) Sign any petitions, including, without limitation, a recall petition, or a petition to call a Special Meeting of the Membership;
(4) Continue serving on the Board, if already elected or appointed before the delinquency or default arose;
(5) Be appointed as a Director to fill a vacancy on the Board;
(6) Be appointed as an Officer, or continue to serve as an Officer, if already appointed before the delinquency or default rose;

(7) Run for election or be nominated to serve on the Board;
(8) Serve on any Committees; or
(9) Act as an inspector of any elections.

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 its intention to do so, including, without limitation, access to the Association's website. Provided, however, that these provisions shall not operate to deprive any Co-owner of ingress or egress to and from their Unit.

In a judicial foreclosure action, a receiver may be appointed to collect a reasonable rental amount from the Co-owner for the Unit thereof or any persons claiming under such Co-owner as provided by the Condominium Act. The Association may also assess fines for late payment or nonpayment of assessments in accordance with the provisions of Article XVIII of these Second Amended and Restated Condominium Bylaws.

D. Foreclosure Proceedings. Each Co-owner, and every other person who from time to time has any interest in the Condominium Project, shall be deemed to have granted to the Association the unqualified right to elect to foreclose its lien securing payment of assessments, costs, and expenses, either by judicial action or by advertisement. The provisions of Michigan law pertaining to foreclosure of mortgages by judicial action and by advertisement, and the provisions of Section 108 of the Condominium Act (except for any provisions related to lender workouts or such other regulated lending institution provisions), as amended from time to time, shall be used for the purposes of establishing the alternative procedures to be followed in lien foreclosure actions and the rights and obligations of the parties to such actions. Further, each Co-owner and every other person who from time to time has any interest in the Project shall be deemed to have authorized and empowered the Association to sell or to cause to be sold the Unit with respect to which the assessment(s) is or are delinquent and to receive, hold, and distribute the proceeds of such sale in accordance with the priorities established by applicable law.

Each Co-owner of a Unit in the Condominium Project acknowledges that at the time of acquiring title to the Unit, they were notified of the provisions of this Section 8 and that they voluntarily, intelligently, and knowingly waived notice of any proceedings brought by the Association to foreclose by advertisement the lien for nonpayment of assessments or other charges and a hearing on the same prior to the sale of the Unit. The Association, through its Board of Directors acting on behalf of all Co-owners, may bid at the foreclosure sale and acquire, hold, lease, rent, mortgage, or convey the Unit.

E. 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-owners at their last known address, a written notice that a portion or all of the annual assessment and/or a portion or all of an additional and/or special assessment levied against the pertinent Unit is or are delinquent, and that the Association may invoke any of its remedies hereunder if the default is not cured within ten (10) days after the date of mailing.

Such written notice shall be accompanied by a written Affidavit of an authorized representative of the Association that sets forth (i) the affiant's capacity to make the affidavit; (ii) the statutory and other authority for the lien; (iii) the amount outstanding (exclusive of interest, costs, attorney's fees, and future assessments); (iv) the legal description of the subject Unit; and (v) the names of the Co-owners of record. The Affidavit may contain other information that the Association considers appropriate as per the Condominium Act, including, without limitation, the amount of any unpaid interest, costs, attorney fees, future assessments, court costs, and unpaid monetary fines. Such Affidavit shall be recorded with the Wayne County Register of Deeds prior to commencement of any foreclosure proceeding, but it need not have been recorded as of the date of mailing. If the delinquency is not cured within the 10-day period, the Association may take such remedial action as may be available to it hereunder or under Michigan law. In the event the Association elects to foreclose the lien by advertisement, the Association shall so notify the delinquent Co-owner and shall inform them that they may request a judicial hearing by bringing suit against the Association.

F. **Expenses of Collection.** All expenses incurred in collecting unpaid assessments, including accelerated assessments, late fees, interest, costs, actual attorneys' fees (not limited to statutory fees), and other professional's fees and costs, any and all pre-litigation attorney's fees, costs and expenses, as well as unpaid monetary fines, and any advances for taxes, other liens, or other charges 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 the Co-owner's Unit and collectible by a civil action or foreclosure, and shall survive occupancy or ownership of any Unit.

Section 9. Liability of Mortgagee. Notwithstanding any other provisions of the Condominium Documents, the holder of any recorded first mortgage covering any Unit in the Condominium, or its successors and assigns, which acquires title to the Unit pursuant to the foreclosure remedies provided in the mortgage and any purchaser at a foreclosure sale in regard to said first recorded mortgage, shall take the property free of any claims for unpaid assessments or charges against the mortgaged Unit which became due prior to the acquisition of title to the Unit by such person or entity, except for claims for a pro rata share of such assessments or charges resulting from a pro rata reallocation of such assessments or charges to all Units, including the mortgaged Unit, and except for claims evidenced by a Notice of Lien recorded prior to the recordation of the first mortgage. If title is acquired via deed in lieu of foreclosure, the grantee under such deed shall be fully liable to the Association for all amounts owed on the Unit.

Section 10. Construction Liens. A construction lien (mechanic's lien) attaching to any portion of the Condominium Premises otherwise arising under MCL 570.1101 et. seq., as amended, shall be subject to the limitations set forth in Section 132 of the Condominium Act.

Section 11. Assessment Status Upon Sale or Conveyance of Unit. Pursuant to Section 111 of the Condominium Act, upon the sale or conveyance of a Condominium Unit, any unpaid assessments, interest, late fees, fines, costs, and attorney's fees against the Unit shall be paid out of the net proceeds of the sale price to the purchaser in preference over any other assessments or charges of whatever nature, except (a) amounts due to the State of Michigan or any subdivision thereof for taxes or special assessments due and unpaid, and (b) payments due under a recorded first mortgage having priority over the unpaid amounts due to the Association.

A purchaser of a Unit is entitled to a written statement from the Association as to the amount of unpaid assessments, interest, late fees, fines, costs, and attorney fees and related collection costs against the Unit. The purchaser is not liable for any unpaid assessments, interest, late fees, fines, costs, and attorney's fees in excess of the amount set forth in such written statement, nor shall the Unit be subject to any lien for any amounts in excess of the amount set forth in the written statement. Any purchaser or grantee who fails to request a written statement from the Association as provided herein at least five (5) days before the sale or conveyance of the Unit shall be liable for any unpaid assessments against the Unit, together with interest, late fees, fines, costs, and attorney's fees incurred in connection with the collection of such assessments. The Association may charge such reasonable amounts to prepare the statement as it may from time to time determine.

Upon completion of the sale or conveyance of a Unit, the new Co-owner shall give written notice to the Association within five (5) days of the sale or conveyance. Such notice shall include documentation evidencing the transfer of title to the Unit, the new Co-owner's mailing address, phone number, and email address.

ARTICLE III
ARBITRATION/ALTERNATIVE DISPUTE RESOLUTION

Section 1. **Scope and Election.** Disputes, claims, or grievances arising out of or relating to the interpretation or the application of the Condominium Documents, or disputes, claims or grievances arising among or between Co-owners and the Association may, upon the election and written consent of the parties to the disputes, claims, or grievances, and upon written notice to the Association, shall be submitted to arbitration or other alternative dispute resolution proceeding and procedure. 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 (or similarly recognized rules and entities) as amended and in effect from time to time are applicable to any arbitration. A judgment may be entered upon such award in a court of competent jurisdiction.

Section 2. **Costs of Arbitration.** The costs of the arbitration shall be borne by the losing party to the arbitration. The arbitrator may require a reasonable deposit to ensure payment of costs, which shall be split equally by the parties. Such deposit shall be placed in escrow in the nature of the arbitrator as trustee in the name of the matter at issue. The prevailing party at arbitration shall be entitled to an award of their attorney fees and costs included in the proceeding against the losing party as part of the arbitration award.

Section 3. **Right to Judicial Relief.** In the absence of the election and written consent of the parties to submit to arbitration pursuant to Section 1 above, the parties shall have the right to petition the Courts to resolve any such disputes, claims, or grievances.

Section 4. **Effect of Election to Arbitrate.** Written election by the parties to submit a dispute, claim, or grievance to arbitration will preclude them from litigating the dispute, claim, or grievance in the Courts, although a party shall be entitled to enforce an arbitration award in the Courts.

ARTICLE IV
INSURANCE

Section 1. **General Insurance Responsibilities of the Association.** The Association shall carry property insurance, general liability insurance, Directors' and Officers' liability insurance, employee dishonesty/crime insurance (or fidelity bonds), workers' compensation insurance, if applicable, and such other insurance as the Board of Directors may determine to be appropriate with respect to the ownership, use, and maintenance of the Common Elements of the Condominium and the administration of the Association. The Board may also obtain umbrella and cyber liability or other coverages.

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

A. **Property Coverage.** General Common Elements of the Condominium Premises and such Limited Common Elements or Unit acquired for which the Association has repair, remediation, extraction and desiccation, or replacement responsibility per Article IV of the Second Amended and Restated Master Deed shall be insured by the Association under a standard Special Form policy or policies covering all risks of immediate and direct physical loss or damage to property which are commonly insured by condominium associations. Such coverage shall include all perils typically covered by a Special Form insurance policy, including, but not necessarily limited to fire, theft, vandalism, malicious mischief, host liability, and other cause of loss deemed advisable by the Board of Directors of the Association, covered by an extended coverage endorsement, in an amount equal to the current insurable replacement value, excluding foundation and excavation costs, to the extent deemed applicable and appropriate in an amount as determined annually by the Board.

The Association's policy shall include a "Guaranteed Replacement Cost Endorsement" or a "Replacement Cost Endorsement" and, if the policy includes a coinsurance clause, an "Agreed Amount Endorsement." The policy shall also include an "Inflation Guard Endorsement," if available, and a "Building Ordinance and Law Endorsement." This determination will be made in consultation with the Association's insurance carrier and/or its agents (who shall be licensed, qualified and calculate the replacement costs in the event of total destruction) and representatives applying commonly employed methods for the reasonable determination of replacement costs. The coverage shall be effected upon an agreed amount basis for the entire Condominium Premises with appropriate inflation riders in order that no co-insurance provisions shall be invoked by the insurance carrier in a manner that will cause loss payments to be reduced below the actual amount of any loss (except in the unlikely event of total Premises destruction if the insurance proceeds failed, for some reason, to be equal to the total cost of replacement).

Subject to other provisions in these Second Amended and Restated Condominium Bylaws regarding a Co-owner's right to inspect the Association's books and records, all

information in the Association's records regarding insurance coverage is available to all Co-owners on prior written request and reasonable notice during normal business hours so that Co-owners are able to judge the adequacy of coverage and, upon the taking of due Association procedures, to direct the Board at a properly called meeting to change the nature and extent of any applicable coverages, if so determined, and if the change is available to the Association. 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 coverage.

The Association shall obtain insurance coverage and/or appropriate endorsements whereby the insurer expressly agrees to waive its rights to recover payment from the Co-owner for any losses that are payable under the Association's insurance policy.

B. **General Liability Insurance.** General liability insurance shall be carried in such limits as the Board of Directors may from time to time determine to be appropriate. The general liability insurance shall cover: (1) the Association; (2) each Co-owner (and the Co-owners collectively, as a group), but only with respect to their liability arising out of the ownership, maintenance, or repair of that portion of the Condominium Premises which is their duty as such; and (3) any person or organization while acting as a managing agent for the Association. Such liability insurance shall be carried in a minimum amount of not less than $1,000,000.00 per occurrence for bodily injury and property damage and shall include medical payments coverage. The Association's liability insurance policy shall also contain the following provision: the insurer may not deny a claim on grounds that the damage, injury, or loss resulted from the acts or negligence of the Association or of any Co-owner.

C. **Directors' and Officers' Liability Insurance.** Directors' and Officers' liability insurance shall be carried in such limits as the Board of Directors may from time to time determine to be appropriate. The liability insurance shall cover any persons who now are or shall become duly elected or appointed Directors or Officers of the Association, or as members of any committee of the Association, as well as any other non-Director or non-Officer volunteer Co-owner who is serving the Association or acting on its behalf. Such insurance shall cover any liability asserted against the person and incurred by the person in that capacity or arising out of the person's status as such, whether the Association has the power to indemnify the person against liability under Sections 561 through 565 of the Nonprofit Corporation Act. The policy may also be endorsed to include "prior acts" coverage for persons who had been duly elected or appointed Directors or Officers of the Association, if it is determined that previous expiring policies do not cover claims for wrongful acts reported after the expiration or termination date of those expiring policies.

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

E. **Proceeds of Insurance Policies.** Proceeds of all insurance policies owned by the Association shall be received by the Board of Directors, held in a separate account, and distributed to the Association, the Co-owners and their mortgagees, as their interests may appear; provided, however, whenever Article V of these Condominium Bylaws requires the repair,

replacement, remediation, extraction and desiccation, or reconstruction of the Condominium Project, any insurance proceeds received by the Association as a result of the loss requiring repair, replacement, remediation, extraction and desiccation, or reconstruction shall be applied for such purpose in any and all events. Notwithstanding any other provisions in these Condominium Bylaws, including, without limitation, provisions as to the parties who may have priority to insurance proceeds, hazard insurance proceeds shall never be used for any purpose other than for repair, replacement, or reconstruction of the Project unless all of the institutional holders of mortgages on Units, the Association, and all Co-owners have given their prior written approval.

F. **Deductibles.** The Board of Directors may choose to carry insurance policies with reasonable deductibles. Such deductibles shall not exceed the maximum amount allowable by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation.

The Association's deductible expense incurred on any casualty loss shall be assessed to a Co-owner in the event that the Co-owner's (or the Co-owner's family member, Unit occupant, Tenant, guest, licensee, or invitee) intentional or unintentional conduct, negligence, or failure to comply with the Condominium Documents, was in any way either a proximate cause or a cause-in-fact of the loss. In the event that a casualty loss results from the failure, breakdown, or malfunction of any appliance within a Unit, the Association may assess its deductible incurred on any such loss to the Co-owner of the Unit where the appliance was located.

Section 3. Insurance Responsibility of the Co-owner.

A. **Generally.** Each Co-owner shall be required to obtain their own Special Form HO-6 Condominium Homeowners Policy and the Association shall have absolutely no responsibility for obtaining such coverage. The Co-owner's coverage shall include all causes of loss normally covered by a Special Form Homeowners Insurance Policy, including, without limitation, fire, theft, vandalism, host lability, and malicious mischief. At the request of the Board of Directors, each Co-owner shall provide written verification of insurance coverage to the Association each year.

It shall be each Co-owner's responsibility to determine by personal investigation the nature and extent of insurance coverage needed to protect their Unit, Limited Common Elements, personal property located within their Unit or elsewhere in the Condominium, their personal liability for occurrences within their Unit or upon the Limited Common Elements appurtenant to their Unit, and also for additional and alternate living expenses. In the event of the failure of a Co-owner to obtain insurance, the Association may obtain such insurance on behalf of the Co-owner and the premiums shall constitute a lien on the Co-owner's Unit which may be collected in the same manner as assessments in accordance with Article II above. Also, a Co-owner shall be personally responsible for any out-of-pocket losses suffered by the Co-owner or any other injured party if the Co-owner failed to obtain insurance; the Association shall have absolutely no responsibility to reimburse or cover those losses.

Each Co-owner shall obtain insurance coverage and/or appropriate endorsements whereby the insurer expressly agrees to waive its right to recover payment from the Association

and any other Co-owner for any losses that are payable under the Co-owner's insurance policy. In all instances of a casualty or other occurrence, the Association shall be considered a third-party beneficiary to any policy or contract of insurance by and between any Co-owner or Non-Co-owner Occupant and an insurance carrier/company providing coverage pertaining to the Condominium Project.

B. Specific Insurance Duties of the Co-owner. Each Co-owner shall have the sole responsibility for investigating and identifying the need for any additional coverages besides those listed in Section 3(A) above, as the Co-owner might require. Each Co-owner shall have the responsibility for insuring the following:

(1) Personal Property. All personal property located within their Unit and Limited Common Elements or elsewhere in the Condominium.

(2) Liability. The Co-owner's personal liability for occurrences within their Unit or upon the Limited Common Elements appurtenant to their Unit. Such insurance shall be carried in minimum amounts as may be specified by the Board of Directors and such coverage shall not be less than $1,000,000.00. Each Co-owner shall furnish evidence of such coverage to the Association upon request.

(3) Upgrades, Betterments, Improvements, and Additions. All upgrades, betterments, improvements, and additions to their Unit and appurtenant Limited Common Elements, regardless of whether such items were installed by the Developer at the original Co-owner's request or by the Co-owner. The Association shall have no responsibility whatsoever for insuring the Co-owner's upgrades, betterments, improvements, and additions unless the Association and Co-owner agree in a signed writing specifically and separately to such coverage. Any such agreement between the Association and the Co-owner shall provide that any additional premium cost to the Association attributable thereto shall be assessed to and borne solely by said Co-owner and collected as part of the assessments against said Co-owner under Article II hereof.

(4) Alternative Living Expenses. Additional and alternative living expenses in the event of fire, mold, or other casualty or event involving damage to the Condominium Project, or to the Co-owner's Unit or Limited Common Elements appurtenant to the Unit.

(5) Loss Assessment and Deductibles. The Co-owner's insurance coverage shall include a "loss assessment" endorsement and deductibles endorsement which shall cover any property damage, expense, loss, or deductible incurred by the Co-owner or assessed to the Co-owner by the Association for which there may be no coverage or inadequate coverage under the Association's insurance policy.

(6) Rental Coverage. If the Co-owner is leasing their Unit pursuant to Article VI, Section 2 below, they shall obtain such other coverages or policies as might be available for leased Units, including, without limitation, coverage for lost rents. The Co-owner shall require any Tenant or Non-Co-owner Occupant to maintain renters' insurance. Under no circumstances

shall the Association be liable to any Tenant or Non-Co-owner Occupant for damages to their personal property inside the Unit.

Section 4. **Denial of Co-owner Insurance Coverage.** In the event that a Co-owner's or Non-Co-owner Occupant's insurance carrier denies coverage, or payment for any reason, the Co-owner and Non-Co-owner Occupant shall remain personally liable for all expenses and costs of repairs which are chargeable and collected as assessments and damages.

Section 5. **Loss of Co-owner Insurance Coverage.** Each Co-owner has a duty to maintain continuous insurance coverage and to immediately notify the Board of Directors of any intended or actual lapse, cancellation, non-renewal, or discontinuance of coverage obtained in compliance with this Article. Upon written request by the Board or its duly authorized agent, such Co-owner shall furnish evidence of compliance with the insurance requirements.

Section 6. **Overlapping Insurance Coverage by the Association and Co-owner.** It is understood that there may be overlapping coverage between the Association's insurance policies and those of the Co-owner. In situations where both coverages/policies are applicable to a given loss, as conclusively determined by the Board of Directors, the provisions of this Section 6 control in determining the primary carrier. In all cases where the Association's policy/carrier is not deemed the primary policy/carrier, but the Association's policy/carrier contributes to payment of the loss, the Association's liability to the Co-owner shall be limited to the amount of the insurance proceeds and shall not in any event require or result in the Association paying or being responsible for any deductible amount under the Co-owner's policies.

A. **Property Damage to the General Common Elements.** In cases of property damage to the General Common Elements for which the Association bears the responsibility for maintenance, repair, remediation, extraction and desiccation, and replacement or reconstruction under Article IV of the Second Amended and Restated Master Deed or the Second Amended and Restated Condominium Bylaws, the Association policy/carrier shall be deemed to be the primary carrier, except in instances of Co-owner fault.

B. **Property Damage to a Unit or Limited Common Element.** In cases of property damage to a Unit and its contents, any other Unit, or a Limited Common Element or other element or property for which the Co-owner bears the responsibility for the liability, decoration, maintenance, repair, remediation, extraction and desiccation, and replacement or reconstruction under Article IV of the Second Amended and Restated Master Deed or the Second Amended and Restated Condominium Bylaws, the Co-owner's policy/carrier shall be deemed to be the primary carrier.

C. **Liability for Personal Injury or Personal Property Damage on a General Common Element.** In cases of liability for personal injury or personal property damages arising as a result of occurrences on the General Common Elements for which the Association has responsibility for maintenance, repair, remediation, extraction and desiccation, and replacement or reconstruction under the provisions of Article IV of the Second Amended and Restated Master Deed, or the Second Amended and Restated Condominium Bylaws, the Association's policy/carrier shall be deemed to be the primary carrier, except in instances of Co-owner fault.

D. **Liability for Personal Injury or Personal Property Damage in a Unit or on a Limited Common Element.** In cases of liability for personal injury or personal property damages arising as a result of occurrences in a Unit or the Limited Common Element for which the Co-owner has responsibility for the decoration, maintenance, repair, remediation, extraction and desiccation, and replacement or reconstruction under Article IV of the Second Amended and Restated Master Deed, or the Second Amended and Restated Condominium Bylaws, the Co-owner's policy/carrier shall be deemed to be the primary carrier.

E. **Co-owner Fault.** In all instances where the property damage, personal injury, or personal property damage occurs by reason of the acts or omissions of the Co-owner, Non-Co-owner Occupants or the members of their family or household, guests, licensees, invitees, agents or contractors, the Co-owner's and Non-Co-owner Occupant's policy/carrier shall be deemed primary.

F. **Incidental Damage.** In all cases where the Co-owner's insurance policy/carrier is deemed primary for the purpose of covering losses where the damage is incidental or caused by a General Common Element or the maintenance, repair, remediation, extraction and desiccation, replacement, or reconstruction thereof, the insurance carrier of the Co-owner shall have no right of subrogation against the Association or its policy/carrier.

Section 7. Insurance Claims. Except as otherwise decided by the Board of Directors, only the Association (via the Board of Directors) can file claims with the Association's insurance carrier. Any other person or entity filing a claim with the Association's insurance carrier without the consent of the Board shall be responsible for payment of any applicable deductible. In the event of a casualty occurrence or event as a result of any act or omission which is caused by, contributed to, or permitted by any person or entity which is not the result of a circumstance of nature and is reasonably likely to result in cost or expense to the Association, then the affected or involved Co-owner shall file both a property damage and liability claim with their insurance carrier with reference to such occurrence or event.

In the event that the Co-owner and/or the Non-Co-owner Occupant fails to cooperate in claims processing (including without limitation, joining in any claim) with the Association, its agents, management, vendors or in any way interferes with or obstructs the prompt processing or repairs and reconstruction, the Board of Directors can charge back all fees, costs and expenses incurred or expended by the Association by reason of the Co-owner's and/or Non-Co-owner Occupant's failure to cooperate or otherwise in any way interferes or obstructs the claim and process.

Section 8. Authority of Association to Settle Insurance Claims. Each Co-owner, by ownership of a Unit in the Condominium Project, shall be deemed to appoint the Association as the true and lawful attorney-in-fact to act in connection with all matters concerning insurance pertinent to the Condominium Project, the Co-owner's Unit, and the Common Elements appurtenant thereto with such insurer as may, from time to time, provide such insurance coverage for the Project.

Without limitation on the generality of the foregoing, the Association, as said attorney-in-

fact, shall have full power and authority to purchase and maintain such insurance, to collect and remit premiums therefor, to collect 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 settle all insurance claims, to execute releases of liability and to execute all documents and to do all things on behalf of such Co-owners and the Condominium as shall be necessary or convenient to accomplish the foregoing.

Section 9. **Waivers of Subrogation.** The Association and all Co-owners shall only obtain insurance policies under which the insurer waives any and all right of subrogation as to and any all claims against any Co-owner or the Association.

Section 10. **Increased Risk.** Each Co-owner or Non-Co-owner Occupant, by ownership or use of a Unit or the allowance or the maintenance of any condition or circumstance in or about the Unit or the Common Elements of the Condominium which increases the hazards or risks or is considered an inherently dangerous activity, as determined in the reasonable discretion of the Board of Directors, has an affirmative duty to notify the Board of Directors as to the existence of the condition or circumstance. Failure to notify either the Board or management company may result in a penalty to be determined by the Board. In addition, any Co-owner and Non-Co-owner Occupant who owns or permits the condition or circumstance shall carry sufficient insurance to cover the increased risks and hazards.

Section 11. **Co-owner Absence.** Each Co-owner shall ensure that if they are absent from their Unit for an extended period of time, their insurance coverages shall remain in full force and effect regardless of the time period that they are absent from the Unit. The Unit shall be maintained in the same condition during the Co-owner's absence as if it is occupied, so as to preclude any weather-related or other casualty occurrence conditions.

Section 12. **Indemnification.** In the event that a Co-owner does not obtain the insurance coverages that these Condominium Bylaws require them to carry and the Association incurs any damage, attorneys' fees, costs, expenses, claims, or liabilities of any kind arising out of or relating to the Co-owner's failure to insure, the Co-owner who failed to obtain the insurance coverage shall be liable to and shall indemnify the Association for any and all such damages, attorneys' fees, costs, expenses, claims, and liabilities. Each individual Co-owner shall also indemnify and hold harmless every other Co-owner and the Association for all damages and costs, including attorneys' fees, which such other Co-owners 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 for which such Co-owner has the responsibility for maintenance, repair, and replacement, and shall carry insurance to secure this indemnity. This Section 12 shall not be construed to give any insurer any subrogation right or other right or claim against any individual Co-owner.

Section 13. **Vendor Insurance Coverage.** The Board of Directors shall determine and require that all vendors, contractors, and management company have liability, property, vehicle, and workmen's compensation insurance, and alternatively may obtain and shall carry insurance for persons/entities in the employ of the Association.

ARTICLE V
RECONSTRUCTION, REPLACEMENT, OR REPAIR
IN THE EVENT OF A CASUALTY; EMINENT DOMAIN

The provisions of this Article relating to the rights and duties of the Association and Co-owners to reconstruct, replace, and repair the Condominium Units and Common Elements shall only apply to damage that results from a casualty loss or other insurable event affecting the Condominium Project or any part thereof. For all other types of damage or deterioration to the Project, the relative duties of maintenance, decoration, repair, and replacement of the Association and the Co-owner shall be governed by Article IV, Section 3 of the Master Deed.

Section 1. **Determination of Reconstruction, Replacement, or Repair.** In the event any part of the Condominium Project is damaged as a result of a casualty or other insurable event affecting the Project or any part thereof, the determination of whether it shall be reconstructed, replaced, or repaired shall be made in the following manner:

A. **Partial Damage.** If the damaged property is a Common Element or a Unit, the property shall be reconstructed, replaced, or repaired if any Unit in the Condominium Project is tenantable, unless it is determined by the affirmative vote of eighty (80%) percent of the Co-owners in the Condominium agree that the Condominium shall be terminated, and fifty-one (51%) percent of the eligible holders of first mortgages on any Unit in the Condominium has given its prior written approval for such termination.

B. **Total Destruction.** If the Condominium Project is so damaged that no Unit is tenantable, the damaged property shall not be rebuilt and the Project shall be terminated, unless eight (80%) percent or more of all Co-owners, plus fifty-one (51%) percent of the eligible holders of first mortgages on any Unit in the Project agree to reconstruction by vote or in writing within ninety (90) days after destruction.

Upon recordation of the instrument terminating a Condominium Project, the property constituting the Project shall be owned by the Co-owners as tenants in common, in proportion to their respective percentages of value immediately before recordation of this instrument. As long as the tenancy in common lasts, every Co-owner or their heirs, successors, or assigns shall have an exclusive right of occupancy of that portion of the property which formally constituted their Unit. Any rights the Co-owners may have to the assets of the Association shall also be in proportion to their respective percentages of value immediately before recordation of the instrument, except that common profits shall be distributed in accordance with the Condominium Documents and Michigan law.

Section 2. **Repair in Accordance with Master Deed.** Any reconstruction, replacement, or repair shall be substantially in accordance with the Condominium Documents and any available plans and specifications for the Condominium Project to a condition as comparable as possible to the condition existing prior to damage, except for any betterments and improvements which are the Co-owner's responsibility, unless eighty (80%) percent of the Co-owners plus fifty-one (51%) percent of the eligible holders of first mortgages on any Unit in the Condominium, shall consent to do otherwise. The Board of Directors shall have the discretion and determination of

time, method, and manner of reconstruction, replacement, or repair and the approval of all contractors. The Board may require insulation or sound buffering in the reconstruction, replacement, or repair of any walls or floors.

Section 3. **Association Responsibility for Reconstruction, Replacement, or Repair.**

A. **Definition of Responsibility.** Subject to the Co-owner's duties as stated in Section 4 below and elsewhere in the Condominium Documents, the Association shall be responsible for reconstruction or repair of the Common Elements. In no event shall the Association be responsible for any damage to the contents of a Condominium Unit and any personal property of the Co-owner or Limited Common Elements for which the Co-owner has responsibility under the Master Deed or Section 4 below.

In the event of substantial damage to or destruction of any Unit or any part of the Common Elements, the Association shall promptly notify each institutional holder of a first mortgage lien on any Unit in the Condominium.

B. **Insurance Proceeds.** If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction, repair, replacement, remediation, or extraction and desiccation of the Common Elements required to be performed by the Association, or if at any time during such reconstruction, repair, replacement, remediation, or extraction and desiccation, or after completion of such reconstruction, repair, replacement, remediation, or extraction and desiccation, the funds for payment of the costs are insufficient, assessments shall be made against the Co-owners who own the damaged Unit or Units in sufficient amounts to provide funds to pay the estimated or actual cost of reconstruction, repair, replacement, remediation, or extraction and desiccation, subject to the Association's right to assess deductibles and other uninsured losses to a Co-owner under the preceding paragraph and elsewhere in the Condominium Documents. Such assessments shall be apportioned in accordance with the percentages of value of the Units affected. Such assessments shall not require approval of the Co-owners. The Association shall have a lien for any funds advanced on behalf of the Co-owner or Co-owners which lien may be enforced in the same manner as provided in Article II of these Second Amended and Restated Condominium Bylaws through foreclosure or as elsewhere provided in the Condominium Documents. If the damage is to the General Common Elements, all Co-owners will be assessed for the deficiency in accordance with their respective percentages of value.

C. **Association Access.** In the event of a General Common Element casualty and the Association requires access to any Common Elements or Unit which necessitates damage to the Unit or the moving, destruction, or removal of all or part of any addition, enhancement, or modification in order to reconstruct, repair, replace, remediate, extract and desiccate, or maintain the General Common Element, all costs, damages, and expenses involved in providing access and restoration or which requires the removal of such modification, addition, or modification shall be borne by and where applicable (as determined by the Board of Directors), charged to the Association without cost or liability to the Co-owner, except in instances of Co-owner fault. In all cases, restoration shall be as near as practicable to original or standard building's model construction exclusive of betterments and improvements installed by any person or entity other than the Association.

Section 4. Co-owner Responsibility for Reconstruction, Replacement, or Repair.

A. Definition of Responsibility. If, after a casualty loss, the damage is only to a part of a Unit or Common Element which is the responsibility of the Co-owner to reconstruct, replace, repair, remediate, extract and desiccate, maintain, insure or repair, it shall be the responsibility of the Co-owner to immediately reconstruct, replace, repair, remediate, or extract and desiccate, such damage in accordance with these Second Amended and Restated Condominium Bylaws and according to the terms and conditions set forth by the Board of Directors. In all other cases, the responsibility for reconstruction, replacement, repair, remediation, and extraction and desiccation, although not necessarily the costs thereof, shall be that of the Association. Any upgrades required for code reconstruction or otherwise are the responsibility of the Co-owner or Non-Co-owner Occupant who is determined at fault by the Board in causing or allowing a casualty occurrence or event to occur, and the Association has the right to assess and collect any proportionate reimbursement.

B. Insurance Proceeds. The Co-owner shall begin reconstruction, replacement, repair, remediation, extraction, and desiccation, of any and all damages upon receipt of the insurance proceeds from the Co-owner's insurance company or upon written notice to do so by the Board of Directors. Any applicable insurance proceeds from the Association's insurance company shall be received and distributed or disbursed in accordance with Article IV of these Second Amended and Restated Condominium Bylaws. In the event that a Co-owner's or Non-Co-owner Occupant's insurance carrier denies coverage or payment for any reason, or the Co-owner or Non-Co-owner Occupant has no insurance coverage, the Co-owner and Non-Co-owner Occupant shall remain personally liable for all expenses, costs, and repairs and are chargeable and collected as assessments or any other relief available to the Association. The Co-owner is required to use the services of a licensed and insured contractor, acquire all permits and inspections, and to obtain at least two (2) written estimates and provide an opportunity for the Board to review and reject any estimate.

C. Co-owner Items. Subject to the Association's reconstruction, repair, and replacement duties as stated in Section 3 above, after a casualty loss, each Co-owner shall bear the responsibility and costs for the reconstruction, replacement, repair, remediation, extraction and desiccation, maintenance, replacement, and decoration of the interior of Co-owner's Unit, regardless of the source of the damage for which the repair is required, including all subfloors, finished flooring and floor coverings (including hardwood floors, insulation and sound proofing layers), all interior walls, plaster walls, drywall, wall coverings (including paint and wallpaper), interior equipment, fixtures, trim, and personal property, including, without limitation, the following items:

(1) Air Conditioning Systems. All air conditioning systems, including through-the-wall and window air conditioning units, and related ductwork, vents, drain lines, pad and operational accessories, service supply lines, connections, shutoffs, power sources, and controls. Though-the-wall and window-air conditioning units damaged in a casualty may not be replaced with new through-the-wall and window air conditioning units.

Unit 26 – 514 St. Clair – has three (3) through-the-wall air conditioning

units and one (1) window air conditioning unit as of the recording of the Second Amended and Restated Master Deed. Through-the-wall air conditioning units are located in the north wall of the first floor, in the east wall of the second floor, and in the east wall of the third floor. The window air conditioning unit is located in the north wall of the first floor. These air conditioning units may not be replaced with other through-the-wall or window air conditioning units if they become damaged or can no longer be repaired.

The Board of Directors may adopt rules, regulations, and policies governing the standards applicable to air conditioning systems. Such standards may include, but are not limited to, the acceptable styles, colors, and materials that may be used for the exterior mounting of system lines. The installation of an air conditioning system shall be subject to the prior written approval of the Board, pursuant to the provisions of Article VI, Section 3 of the Condominium Bylaws (Exhibit "A" hereto).

(2) ***Appliances and Equipment.*** All appliances and supporting operational equipment within the Unit, whether free-standing or built-in, and supporting hardware, including, without limitation, hot water heater, water softener, water filter, humidifier, dehumidifier, air cleaner, other environmental appliances, garbage disposal, refrigerator, microwave, dishwasher, range, oven, range vent fan and related duct work, vent covers, vent filters, air purifiers, smoke detectors, carbon monoxide detectors, fire extinguishers, clothes washer, clothes dryer and related duct work, bathroom exhaust fans and related duct work, all related accessory items or equipment including power supply, shut offs, connections and source, drain lines, vents, and other items servicing a Unit that are not General Common Elements, whether they are within the Unit they service.

(3) ***Electrical.*** All electrical fixtures and appliances from the point of connection within the individual Unit including, without limitation, doorbell systems (all components inside and outside of Unit), lighting fixtures, plugs or switches, outlets, antenna outlets, and circuit breakers.

(4) ***Improvements, Decorations, and Trim.*** All improvements and decorations including, without limitation, window treatments, paint, wallpaper, paneling, carpeting, linoleum, tile, finished floors, other floor coverings, and trim, regardless if the same is damaged or removed as a malfunction of part of the Common Elements or as a result of the Association performing its maintenance, repair, or replacement responsibilities as to the Common Elements.

(5) ***Interior Environmental Condition of Unit.*** Co-owners and Non-Co-owner Occupants are solely responsible for the interior environmental conditions of their Unit and any effects, damages, or impact the conditions may have on any Unit and Common Element.

(6) ***Interior Walls and Surfaces.*** All interior wall framing, construction, plaster, drywall, including all interior finished wall surfaces.

(7) ***Kitchen and Bathrooms.*** All interior fixtures, equipment, and trim located within any kitchen or bathroom, including, without limitation, any and all cabinets,

counters, sinks, mirrors, interior trim, closets doors, laundry tubs, tile, and wood (either floor or wall), and all related hardware.

(8) ***Plumbing.*** All plumbing fixtures and pipes from the point of connection within the individual Unit, including sinks, toilets, tubs, Jacuzzi tubs and motors, shower pans, shower stalls, shower enclosures, tub and shower caulking, faucets, water shut-off valves, rings, seals and washers, water supply lines, and all exterior spigots located within an individual Unit's exterior perimeter walls.

(9) ***Sump Pumps.*** Any sump pump and all piping, wiring, or other material appurtenant thereto which is installed by a Co-owner. Common Elements, betterments, improvements, decorations, or personal property of the Co-owner which may be damaged in the course of maintenance, repair, replacement, or operating malfunction of a sump pump shall be replaced by the Co-owner of the Unit containing such sump pump.

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

In the event that damage to interior walls within a Co-owner's Unit, or to pipes, wire, conduits, ducts, or other Common Elements therein, or to any fixtures, equipment, and trim which are standard items within a Unit (including, without limitation, the interior items listed in (1) through (10) above) and covered by insurance held by the Association, then the reconstruction, repair, and/or replacement shall be the responsibility of the Association in accordance with Section 3 of this Article V; provided, however, that any portion of the expense incurred by the Association in relation to any such damage but not recovered by virtue of any insurance deductible may be allocated to the Co-owner whose unintentional or intentional conduct, negligence, or failure to comply with the Condominium Documents was in any way either a proximate cause or a cause-in-fact of the loss in accordance with Article IV, Section 2(F) of these Bylaws.

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

Section 5. **Responsibility for Acts or Omissions.** Each Co-owner, Non-Co-owner Occupants or mortgagee (and their agents or contractors) shall also be responsible for the costs of the reconstruction, repair, remediation, extraction and desiccation, replacement and maintenance to any other portion of the Condominium if the costs arise through their actions, omissions, negligence or misuse, or the actions, omissions, negligence or misuse by their family or household members, guests, tenants, lessees, Non-Co-owner Occupants, vendees, licensees, or invitees, agents, servants, employees or contractors and to the extent such costs are not defrayed by the proceeds of any insurance policy held by the Co-owner, Non-Co-owner Occupant or mortgagee.

This includes checking and maintaining in good working order the conditions of all plumbing and electrical services, piping (including drains and connections) and fixtures, all connections, all vents, all battery operated or backed up items.

Section 6. **Timely Reconstruction, Replacement, or Repair.** The Association or Co-owner responsible for the reconstruction, replacement, repair, remediation, extraction, and desiccation, shall proceed with such reconstruction, replacement, repair, remediation, extraction, and desiccation, of the damaged property without delay, and, in any event, shall complete such work within a reasonable time after the date of the occurrence which caused damage to the property. If any Co-owner, Non-Co-owner Occupant, or mortgagee fails to timely commence or complete reconstruction, replacement, repair, remediation, extraction, and desiccation, as required by this Article or other provisions of the Condominium Documents, after written notice to do so by the Board of Directors, the Board may have the required work performed and assess the costs and expenses incurred to the Co-owner who was required to perform. The amounts so assessed may be enforced and collected as provided as assessments in Article II of these Bylaws. The Association may also use any remedies available elsewhere in the Condominium Documents.

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

A. **Common Elements Taken by Eminent Domain.** If any portion of the Common Elements is taken by eminent domain, the award therefore shall be allocated and paid to the Co-owners and their mortgagees in proportion to their respective undivided interests in the Common Elements. The Association, acting through its Board of Directors, may negotiate on behalf of all Co-owners for any taking of the Common Elements. Any negotiated settlement approved by more than two-thirds (⅔) of all Co-owners shall be binding on all Co-owners. The affirmative vote of more than two-thirds (⅔) of all Co-owners shall determine whether to rebuild, repair, or replace the portion so taken or to take such other action as they deem appropriate. Any restoration or repair of the Condominium after a partial taking of Common Elements shall be substantially in accordance with the Master Deed and original plans and specifications for the Condominium unless at least fifty-one (51%) percent of the Co-owners and at least fifty-one (51%) percent of the eligible holders of first mortgages on any Condominium consent to do otherwise.

B. **Condominium Unit Taken by Eminent Domain.** If a Condominium Unit is taken 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 their 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 their mortgagee, as their interests may appear.

The undivided interest in the Common Elements appertaining to the Unit taken shall then appertain to the remaining Units, being allocated to them in proportion to their respective undivided interests in the Common Elements. The Court shall enter a decree reflecting the reallocation of the undivided interest. The award shall include just compensation to the Co-owner for the taking of their undivided interest in the Common Elements as well as for the Unit.

C. **Partial Taking of a Condominium Unit by Eminent Domain.** If portions of a Condominium Unit are taken by eminent domain, the Court shall determine the fair market value of the portions of the Unit not taken. The undivided interest of such Unit in the Common Elements shall be reduced in proportion to the diminution in the fair market value of such Unit resulting from the taking. The portions of undivided interest in the Common Elements thereby divested from the Co-owners of a Unit shall be reallocated among the other Units in the Condominium Project in proportion to their respective undivided interests in the Common Elements. A Unit partially taken shall receive the reallocation in proportion to its undivided interest as reduced by the Court under this Section 7(C). The Court shall enter a decree reflecting the reallocation of undivided interests produced thereby, and the award shall include just compensation to the Co-owner of the Unit partially taken for that portion of the undivided interest in the Common Elements divested from the Co-owner and not re-vested in the Co-owner pursuant to the following Section 7(D), as well as for that portion of the Unit taken by eminent domain.

D. **Impracticality of Use of Portion of Condominium Unit Not Taken by Eminent Domain.** If the taking of a portion of a Condominium Unit makes it impractical to use the remaining portion of that Unit for a lawful purpose permitted by the Condominium Documents, then the entire undivided interest in the Common Elements appertaining to that Unit shall then appertain to the remaining Units, being allocated to them in proportion to their respective undivided interests in the Common Elements. The remaining portion of that Unit shall then be a Common Element. The Court shall enter an order reflecting the reallocation of undivided interests produced thereby, and the award shall include just compensation to the Co-owner of the Unit for the Co-owners' entire undivided interest in the Common Elements and for the entire Unit.

E. **Future Expenses of Administration Relating to Condominium Unit Taken by Eminent Domain.** Votes in the Association of Co-owners and liability for future expenses of administration appertaining to a Condominium Unit taken or partially taken by eminent domain shall then appertain to the remaining Units, being allocated to them in proportion to their relative voting strength in the Association. A Unit partially taken shall receive a reallocation as though the voting strength in the Association was reduced in proportion to the reduction in the undivided interests in the Common Elements.

F. **Continuation of Condominium Project After Taking by Eminent Domain.** In the event the Condominium Project continues after a taking by eminent domain, then the remaining portion of the Project shall be re-surveyed, and the Master Deed amended accordingly. If any Unit shall have been taken, then Article V, Section 2 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 on the continuing value of the Project of one hundred (100%) percent. A Unit partially taken shall receive a reallocation percentage of value-based pro-rata on the percentage taken. Such amendment may be effected by an Officer of the Association duly authorized by the Board of Directors without the necessity of execution or specific approval by any Co-owner, but only with the prior written notice to all holders of first mortgage liens on individual Units in the Project.

G. **Notification of Mortgagees.** In the event any Unit in the Condominium Project, 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 shall promptly so notify each institutional holder of a first mortgage lien on any of the Units in the Project.

Section 8. **Mortgages Held by FHLMC or FNMA; Other Institutional Holders.** In the event any mortgage in the Condominium is held by the Federal Home Loan Mortgage Corporation ("FHLMC") or by the Federal National Mortgage Association ("FNMA") then, upon request therefor 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 exceeds One Thousand ($1,000.00) Dollars. The Association shall provide such other reasonable notice as may be required, from time to time, by other institutional holders of mortgages upon Units.

Section 9. **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 Units pursuant to their mortgages in the case of a distribution to Co-owners of insurance proceeds or condemnation awards for losses to or a taking of Units and/or Common Elements.

ARTICLE VI
RESTRICTIONS

Section 1. **Use of Condominium Unit.**

A. **Residential Use.** Subject to the provisions contained in Section 1(C) below regarding permitted home offices and home occupations, no Unit in the Condominium Project shall be used for any purpose other than private residential use and the Common Elements shall be used only for purposes consistent with such use.

B. **Occupancy Restrictions.** All Units shall be occupied in strict conformance with the restrictions and regulations of the International Property Maintenance Code, or such other codes or ordinances which may be adopted by the City of Grosse Pointe from time to time. Such restrictions shall include the number of persons allowed to reside in any Unit.

C. **Home Offices and Home Occupations.** To be permitted as a "home office" or "home occupation", all of the following must apply:

(1) No sign or display that indicates from the exterior of the Unit that indicates it is being used for any non-residential purpose;
(2) No goods or commodities kept for viewing within the Unit or within the Condominium project;
(3) No disturbing mechanical or electrical equipment used in conjunction with the home office or home occupation other than personal computers and other standard office equipment may be operated;

(4) No employees or other persons performing any work in the Unit who are not also Co-owners, Tenants, or Non-Co-owner Occupants of record with the Association who are using the Unit as their primary residence; and

(5) No regular meetings held at the Unit with clients or customers relating to the home office or home occupation.

The provisions of this Section 1(C) shall not be construed to prohibit a Co-owner, Tenant, or Non-Co-owner Occupant from maintaining a personal professional library in their Unit, from keeping personal, professional, or business records in their Unit, or handling personal business or professional telephone calls in their Unit.

D. Prohibited Uses. No Unit in the Condominium Project shall be used for any commercial, manufacturing, industrial, or business purpose that creates any nuisances or liability exposures, such as, without limitation, customer/client/patient visits, noise or vibrations, traffic or parking congestion, odors, or anything else that might detract from the peaceful and residential character of the Project, involve additional expense to the Association (such as utility charges and insurance), violate any ordinances or regulations of the local governmental entity, or violate any other provision or restriction contained in the Condominium Documents.

In addition to the above, the following specific uses that are expressly prohibited include, without limitation, the following:

(1) Barber shop, styling salon, or beauty parlor;
(2) Laundry services;
(3) Tea room;
(4) Child day care center
(5) Rooming house, "halfway" house, or rehabilitation facility;
(6) Adult foster care facility, adult foster care family home, adult foster care large group home, or adult foster care small group home, as such terms are defined in the Adult Foster Care Facility Licensing Act (Act 218 of the Public Acts of 1979);
(7) Animal hospital or any other form of animal care or treatment (including grooming);
(8) Short-term leasing, including renting rooms within a Unit and the utilization of Airbnb, VRBO, Flipkey, or a similar service or company is expressly prohibited to the extent the Lease does not comply with the one-year minimum lease term set forth herein; and
(9) Timesharing and interval ownership.

Subleasing a Unit is expressly prohibited. Renting rooms within a Unit is expressly prohibited. No Co-owner may provide any service to their Tenant that might be commonly associated with hotels.

Transient tenants are expressly prohibited under any circumstances. For purposes of these Bylaws, "transient tenant" is any Non-Co-owner Occupant who resides in a Unit for less than thirty (30) days.

Growing marijuana for anything other than personal use, as allowed under Michigan law and pursuant to the Michigan Regulation and Taxation of Marijuana Act and the Michigan Medical Marijuana Act, as amended, is expressly prohibited.

Section 2. Leasing and Non-Co-owner Occupancy of Units.

A. Definitions.

(1) ***Existing Lease.*** For all purposes of these Bylaws, "Existing Lease" shall include any written Lease or occupancy agreement for a Unit executed or agreed to by a Co-owner and their Tenant prior to the date of the recording of the Second Amended and Restated Condominium Bylaws, subject to the further restrictions contained in this Section 2 (such Leases being referred to in these Bylaws as "Existing Leases").

If a copy of a Co-owner's written Lease with their Tenant is not already on file with the Association at the time of the recording of the Second Amended and Restated Condominium Bylaws, the Co-owner must provide the Association with a written copy of said Lease within thirty (30) calendar days of the date of the Association's mailing of the recorded Second Amended and Restated Condominium Bylaws to the Co-owners, for such Lease to qualify as an Existing Lease. All Leases must identify a lease term. Any Lease that does not fully comply with all of the requirements of this Section 2(A)(1) shall not constitute an Existing Lease for purposes of these Bylaws.

If a Unit is solely occupied by Non-Co-owner Occupants pursuant to an occupancy arrangement (not a Lease) as of the date of the recording of the Second Amended and Restated Condominium Bylaws, such occupancy arrangement shall be treated as an Existing Lease under this Section 2 only if the Co-owner provides the Association with the information required under Section 2(G) below, in writing, within thirty (30) calendar days of the date of the Association's mailing of the recorded Second Amended and Restated Condominium Bylaws to the Co-owners.

Any other Lease or occupancy agreement of any kind that does not fully comply with all of the requirements of this Section 2(A)(1) shall not constitute an "Existing Lease" for purposes of the Second Amended and Restated Condominium Bylaws.

(2) ***Lease.*** For all purposes of these Bylaws, "Lease" shall mean and refer to any written occupancy agreement or arrangement whereby a Unit is occupied by a Tenant or Non-Co-owner Occupant, regardless of whether rent or other consideration is being paid (or is required to be paid) to the Co-owner, or whether the occupancy agreement or arrangement is with a third party that is authorized to act as the Co-owner's agent. All Leases must identify a lease term.

(3) ***Leased Unit.*** "Leased Unit" shall mean any Unit that is occupied solely by a Tenant or Non-Co-owner Occupant. In determining whether any Unit is occupied solely by a Tenant or Non-Co-owner Occupant, the Association may request documentation from the Co-owner regarding the name of all occupants and the duration of their occupancy of the Unit

for the calendar year. Only the Non-Co-owner Occupants or Tenants identified in the Lease may occupy a Leased Unit.

(4) ***Non-Co-owner Occupant.*** "Non-Co-owner Occupant" means any person who resides in or occupies a Unit for any period of time and who is not a Co-owner of the Unit, regardless of whether that person is related to the Co-owner by blood, marriage, or otherwise. Unless specifically provided otherwise in the Condominium Documents, Non-Co-owner Occupant shall be inclusive of the term "Tenant".

If a Unit is owned by a legal entity (corporation, limited liability company, partnership, or trust) and not by an individual person, then a shareholder or director, member, partner, or present trust beneficiary (as applicable) of that entity who occupies or resides in the Unit shall not be considered a Non-Co-owner Occupant.

(5) ***Tenant.*** "Tenant" shall mean any Non-Co-owner Occupant that occupies or resides in a Leased Unit pursuant to a Lease of any duration. Only the Non-Co-owner Occupants or Tenants identified in the Lease may occupy the Unit.

(6) ***Total Leased Units.*** "Total Leased Units" shall mean the sum of Leased Units subject to Existing Leases (as defined above), plus Units solely occupied by Non-Co-owner Occupants, plus all other Units leased by Co-owners after the Second Amended and Restated Condominium Bylaws is recorded. Units occupied under the following circumstances shall not be included in calculating the number of Total Leased Units:

(a) Any Unit that is solely occupied by a land contract purchaser, so long as evidence of the land contract has been recorded with the Wayne County Register of Deeds;

(b) Any Unit leased by a bank or mortgage lender, the U.S. Department of Housing, the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, or the Department of Veterans Affairs, that took title to the Unit via foreclosure or a deed in lieu of foreclosure; or

(c) Any Unit leased by the Association.

B. Exemptions to Leasing Restrictions in General.

(1) ***Exemption for the Association.*** If the Association acquires title to any Unit, whether via foreclosure or otherwise, as a result of or in relation to the Association's effort to collect amounts owed on the Unit's account, such an Association-owned Unit shall be exempt from the restrictions against leasing contained in this Section 2.

(2) ***Exemption for Government Mortgage Lending Entities.*** Any government mortgage lender who acquires title to a Unit via foreclosure or deed in lieu of foreclosure shall be exempt from the restrictions against leasing contained in this Section 2, to the extent that such an exemption would be required for these Bylaws to comply with the standards and rules for mortgage lending, insuring and/or underwriting currently followed by the U.S.

Department of Housing, the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, and/or any government agency.

To the extent that any provision set forth in this Section 2 regarding leasing is inconsistent with the requirements of guaranteed or direct loan programs of the United States Department of Veteran Affairs, as set forth in chapter 37 of title 38, United States Code, or part 36 of title 38, Code of Federal Regulations ("VA Mortgage Financing"), such provision shall not apply to any Unit that is or becomes: (i) encumbered by VA Mortgage Financing, (ii) owned by the Department of Veterans Affairs, or (iii) owned by a Co-owner who is both eligible to obtain VA Mortgage Financing and who is in fact applying for such financing, but only to the extent that a waiver of the Bylaws' leasing requirements is required for the Co-owner to obtain or maintain such financing.

C. Right to Lease; Minimum Lease Term. Subject to the Leasing Limit set forth below and all other restrictions and applicable provisions of this Section 2, a Co-owner may enter into an agreement to lease their Unit for the same purposes set forth in Section 1 above, provided that written disclosure of such Lease is submitted to the Board of Directors in the manner specified in Section 2(F) below.

No Co-owner shall lease their Unit for an initial term of less than one (1) year. As long as the initial term of the Lease satisfies the one-year minimum requirement and all other applicable provisions of this Section 2, the Tenant may continue to occupy a Leased Unit on a month-to-month basis after the expiration of the initial one-year term (assuming that the Lease provides for such continued occupancy and that the Tenant is not otherwise in default of the Lease or the Condominium Documents).

D. Limitations on Number of Units That May be Leased; Exemptions.

(1) Leasing Limit. No more than two (2) Units in the Condominium Project may be leased simultaneously at any given time (the "Leasing Limit" for purposes of these Bylaws). In determining whether the number of Leased Units within the Project exceeds the Leasing Limit at any given time, the Association shall calculate the Total Leased Units, as defined in Section 2(A)(6) above.

(2) General Exemption to Leasing Limit – Existing Leases. Any Co-owner that is a party to an Existing Lease at the time of the recording of the Second Amended and Restated Condominium Bylaws shall continue to have the right to lease their Unit, regardless of any leasing restrictions contained in this Section 2(D) (including, without limitation, the Leasing Limit), until the Co-owner sells, conveys, or otherwise becomes divested of title to said Unit, provided that the Lease and the parties to the Lease are otherwise in full compliance with the Condominium Documents. Upon the sale, conveyance, or divestment of the Co-owner's title to the Leased Unit, such Unit shall become fully subject to all such leasing restrictions unless otherwise exempt under any provision of this Section 2. Any and all subsequent Co-owners of such restricted Units shall follow the waiting list and other relevant procedures stated herein before leasing the Units.

(3) ***Limited Exemption to Leasing Limit – Certain Transfers of Title to Leased Units.***

(a) **Transfer of Title to a Legal Entity.** A Co-owner's transfer of title or ownership of a Leased Unit to a legal entity shall not result in the loss of the Co-owner's right to continue leasing said Unit under this Section 2(D)(3)(a), as long as the entity is owned by the transferring Co-owner and/or their spouse, child, or stepchild (or any combination thereof). If the transferee entity is a *corporation*, then all of the shareholders and directors of the entity must be Co-owners of the Unit or the spouse, child, or stepchild of a Co-owner. If the transferee entity is a *limited liability company*, then all Members of the company must be Co-owners of the Unit or the spouse, child, or stepchild of a Co-owner. If the transferee entity is a *partnership*, then all partners of the partnership must be Co-owners of the Unit or the spouse, child, or stepchild of Co-owner. If the entity is a *trust*, then all of the present beneficiaries of the trust must be Co-owners of the Unit or the spouse, child, or stepchild of a Co-owner.

(b) **Transfer of Title to an Immediate Family Member.** The transfer of title or addition to title of any Leased Unit to a Co-owner's spouse, child, or stepchild (or any combination thereof) shall not be considered a sale, conveyance, or divestment of the Co-owner's title to the Unit for purposes of this Section 2(D).

(c) **Testamentary Transfer of Title to an Immediate Family Member.** Any testamentary transfer of ownership of a Leased Unit which takes effect upon the death of a Co-owner by operation of law or via a legal instrument or devise including, without limitation, transfers via a Co-owner's will or trust, shall not result in the loss of the deceased Co-owner's exemption from the leasing restrictions granted under Section 2(D)(2), provided that ownership to the Unit does not vest in anyone other than the deceased Co-owner's spouse, child, or stepchild (or any combination thereof) as a result of such transfer.

E. **Board of Directors' Authority to Allow Temporary Leasing for Objectively Verifiable Hardships.** Even if a proposed Lease would result in the Total Leased Units in the Condominium Project exceeding the Leasing Limit or would otherwise violate any of the leasing restrictions contained in this Section 2, the Board of Directors may approve the temporary leasing of a Unit for an objectively verifiable hardship for a term not to exceed one (1) year if one of the following circumstances is documented in a written request submitted to the Board:

(1) The Co-owner must relocate due to a job transfer more than fifty (50) miles from their current job location;
(2) The Co-owner has been called to active duty in the armed forces of the United States;
(3) The Co-owner has been transferred to an extended care medical facility;
(4) The Co-owner has died and the deceased Co-owner's personal representative or trustee desires to lease the Unit during the administration of the estate or trust; or
(5) Any other objectively verifiable hardship related to the health of the Co-owner.

The Board of Directors may request additional documentation from a Co-owner if

their written request does not provide adequate support for an objectively verifiable hardship.

Prior to the expiration of the Board-approved term, the Co-owner may request a 1-year extension of the lease term. Co-owners called to active duty may have an unlimited extension during their deployment. Such extensions must be supported with documentation that the Co-owner continues to qualify for an objectively verifiable hardship.

F. **Leasing Procedures.** A Co-owner desiring to lease their Unit must disclose that fact in writing to the Association at least ten (10) days before presenting a written Lease to a potential Tenant or Non-Co-owner Occupant of the Unit and, at the same time, shall provide an exact copy of the proposed Lease to the Association to review for its compliance with the Condominium Documents. The Co-owner must also comply with applicable City of Grosse Pointe ordinances regarding rental properties, if any.

All Leases shall identify a lease term. Tenants and Non-Co-owner Occupants shall comply with all the provisions of the Condominium Documents and all Leases shall so state. Only the Tenants or Non-Co-owner Occupants specifically identified in the Lease may occupy the Unit. All Leases shall be signed and dated by the Co-owner and the Tenants or Non-Co-owner Occupants. If the Lease does not contain the Tenants' email address, cell phone number, and vehicle information (make, model, color, license plate number), the Co-owner shall provide that information to the Association.

The Co-owner shall provide a copy of the executed Lease to the Association within thirty (30) days of the commencement of the Lease term. The Co-owner shall provide a copy of the Condominium Documents to the Tenants or Non-Co-owner Occupants, including the Rules and Regulations. All parties to the Lease shall sign an acknowledgement stating that the Tenants or Non-Co-owner Occupants have received the Condominium Documents and provide such acknowledgement to the Association.

Co-owners who lease their Unit must keep the Association informed of their current mailing address, email address, and cell phone number. Co-owners who utilize a property management company to handle the leasing of their Unit must provide a copy of that agreement to the Association. Co-owners must also provide written authorization to the Association that the property management company may communicate directly with the Association on behalf of the Co-owner.

The Board of Directors may charge a reasonable administrative fee for reviewing, approving, and monitoring lease transactions in accordance with this Section 2 as the Board, in its discretion, may establish. Any such administrative fees shall be assessed to and collected from the leasing Co-owner in the same manner as the collection of assessments under Article II hereof. This provision shall also apply to occupancy agreements.

G. **Non-Co-owner Occupants (other than Tenants).** If any Co-owner intends to permit a Non-Co-owner Occupant to occupy their Unit without a written Lease, the Co-owner shall nevertheless provide the following information in writing to the Association, at least ten (10) days before allowing the Non-Co-owner Occupant to take occupancy of the Unit:

(1) The full name, mailing address, email addresses, and phone numbers of all

Non-Co-owner Occupants who will occupy the Unit;

(2) A summary of the terms of the occupancy arrangement under which such Non-Co-owner Occupants will occupy the Unit, including the expected duration of the occupancy (minimum one-year term); and

(3) Vehicle information for all Non-Co-Owner Occupants, including make, model, color, and license plate number.

H. Waiting List Procedure. The Board of Directors shall maintain a list of Leased Units in the Condominium, in addition to a waiting list of Co-owners who, on a first-come, first-served basis, wish to lease their Unit or permit Non-Co-owner Occupants to solely reside in their Unit. In the event that any Co-owner submits a Lease that would result in the Total Leased Units in the Condominium exceeding the Leasing Limit, the Board shall deny the leasing request, unless the Board grants a hardship exemption to the Co-owner, pursuant to Section 2(E) above. Upon denial of the leasing request, the Board shall place the Co-owner's name on the waiting list.

The Co-owner of a Leased Unit shall forfeit their right to continue leasing their Unit to the next Co-owner on the waiting list if any of the following occur:

(1) The Co-owner fails to execute a written Lease renewal or extension with their existing Tenant and provide the Board with a copy of the Lease renewal or extension at least thirty (30) days prior to the expiration of the existing Lease term;

(2) The Co-owner fails to provide the Board with written notification that their existing Tenant will continue to occupy the Unit on a month-to-month basis, after the expiration of the initial Lease term, along with a copy of the Lease with the month-to-month clause circled or highlighted;

(3) The Co-owner chooses not to renew or extend the existing Lease; or

(4) The Co-owner fails to execute a written Lease with a new Tenant within three (3) months from the expiration of the existing Lease term.

The next Co-owner on the waiting list shall have the right to lease their Unit when the Total Leased Units in the Condominium is below the Leasing Limit. If the next Co-owner on the waiting list does not wish to lease their Unit, or if they do not execute a written Lease within three (3) months from the date on which the lease allocation became available, then they shall forfeit their place on the waiting list.

In the event of any sale, conveyance, or other transfer of a Leased Unit, any and all of the Co-owner's rights to lease the Unit shall terminate and shall not be transferred to the purchaser or grantee of said Unit, subject to the exemptions set forth in Section 2(D)(3) above. Such a purchaser or grantee may not lease the Unit without fully complying with all of the restrictions on leasing contained in this Section 2.

The sale, conveyance, or other transfer of a Unit whose Co-owner is currently on the waiting list shall result in the removal of the Co-owner from the waiting list with respect to that Unit. The purchaser or grantee of the Unit must submit a new request to the Board in order to be placed on the waiting list.

I. Arrearage in Condominium Assessments. When the Co-owner of a Leased Unit is in arrears to the Association for assessments, the Association may give written notice of the arrearage to a Tenant occupying the Co-owner's Unit. The Tenant, after receiving the notice, shall deduct from Lease payments due to the Co-owner, the arrearage and future assessments as they fall due and pay them directly to the Association. The deductions shall not be a breach of the Lease or occupancy agreement by the Tenant.

The Lease shall explicitly contain the following provisions:

Pursuant to the Michigan Condominium Act, if the Tenant, after being notified, fails, or refuses to remit rent otherwise due the Co-owner to the Association of Co-owners, then the Association of Co-owners may do the following:

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

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

J. Violation of Condominium Documents by Tenant or Non-Co-owner Occupant. If the Association determines that a Tenant or Non-Co-owner Occupant has failed to comply with the Condominium Documents, the Association shall take the following action:

(1) The Association shall notify the Co-owner by certified mail advising of the alleged violation by the Tenant or Non-Co-owner Occupant.

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

(3) If after fifteen (15) days the Association believes that the alleged breach is not cured or may be repeated, the Association may institute on its own behalf an action for eviction against the Tenant or Non-Co-owner Occupant and simultaneously for money damages in the same action against the Co-owner and Tenant or Non-Co-owner Occupant for breach of the conditions of the Condominium Documents. The relief set forth in this Section 2(J) may be by summary proceedings. The Association may hold both the Tenant or Non-Co-owner Occupant and the Co-owner liable for any damages caused by the Co-owner or Tenant or Non-Co-owner Occupant in connection with the Unit or the Condominium and for reasonable legal fees incurred by the Association in connection with legal proceedings hereunder.

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

Section 3. Alterations and Modifications of Units and Common Elements. Alterations and modifications of Units and Common Elements by Co-owners shall be governed by these Second Amended and Restated Condominium Bylaws and in compliance with this Section 3, except as otherwise provided in other applicable provisions of the Condominium Documents.

No Co-owner shall in any way restrict access to any plumbing, water line, water line valves, water meter, sprinkler system valves, or any other element that must be accessible to service the Common Elements or any element which affects an Association responsibility in any way. Should access to any facilities of any sort be required, the Association may remove any coverings or attachments of any nature that restrict such access. The Association will have no responsibility for repairing, replacing, or reinstalling any materials, whether installation thereof has been approved hereunder, that are damaged in the course of gaining such access, nor shall the Association be responsible for monetary damages of any sort arising out of actions taken to gain necessary access. No Co-owner shall reset, adjust, or in any way tamper with the settings of any irrigation or lighting systems that service the Condominium's Common Elements without first obtaining express written approval from the Board of Directors, regardless of whether the controls for such systems may be located within or adjacent to the Co-owner's Unit.

The Co-owner shall indemnify and hold the Board of Directors and Association harmless from and against any and all costs, damages, and liabilities incurred in regard to any installation, modification, or alteration.

A. **Board of Directors' Approval Required for all Alterations or Modifications.** No Co-owner or Non-Co-owner Occupants shall make any alterations in exterior appearance or make structural modifications to any Unit (including interior walls through or in which there exist easements for support or utilities) or make changes in the appearance or use of any of the Common Elements without the express prior written approval of the Board of Directors (which approval shall be in recordable form), including, without limitation, exterior painting, replacement of windows or Unit entry door, the installation of lights, video cameras, video door bells, solar panels, windmills or wind generators, aerials, satellite dishes on the General Common Elements, awnings, shutters, storm doors, grills, permanent or portable fire pits, storage structures, decks, patios, fences, walls, newspaper holders, mailboxes, basketball backboards, cable, electrical chargers, generators, air conditioning systems, or other exterior attachments or modifications, nor shall any Co-owner damage or make modifications or attachments to walls between Units which in any way impair sound conditioning. Swimming pools and outdoor spas, hot tubs, and Jacuzzis, are strictly prohibited. No attachment, appliance, or other item may be installed which is designed to kill or repel insects or other animals by light or humanly audible sound.

The Board of Directors shall not approve alterations, structural modifications, additions, or deletions which would jeopardize or impair the utility, soundness, safety, appearance, or aesthetics of the Condominium Project. Co-owners are absolutely prohibited from making interior alterations which have any effect on load bearing walls or other Units. The Board has the authority to direct time periods, method, manner, and materials of all such applications.

Antennas, over-the-air reception devices, including, without limitation satellite dish antennas, and other technologies regulated by the Federal Communications Commission (FCC), shall not be attached or installed upon any General Common Element without the prior written approval of the Board of Directors. Such antennas may be installed within Units or on Limited Common Elements in accordance with the rules and regulations of the FCC.

The Board of Directors shall have the right to refuse to approve any such plans or

specifications which are not suitable or desirable in its judgment for aesthetic or any other reasons. Plans and specifications acceptable to the Board showing the nature, kind, shape, height, materials, color scheme, location, and approximate cost of such structure or improvement and the grading or landscaping plan of the area to be affected shall be submitted to and approved in writing by the Board prior to the commencement of any work. A copy of said plans and specifications, as finally approved shall be delivered to the Board. Notwithstanding having obtained such approval by the Board, the Co-owners shall obtain any required building permits and shall, otherwise, comply with all building requirements of the City of Grosse Pointe. The Board may only approve such modifications as do not impair the soundness, safety, utility, or appearance of the Condominium Project.

All approvals given by the Board of Directors to a Co-owner for alterations shall be set forth in a recordable Consent to Alteration Agreement. The Co-owner's duty to maintain such alteration shall pass to all subsequent Co-owners of the Unit, and the Consent to Alteration Agreement executed by the Board of Directors and the Co-owner shall state this requirement. The Co-owner shall have the affirmative obligation to notify their potential purchasers, successors in interest or occupants of modifications or alterations and their responsibilities for them prior to transfer of title or any beneficial interest in the Unit.

Co-owner and Non-Co-owner Occupant additions, improvements, and modifications even though approved by the Association shall not be considered Limited or General Common Elements in any case and are the complete responsibility of the Co-owner. This includes without intent by way of example of limitation elevator or chair lifts for accessibility or accommodations or similar devices or equipment wherever located are not Common Elements and are the sole responsibility of the Unit owners appurtenant. Prior governmental approval and inspection may be required. Should the Association require access to any Common Elements of the Condominium Complex which necessitates the moving or destruction of all or part of any such addition, improvements or modification (which did not receive prior written Board approval) approved by the Board in writing, all costs, damages and expenses involved in providing access and restoring the addition or modification shall be borne by the Co-owner and the Association shall have no responsibility or liability for any damages or any causes of action.

B. **Alterations or Modifications Performed Without Board of Directors' Approval.** If the Co-owner performs any alterations, betterments, improvements, enhancements, or modifications without receiving prior written approval from the Board of Directors or installs any modification or alteration which does not correspond to Board approved terms and conditions, the Association may summarily remove or abate the alteration or modification. The costs and expenses incurred in removal or abatement will be assessed to the Co-owner and are enforceable and collectible as assessments as provided in Article V. The Board may, in addition, pursue other remedies available in the Condominium Documents or by law or equity.

C. **Responsibility for Alteration or Modification.** The Co-owner shall be responsible for the maintenance, insurance, repair, remediation, extraction, and desiccation, replacement, reconstruction, and removal of any Board of Directors-approved installation, alteration, or modification, unless otherwise agreed to in writing by the Board, who shall be indemnified and held harmless.

If a Co-owner fails to properly maintain, decorate, repair, replace, remediate, perform extraction and desiccation, or otherwise keep their Unit or any improvements, modifications or appurtenances located therein their Unit or any Limited Common Elements appurtenant thereto in a clean and sanitary manner and in accordance with the standards set forth in the Second Amended and Restated Master Deed, the Second Amended and Restated Condominium Bylaws and any Rules and Regulations as promulgated by the Board of Directors, the Association shall have the right (but not the obligation), and all necessary easements in furtherance thereof, to take whatever action or actions is deems desirable to so maintain, decorate, repair, replace or remediate, perform extraction and desiccation, the Unit, its appurtenances or any of its Limited Common Element, all at the chargeable expense of the Co-owner of the Unit which shall be assessed, enforceable and collectible as provided in Article II. The Association shall not be liable to the Co-owner of any Unit or any other person, in trespass or in any other form of action, for the exercise of rights pursuant to the provisions of this Section 3 or any other provision of the Condominium Documents which grant such easements, rights of entry or other means of access. The Association may also use other remedies available in the Condominium Documents or by law or by equity.

Failure of the Association to take any such action shall not be deemed a waiver of the Association's right to take any such action at a future time, including, without limitation, enforcement action. All costs and expenses incurred by the Association in performing any responsibilities which are required, in the first instance to be borne by any Co-owner, shall be assessed against such Co-owner and shall be due and payable with their monthly assessment next falling due, in accordance with Article II of the Second Amended and Restated Condominium Bylaws, secured by the lien for non-payment as in all cases of regular assessments. Collection of such assessments may be enforced by the use of all means available to the Association under the Condominium Documents.

D. Modifications or Improvements to Accommodate the Disabled. A Co-owner may make modifications or improvements to the Co-owner's Unit, including Common Elements and the route from the public way to the door of the Co-owner's Unit, at the Co-owner's expense, if the purpose of the modification or improvement is to facilitate access to or movement within the Unit for persons with disabilities who reside in or regularly visit the Unit or to alleviate conditions that could be hazardous to persons with disabilities who reside in or regularly visit the Unit, subject to the following:

(1) The modification or improvement shall not impair the structural integrity of a structure or otherwise lessen the support of a portion of the Condominium, nor unreasonably prevent passage by other residents of the Condominium upon the Common Elements.

(2) The modification or improvement may be made notwithstanding prohibitions and restrictions in the Condominium Documents but shall comply with all applicable state and local building code requirements and health and safety laws and ordinances and shall be made as closely as reasonably possible in conformity with the intent of applicable prohibitions and restrictions regarding safety and aesthetics of the proposed alteration. Modifications or improvements such as ramps shall be of a temporary construction design so as to facilitate removal and Common Elements restoration at a later date.

(3) The Association shall have no obligation to approve a modification or improvement which requires fundamental alterations of the Association's operations or imposes an undue financial or administrative burden. The Association shall have no obligation to approve a modification or improvement or allow occupancy where such accommodation would amount to a direct threat to the health or safety of other individuals or result in substantial physical damage to the property of the Association or other Co-owners.

(4) The Co-owner shall be liable for the cost of repairing any damage to a Common Element caused by building or maintaining the modification or improvement, and such modification or improvement shall comply with all applicable state and local building requirements and health and safety laws and ordinances and shall be made as closely as possible in conformity with the intent of applicable prohibitions and restrictions regarding safety and aesthetics of the proposed modification.

(5) Before a modification or improvement allowed by this Section 3(D) is made, the Co-owner shall submit plans and specifications for such alteration to the Board of Directors for review and approval. If the proposed alteration substantially conforms to the requirements of this Section 3(D), the Board shall not deny the same without good cause. A denial shall be in writing, delivered to the Co-owner, listing the changes needed for the proposed alteration to conform. A Co-owner may bring an action against the Association and the Board to compel those persons to comply with this Section 3(D) if the Co-owner disagrees with a denial by the Board of the Co-owner's proposed modification or improvement.

(6) The Board of Directors shall approve or deny the proposed modification or improvement not later than 60 days after the plans and specifications are submitted to the Board. The approval or denial of an alteration by the Board in its discretion in accordance with applicable law shall not constitute any breach of fiduciary or other corporate obligation. If the Board does not approve or deny the submitted plans and specifications within the 60-day period, the Co-owner may make the proposed improvement or modification without the consent or the approval of the Association.

(7) Any Co-owner making an exterior alteration pursuant to this Section 3(D) shall maintain liability insurance and provide the Board of Directors with proof thereof, prior to undertaking the alteration, underwritten by an insurer authorized to do business in this state, in an amount adequate to compensate for personal injuries caused by the exterior modification or improvement, and naming the Association as an additional insured. The Co-owner shall not be liable for acts or omissions of the Association with respect to the exterior alteration, and the Co-owner is not required to maintain liability insurance with respect to any Common Element. The Association is responsible for the cost of any maintenance, repair, remediation, extraction and desiccation, and replacement of the alteration to the extent of the cost currently incurred by the Association for the unaltered Common Elements prior to installation of the alteration. Any costs in excess of the amount incurred by the Association shall be billed to and paid by the Co-owner serviced by the alteration as an assessment.

(8) Responsibility for the cost of any maintenance, repair, or replacement of an exterior alteration allowed by this Section 3(D) shall be in accordance with the provisions of Section 47(a) of the Condominium Act.

(9) A Co-owner having made a modification or improvement allowed by this Section 3(D) shall notify the Association in writing of the Co-owner's intention to convey any interest in or lease their Unit to another, not less than thirty (30) days before the effective date of the conveyance or Lease. Not more than thirty (30) days after receiving such a notice, the Association may require that the Co-owner remove the modification or improvement and restore the premises at the Co-owner's expense. In the absence of the required notice of conveyance or Lease, the Association may at any time remove or require the Co-owner to remove the modification or improvement at the Co-owner's expense. The Association may not, however, remove or require the removal of a modification or improvement if the Co-owner intends to resume residence in the Unit within 12 months or the Co-owner conveys or leases the Unit to a person with disabilities who needs the same type of modification or improvement, or who has a person residing with them who requires the same type of improvement or modification.

(10) As used in this Section 3(D), "persons with disabilities", means that term as defined in the State Construction Code, MCL 125.1502a et seq. and other applicable Laws and Statutes including Michigan Persons with Disabilities Act, MCL 37.1101 et seq.; Michigan Elliott-Larsen Civil Rights Act, MCL 37.2101 et seq.; and Federal Fair Housing Act (1988 as amended), 42 USC 3601 et seq. Any person seeking a modification or reasonable accommodation due to any disability must provide reliable disability related information and documentation to verify that the person meets the Federal Fair Housing Act (and corresponding regulations) or State of Michigan Statutes and Regulations definition of disability (or handicap), being a physical or mental impairment that substantially limits one or more major life activities or functions.

Section 4. **Conduct Upon the Condominium Premises.** The Condominium shall at all times be maintained in a manner consistent with the highest standards of a beautiful, private, residential community for the benefit of the Co-owners and all persons interested in the Condominium. No immoral, improper, unlawful, offensive, or nuisance activity, including, without limitation, unreasonably noisy activities which cause excessive vibration, noises, or glare conditions, speeding or other vehicular infractions, shall be permitted or maintained in any Unit or upon the Common Elements in the Community). Any use or practice that is a source of annoyance to, or that unreasonably interferes with, the peaceful possession or proper use and enjoyment of the Condominium by residents is not permitted.

No Co-owner or Non-Co-owner Occupant, shall allow, cause, use, or permit the use or operation of any device, tool, equipment or any other sound, odorous condition or noise creating circumstance which causes, or constitutes or is deemed a nuisance to other Co-owners or the Condominium Project in general. The Board of Directors may promulgate Rules and Regulations to address quiet hours in the Project and to further identify such prohibited conduct or circumstance in the enforcement of this provision.

Any activities or behavior for which three (3) or more written complaints are received shall be conclusively deemed to constitute a nuisance or annoyance for purposes of enforcement action by the Association if the Board determines that the complaints are valid and contrary to the Condominium Documents in any fashion.

No Unit shall be used in whole or in part for the storage of rubbish or trash or for the storage of any property or thing that may cause the Unit or Limited Common Elements to appear in any unclean, untidy, unsanitary, or uninhabitable condition. No substance or material shall be kept in or about a Unit that will emit foul or obnoxious odors or gases or that will cause excessive glare or noise that will or might disturb the peace, quiet, comfort, or serenity of the occupants of surrounding Units or the Community.

All Co-owners shall undertake all efforts to ensure that if they or their Non-Co-owner Occupants, family, or household members, tenants, licensees, invitees or guests or contractors smoke or emit any odors, such activity shall not be allowed or permitted to penetrate or permeate other Units or the Common Element areas.

No Co-owner or Non-Co-owner Occupant shall permit anything to be done or kept in the Co-owner's Unit or elsewhere on the Common Elements that will increase the cost of utilities or rate of insurance for the Community without the prior written consent to the Board of Directors, that will result in the cancellation of insurance on any Unit or any part of the Common Elements, or that will violate any Federal or State law, Ordinance or Regulation. The Association and its Board of Directors shall be indemnified and held harmless from any and all claims caused by the Co-owner and Non-Co-owner Occupant in violation.

No Co-owner or Non-Co-owner Occupant shall access the Association's or any other Co-owner's or Non-Co-owner Occupant's website, email, Wi-Fi, internet or cable services or media transmissions without the express written consent of the Association or other Co-owner or Non-Co-owner Occupant. Violations shall be subject to all remedies pursuant to the Condominium Documents and may be subject to criminal prosecutions under Federal and State laws, Ordinances and Rules and Regulations (cf. MCL 752.791-797 and Federal Computer Fraud and Abuse Act.)

Section 5. **Weapons, Fireworks, and Other Hazards.** No Co-owner or Non-Co-owner Occupant shall use, or permit the use by an occupant, agent, employee, invitee, guest or family or household member of any firearms, air rifles, pellet guns, B-B guns, bows and arrows, slingshots, fireworks or other similar dangerous weapons, projectiles, or devices anywhere on or about the Condominium Premises. No Co-owner or Non-Co-owner Occupant shall use or permit to be brought onto the Project, including use or storage in a Unit garage, any flammable oils or fluids such as gasoline, kerosene, naphtha, benzine, or other explosives, or gasoline or kerosene heating devices, or other items deemed to be extra-hazardous to life, limb, or property, without obtaining the prior written consent of the Association in each case. Chimeneas, fire pits, tiki torches, etc., are prohibited in the Premises.

The costs of cleanup of any spills of oil or chemical substances, or the presence of hazardous materials or lead, water or mold, mildew or fungus or bacteria related circumstances including costs of repair, remediation, extraction and desiccation, or replacement of the damaged area, is the responsibility of the Co-owner and Non-Co-owner Occupant causing or contributing to the condition in need of cleanup.

Section 6. **Animals Upon the Condominium Premises.** Up to two (2) domesticated cats and two (2) domesticated dogs per Unit, may be kept or be brought on to the Condominium Premises by any person, unless specifically approved in writing by the Board of Directors, or

otherwise allowed for persons with a disability pursuant to the United States Fair Housing Act or applicable Michigan law. No animals may be kept or bred for any commercial purpose. The term "animal" or "pet" as used in this Section 6 shall not include small animals which are constantly caged, such as small birds or fish. Exotic animals are strictly prohibited. The Association may adopt reasonable Rules and Regulations with respect to animals, including visiting animals, as it may deem proper.

A. **Service Animals and Emotional Support Animals.** Service animals and emotional support animals shall not be considered pets and counted toward the four (4) pet limit identified above. All service animals and emotional support animals shall be of a domestic (non-exotic) nature and must comply with or conform to all Federal, State, and local health and safety laws. All service animals and emotional support animals entering the Condominium Premises shall comply with the Condominium Documents and the Co-owner and Non-Co-owner Occupant maintaining, allowing residence, or being visited by same shall be responsible for the actions and any violations by such animal or its handler.

Applications by any person for maintaining a service animal or emotional support animal in the Condominium Project shall be submitted to the Board of Directors. The Board may request verification from a doctor or other medical professional, who, in their professional capacity, has knowledge about the person's disability, their requirements and familiarity with the therapeutic benefits of such animal, and the need for reasonable accommodations. No medical condition records or other details of such person's disability need be furnished or disclosed. Misrepresentation of a "service animal" may be subject to criminal penalties pursuant to MCL 752.62 and 8 CFR 36.104.

All damages or expenses to the Association by reason of the service or emotional support animal are chargeable to the Co-owner and person having such service or emotional support animal and are collectable as assessments against the Unit where such animal is harbored, kept, maintained, or visiting.

B. **Savage and Feral Animals.** No savage or dangerous animal of any type shall be kept or brought to the Condominium Premises by any person. Co-owners shall not provide or otherwise leave food on the Premises in any manner for wild, stray, or feral animals, except as permitted by reasonable Rules and Regulations adopted by the Association.

C. **Control of Animals.** Any animals kept in the Condominium Project shall have such care and restraint as not to be obnoxious on account of noise, odor, or unsanitary conditions. Animals which create noise and can be heard on any frequent or continuing basis shall not be kept in any Unit or on the Common Elements.

Animals shall not be permitted to run loose upon the Common Elements. Animals shall be leashed at all times and attended by a responsible person while on the Common Elements. Animal shall not be tied to a tree, shrub, railing, or any Common Element. Animals shall not be left unattended in motor vehicles. The Board of Directors may, in its discretion, designate certain portions of the General Common Elements of the Project where animals may be walked or exercised.

D. Co-owner Responsibility. Each Co-owner shall be responsible for the collection and disposition of all fecal matter deposited by any animal maintained by such Co-owner, anywhere in the Condominium Project. Animals are prohibited from urinating or defecating on sidewalks, steps, decks, patios, or porches. Co-owners are responsible for the damage to the Condominium Premises or Common Elements caused by any animal maintained by the Co-owner, including yellow or brown spotting from urine on the Common Element sodded areas, or damage to landscaping.

All animals kept in accordance with this Section 6 shall be licensed by the municipal agency having jurisdiction, shall be registered with the Association, and proof of the animal's shots shall be provided to the Association, upon request.

The Association may charge all Co-owners maintaining animals a reasonable additional assessment to be collected in the manner provided in Article II of these Bylaws, in the event that the Association determines such assessment is necessary to defray the maintenance costs to the Association of accommodating animals within the Condominium.

E. Co-owner Liability. Any Co-owner who causes any animal to be brought, maintained, or kept on the premises of the Condominium for any length of time shall indemnify and hold harmless the Association for any loss, damage, or liability, including attorney fees and costs, which the Association may sustain as a result of the presence of such animal on the premises, whether such animal is permitted. The Association may assess and collect from the responsible Co-owner such losses and/or damages in the manner provided in Article II hereof.

F. Enforcement. The Association may, after notice and hearing, without liability to the Co-owner thereof, require removal of any animal from the Condominium Project which it has determined to pose a direct or unreasonable threat to members of the Community or which it has determined to be in violation of the restrictions imposed by this Section 6 or by any applicable Rules and Regulations of the Association. The Association may also assess fines against the Co-owner in accordance with Article XVII for such violation of the restrictions imposed by this Section 6 or by any applicable Rules and Regulations of the Association. The Association shall be entitled to assess any and all damages, costs, attorney fees, and expenses incurred as a result of the animal to the Co-owner, including, without limitation, any legal actions taken by the Association to remove the animal.

Section 7. Aesthetics. In general, no activity shall be carried on nor condition maintained by any Co-owner or Non-Co-owner Occupant either in a Unit or upon the Common Elements, which detracts from or spoils the appearance of the Condominium. No unsightly condition, as determined in the discretion of the Board of Directors, shall be maintained on any Common Element, including, without limitation, steps, patios, porches, decks, or landscaped areas. Only furniture and equipment consistent with the normal and reasonable use of such areas shall be permitted to remain there during seasons when such areas are reasonably in use. No furniture or equipment of any kind shall be stored thereon during seasons when such areas are not reasonably in use, except picnic tables and furniture of a nature which cannot reasonably be stored elsewhere, or as provided in duly adopted Rules and Regulations of the Association. No objects shall be placed on steps, patios, porches, or decks which block or impede Unit access or egress.

All trash and refuse must be deposited into common trash receptacles, which are maintained by the Association.

Section 8. **Common Elements Activities and Usage.** The Common Elements shall be used only for passive recreation and for no other purpose. Golfing, basketball, and all other active sports are prohibited. Activities on the Common Elements shall be carried on in such a manner as to avoid disturbing or otherwise offending other Co-owners. Basketball hoops and play areas are permitted only with prior written approval of the Board of Directors.

The Common Elements shall not be used for storage of supplies, materials, personal property, or trash or refuse of any kind, except as provided in duly adopted Rules and Regulations of the Association. The Common Elements shall not be used in any way for the drying, shaking, or airing of clothes. Limited storage of items may be permitted in specified areas as set forth in the Rules and Regulations.

Sidewalks, roads, parking areas, steps, porches, patios, decks, and landscaped areas shall not be obstructed in any way, nor shall they be used for purposes other than for which they are reasonably and obviously intended. No cooking equipment, bicycles, vehicles, chairs, benches, children's wheeled vehicles or toys, baby carriages or strollers, obstructions, or other personal property may be left unattended on or about the Common Elements.

Use of barbeque grills shall comply with the City of Grosse Pointe regulations, codes, and ordinances. Under no circumstances are barbeque grills to be used in a garage or in front of a Unit.

Unit garages shall not be used as an extended living area. For security and aesthetic reasons, garage doors shall be kept completely closed at all times except as may be reasonably necessary to gain access to or from any garage, to permit periodic collection of trash, or as provided in duly adopted Rules and Regulations of the Association.

Section 9. **Vehicles Upon the Condominium Premises.**

A. **Vehicles – Generally.** Vehicles which substantially detract from the aesthetic appearance (by way of illustration and not of limitation) by reason of dilapidation, lack of maintenance or equipment, or damage, excessive rust or noise, leakage of fluids or other similar causes or deficiencies are prohibited on the Condominium Premises and are subject to tagging, towing, and storage at the chargeable costs and expense of the owner and collectable as an assessment against the Co-owner. Non-emergency maintenance or repair of motor vehicles shall not be permitted on the Premises unless in the Co-owner's garage or as specifically approved by the Board of Directors.

Subject to the provisions of Sections 9(B) through (G) below, the storage or use of motorized vehicles anywhere on the Condominium Premises, other than passenger cars, vans, sport utility vehicles, motorcycles, and pick-up trucks used primarily for general personal transportation purposes, is absolutely prohibited.

B. **Parking Restrictions.** Each Co-owner shall park their vehicle(s) in the

Unit garage assigned to their Unit and shall park any additional vehicle(s) on the public streets. Parking in the rear and side drive is strictly prohibited, as these are designated fire lanes for emergency vehicles. The Board of Directors may make reasonable rules and regulations governing the parking of vehicles on the Condominium Premises during and after a snowfall event and under other circumstances.

Commercial vehicles, house trailers, recreational vehicles or similar vehicles, such as boat trailers, boats, camping vehicles, camping trailers, mobile homes, dune buggies, motor homes, all-terrain vehicles, snowmobiles, snowmobile trailers, or vehicles other than personal automobiles, sport utility vehicles, and pickup trucks may not be parked upon the Condominium Premises, unless enclosed in the Co-owner's garage with the door closed, specifically approved by the Association, or parked in an area specifically designated therefor by the Association. No Co-owner shall use, or permit the use by an occupant, agent, employee, invitee, guest, or member of their family of any casual, personal, motorized transportation or entertainment anywhere within the Premises, including, without limitation, go-carts, dirt bikes, and the like. Nothing herein contained shall be construed to require the Association to approve the parking of vehicles described in this Section 9(B) or to designate an area therefor. The Association shall not be responsible for any damages, costs, or other liability arising from any failure to approve the parking of such vehicles or to designate an area therefor. The Board of Directors may adopt reasonable Rules and Regulations to address the temporary loading and unloading of travel or recreational vehicles, vessels, equipment, and devices.

C. **Commercial Vehicles.** Commercial vehicles and trucks shall not be parked in or about the Condominium (except as above provided) except while making deliveries or pick-ups in the normal course of business. For purposes of this Section 9(C), commercial vehicles shall include vehicles or trucks with a curb weight of more than 10,000 pounds, overall length in excess of 19 feet, or with more than two axles, vehicles with commercial license plates, vehicles with any commercial markings or advertising appearing on the exterior, vehicles not intended for personal transportation, or any vehicle either modified or equipped with attachments, equipment or implements of a commercial trade, including, without limitation, storage racks, ladder or material racks, snow blades, tanks, spreaders, storage bins or containers, vises, commercial towing equipment or similar items. For purposes of this Section 9(C), small passenger vans, SUVs, and pick-up trucks, which will fit inside a Unit garage, shall not be considered commercial vehicles, provided they do not meet the definition of a commercial vehicle contained herein. The Association shall not be responsible for any damages, costs, or other liability arising from any failure to approve the parking of such vehicles or to designate an area thereof.

D. **Non-Operational, Unlicensed, or Disabled Vehicles.** Non-operational vehicles, vehicles with expired license plates, or disabled vehicles shall not be parked or stored on the Condominium Premises unless specifically approved in writing by the Board of Directors. Such vehicles may, however, be parked in the Co-owner's garage with the door closed.

E. **Association Rights Regarding Vehicles and Towing.** The Association may cause vehicles parked or stored in violation of this Section 9 or of any applicable Rules and Regulations of the Association to be stickered and/or removed (towed) from the Condominium Premises, and the cost of such removal may be assessed to, and collected from, the Co-owner of the Unit responsible for the presence of the vehicle in the manner provided in Article II hereof. In

such cases, the Co-owner shall be responsible for costs incurred in having a towing company respond, even if the vehicle is moved and properly parked before the towing contractor arrives at the Condominium. The Board of Directors may make reasonable rules and regulations governing the parking and use of vehicles on the Condominium Premises consistent with the provisions hereof and may levy fines for violations of such Rules and Regulations or this Section 9.

Section 10. **Signs and Flags Upon the Condominium Premises.** No signs or flags shall be displayed which are visible from the exterior of a Unit or on the Common Elements at any time for any reason without the advance written permission from the Board of Directors. This prohibition includes, without limitation, "For Sale" signs, "Open House" signs, "Garage Sale" signs, and political signs. The Board shall have discretion to allow certain "For Sale" and "Open House" signs of a size and during such times as it may be established through duly adopted Rules and Regulations.

Notwithstanding this restriction, Co-owners may display the American Flag, provided the size of said flag does not exceed three (3) feet high by five (5) feet wide.

Section 11. **Smoking.** All Co-owners and Non-Co-owner Occupants shall ensure that if they or their Unit occupants, family or household members, tenants, licenses, invitees, contractors, or guests smoke tobacco or other products (whether for medical, recreational, or other purposes), such activity, smoke, vapors, or odors shall not be allowed or permitted to permeate Common Elements, other Units, or their Limited Common Elements. Co-owner and Non-Co-owner Occupants assume all risk, responsibility, and liability for any and all claims, liabilities or damage and shall indemnify and hold harmless the Association and its Board Members and Officers.

Section 12. **Drones.** For the safety and privacy of all Co-owners and occupants in the Condominium Project and to protect improvements on the Premises, drones, unmanned aerial vehicles (UAV), or similar remote or radio-controlled aerial devices shall not be allowed or flown anywhere outside in the Premises, except as might be expressly permitted or required by any federal or state law. Any such devices found unattended on the Common Elements may be confiscated by the Association and deemed abandoned by the owner, in which event, the Association and its agents shall have absolutely no liability whatsoever to the owner of the drone, vehicle, or device for such confiscation. Notwithstanding the foregoing, drones that are used or operated by contractors for maintenance purposes on the Common Elements are permitted.

Section 13. **Electric Vehicle Charging Stations.** The Board of Directors may promulgate, adopt, and enforce Rules and Regulations providing for reasonable restrictions on electric vehicle charging stations ("EVCS"). Such Rules are permitted, provided they do not significantly increase the cost of the station or significantly decrease the efficiency or specified performance. Further, such Rules may restrict installation in Common Element areas and may require that the Association be indemnified for loss or damage caused by installation, maintenance, or use of EVCS.

Section 14. **Association Access to Units and Limited Common Elements.** The Association or its authorized agents shall have access to each Unit and any Limited Common Elements appurtenant thereto from time to time, during reasonable working hours, after notice to

the Co-owner, as may be necessary for the maintenance, reconstruction, repair, remediation, extraction and desiccation, or replacement of any of the Common Elements. The right of access shall include, without any implication of limitation, the right of the Association to obtain access during reasonable hours and upon reasonable notice, to water meters and shut-off valves, sprinkler system control clocks and valves, fireplace venting system and flues, and other Common Elements located within any Unit or its appurtenant Limited Common Elements for monitoring, inspection, maintenance, repair, of replacement thereof. The Association or its agents shall also have access to each Unit and any Limited Common Elements appurtenant thereto at all times without notice as may be necessary to make emergency repairs to prevent damage to the Common Elements or to another Unit and/or to protect the safety and/or welfare of the residents of the Condominium.

The Board of Directors shall also have the right, but not the obligation, to inspect the Unit and Limited Common Elements for health, safety, welfare, and aesthetic conditions and verification of fulfilment of responsibilities under the Condominium Documents.

It shall be the responsibility of each Co-owner or Non-Co-owner Occupant to select someone who can provide the Association means of access to the Co-owner's Unit and any Limited Common Elements appurtenant thereto during all periods of absence and provide means to contact that individual to provide such access to the Unit. The Association and its managing agent shall have no duty to accept or maintain keys to individual Units. The Association shall make every reasonable effort to obtain access through the Co-owner or Non-Co-owner Occupant or their designee. In the event of the failure of such Co-owner to provide means of access, the Association may gain access in such manner as may be reasonable under the circumstances and shall not be liable to such Co-owner for any necessary damage to the Co-owner's Unit and any related Limited Common Elements caused by gaining access to the Unit or for repair or replacement of any contents, doors, or windows damaged in gaining such access.

In the event that it is necessary for the Association to gain access to a Unit to make repairs to prevent damage to the Common Elements or to another Unit, or to protect the safety and welfare of the inhabitants of the Condominium, the costs, expenses, damages, and/or attorney fees incurred by the Association in such undertaking shall be assessed to the responsible Co-owner and collected in the same manner as provided in Article II of these Bylaws, including all damages resulting from any Co-owner or their Tenants, family, occupants, invitees or contractor's failure or delay in providing access to the Association. The Association shall have no liability for damages to Co-owner alterations, betterments, improvements, or customizations resulting from the Association's efforts to gain access to any common element nor shall the Association be held liable for the expenses of the removal or replacements of any such obstructions.

Section 15. Landscaping and Decoration of Common Elements. No Co-owner or Non-Co-owner Occupant shall plant any trees or shrubs or place any ornamental materials on the Common Elements without prior written approval by the Association. The Association shall maintain a Master Courtyard Landscaping Plan as part of its Rules and Regulations. The Master Courtyard Landscaping Plan shall be kept in site plan form and shall depict all current landscaping with a key showing all approved areas and shall depict whether a Co-owner or the Association is responsible to maintain and replace each area. If a Co-owner or Non-Co-owner Occupant does not fulfill their responsibilities to maintain their areas, the Association may do so and charge the costs and expenses to the Co-owner. These costs and expenses may be collected as an assessment

as provided in Article II of these Second Amended and Restated Condominium Bylaws. In addition, other penalties or remedies may be applicable as set forth in the Rules and Regulations of the Association or elsewhere in the Condominium Documents. The Association may also revoke an approval given to a Co-owner at any time if it shall determine that the Co-owner has failed to properly maintain any landscaping for which the Co-owner has been assigned maintenance duties in the Master Courtyard Landscaping Plan.

Any landscaping performed by the Co-owner and any such trees, bushes, shrubs, or flowers planted by the Co-owner, if and when approved, shall be the responsibility of the Co-owner to maintain. The Co-owner's duty to maintain such landscaping shall pass to all subsequent Co-owners of the Unit, and the Consent to Alteration Agreement executed by the Board and the Co-owner for the landscaping shall state this requirement. In the event that such Co-owner fails to adequately maintain such landscaping performed by the Co-owner and any such trees, bushes, shrubs, or flowers planted by the Co-owner to the satisfaction of the Association, the Association shall have the right to perform such maintenance and assess and collect from the Co-owner the cost thereof in the manner provided in Article II hereof. Co-owners may not install any landscaping that might adversely affect drainage on the Common Elements. Co-owners shall also be liable for any damages to the Common Elements arising from the performance of such landscaping or the planting of such trees, bushes, shrubs, or flowers, or the continued maintenance thereof. Should access to any Common Elements be required, or should any materials specified in this Section 15 interfere with maintenance or services provided by the Association, the Association may remove any obstructions of any nature that restrict such access and/or services and will have no responsibility for repairing, replacing, or reinstalling any materials, whether installation thereof has been approved hereunder, that are damaged in the course of gaining such access and/or performance of such services, nor shall the Association be responsible for monetary damages of any sort arising out of any such actions.

Section 16. **Co-owner Maintenance.** Each Co-owner shall maintain their Unit and any Limited Common Elements for which they have maintenance responsibility in a safe, clean, and sanitary condition. Each Co-owner shall also have the following duties and shall be fully liable for any and all expenses or damages which may result from any failure to perform any of these duties:

A. Maintain their Unit, any Limited Common Elements for which they have maintenance responsibility, appliances, and fixtures, in a safe, clean, and sanitary condition, including, without limitation, to caulking tubs and shower enclosures, grouting all tile work, and replacing any leaking fixture and appliance. All Units shall have and be continuously functional smoke/fire alarms and carbon monoxide detectors. All Units and appliances and fixtures shall maintain sufficient temperature and good operating condition to avoid freezing or overheating circumstances or winterized.

B. Inspect heating system (furnace or boiler) annually by a licensed contractor, pursuant to any Rules and Regulations adopted by the Board of Directors regarding such inspections.

C. Use due care to avoid damaging any of the Common Elements, other Units or their appurtenances, contents, and improvements including, without limitation, the telecommunications,

water, plumbing, electrical or other utility conduits and systems, and any other elements in any Unit which may affect any other Unit.

D. Maintain heat of at least fifty (50°) degrees Fahrenheit inside their Unit to prevent pipes from freezing during winter months.

E. Winterize (close water valves, shut off icemakers) their Unit and all water spigots on the Unit's exterior and inside the Co-owner's garage during all periods of absence when freezing temperatures may reasonably be anticipated.

F. Cause their Unit to be timely monitored during all periods of absence to assure that all windows and doors are securely closed and locked, no water is escaping from any pipe or fixture or appliance, and to assure that adequate heat is being maintained.

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

H. Insure their Unit and Limited Common Elements adequately in accordance with Article IV.

Each Co-owner is solely responsible for the environmental concerns and conditions of their Unit. Mold, mildew, fungus or other microbe/microorganism growth or freezing circumstances depends largely on how they manage and maintain their Unit. The Association does not warrant against the presence of mold, mildew, fungus, or bacteria or any other microbial or microorganism in the Unit and will not be responsible for any damages caused by mold, mildew, fungus, or bacteria or any other microbial or microorganism including, without limitation, property damage, loss of value, adverse health effects or any other effects. Any implied warranties, including an implied warranty of workmanlike construction, an implied warranty of habitability, or an implied warranty of fitness for a particular purpose against the Association and its Board of Directors, are waived and disclaimed by Unit owners upon their purchase of a Unit and Unit owners agree to hold the Association harmless for any growth of any such species, microbes, or organisms in the Unit.

Each Co-owner shall use due care to avoid damaging any of the Common Elements including, without limitation, the telephone, water, gas, plumbing, electrical, cable TV, or other utility conduits and systems, and any other Common Elements in any Unit which are appurtenant to, or which may affect any other Unit. Each Co-owner shall be responsible for damages or costs to the Association, or to other Co-owners, as the case may be, resulting from damage to or misuse any of the Common Elements or Units by the Co-owner, or their family, guests, Tenants, land contract purchasers, agents, or invitees, or by casualties and occurrences, regardless of whether such damage resulted from the unintentional or intentional conduct, negligence, or failure to comply with the Condominium Documents, of any such parties, unless such damages or costs are covered by insurance carried by the Association in which case there shall be no such responsibility (unless full reimbursement to the Association is excluded by virtue of a deductible provision, in which case the responsible Co-owner shall bear the expense to the extent of the deductible amount in accordance with Article IV, Section 2(F) of these Bylaws). Any costs or damages to the

Association or to other Co-owners, as the case may be, may be assessed to and collected from the responsible Co-owner in the manner provided in Article II herein. Each individual Co-owner shall indemnity the Association and all other Co-owners against such damages and costs, including attorneys' fees, and all such costs or damages to the Association may be assessed to and collected from the responsible Co-owner in the manner provided in Article II hereof.

Co-owners shall have the responsibility to report to the Association any Common Element in or about their Unit which has been damaged or which is otherwise in need of maintenance, repair, or replacement and any other circumstances which if not promptly reported and attended to, could result in loss or damage to any Common Element. All damages resulting from the failure of the Co-owner to report any of the foregoing items may be assessed to and collected from the responsible Co-owner in the manner provided in Article II hereof. Each Co-owner shall have these responsibilities and liabilities regardless of whether they occupy the Unit, or whether the Unit is occupied by their Tenant or Non-Co-owner Occupant.

Section 17. **Social Media and Association Webpage.** The Board of Directors may create, establish, or utilize social media accounts or webpages for all purposes regarding promoting, governing, or otherwise administering the affairs of the Community. The Board shall have the right but not the obligation to monitor and censor offensive defamatory and obscene media or postings in accordance with Rules and Regulations, Federal and State Laws, and Ordinances and Regulations.

Section 18. **Association Approval Revocation.** Any and all approvals (absent recording) pursuant to the Condominium Documents are in the nature of a license, which may be revoked and withdrawn by the Board of Directors upon thirty (30) days' written notice, in the event the Board determines there has been or reasonably likely will be noncompliance with the terms and conditions of the approval granted by the Board.

Section 19. **Anti-Harassment Policy.** In keeping with the high standards of a private residential Community, Co-owners, Tenants, Non-Co-owner occupants, licensees, invitees, and guests of the Condominium and their family members shall not engage in any threatening, oppressive, intimidating, aggressive, abusive, profane, annoying, or otherwise harassing activities or behavior, (either verbal or physical) towards other Co-owners, Tenants, occupants, licensees, invitees, family member or guest of the Condominium, Board Members, agents, guests, invitees and vendors of the Community. Such conduct shall be subject to all relief and remedies as set forth in the Condominium Documents pertaining to violations of such documents.

Section 20. **Rules and Regulations.** Reasonable rules and regulations consistent with the Condominium Act and the Condominium Documents concerning the administration of the Community and the use and occupancy of the Common Elements or pertaining to Units, or the rights and responsibilities of the Co-owners and the Association with respect to the Condominium, or the manner of operation of the Association and of the Condominium may be made and amended from time to time by the Board of Directors. Adopted Rules and Regulations shall be reasonably germane to the purposes of the Association and equally enforced as to all Co-owners. Copies of all such Rules and Regulations and any amendments shall be furnished to all Co-owners and shall become effective thirty (30) days after the date of mailing or delivery to the Designated Voting Representative of each Co-owner.

The Board of Directors may promulgate, revise, repeal, amend, or revoke any rule or regulation at any time. Any such rule or regulation, or amendment, may be revoked by the Co-owners at any time by the affirmative vote of more than fifty (50%) of all Co-owners.

Section 21. **Assessment of Costs of Enforcement.** Any and all costs, damages, expenses, attorney fees (including any pre-litigation attorney fees), and other professional and contractor fees incurred by the Association in enforcing any of the restrictions set forth in this Article VI or other provision in the Condominium Documents shall be assessed to and collected from the responsible Co-owner as determined by the Board of Directors in the manner provided in Article II hereof.

Section 22. **Disposition of Interest in Unit by Sale or Transfer.** Prior to the sale, assignment, or transfer of a deed or land contract of a Unit, the seller, assignor, vendor, or grantor Co-owner shall provide a copy of the then current Condominium Documents to the proposed purchaser, vendee, assignee, or grantee. Such seller, vendor, assignor, or grantor Co-owner shall provide the Association with a written acknowledgment or receipt signed by the proposed purchaser, vendee, assignee, or grantee acknowledging receipt of said Condominium Documents. The Co-owner shall also disclose all terms and conditions of any and all accommodations, modifications, waivers, and obligations to remove and restore the premises appertaining and furnish an acknowledgment of same. In the event a Co-owner shall fail to provide the purchaser, vendee, assignee, or grantee with a copy of the aforementioned documents, such Co-owner shall be liable for all damages, costs, and expenses, including attorney and other professional fees, that may be incurred by the Association as a result thereof or by reason of any noncompliance of such purchaser, vendee, assignee or grantee with the terms, provisions and restrictions set forth in the Condominium Documents. Such failure to provide a copy of the Condominium Documents shall not be construed so as to relieve the purchaser, vendee, assignee, or grantee of their obligations to comply with the provision of such documents.

The selling or transferring Co-owner shall give written notice to the Association within ten (10) days after consummation of the sale or transfer. A copy of the document(s) effectuating the sale or transfer shall accompany the notice. Failure to comply with this Section 22 shall entitle the Association to impose an administrative fee to ascertain or verify any such transfer, as established in the Rules and Regulations, and which is chargeable and collectable in the same manner as assessments and which survives occupancy or ownership of any Unit.

The holder of any mortgage which acquires title to a Unit or comes into possession of a Unit through the remedies provided in the mortgage, or foreclosure of the mortgage, or deed in lieu of foreclosure, shall be subject to the provisions of this Section 22 and the Condominium Documents.

ARTICLE VII
MORTGAGES

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

Section 2. **Association Duty to Give Notice to Mortgagees.** The Association, upon

receiving a written request from a holder, insurer, or guarantor of a first mortgage, shall promptly issue notice to such parties of the occurrence of any of the following:

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

B. The purpose to which any Unit of the Common Elements are restricted;

C. Any proposed termination of the Condominium Project;

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

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

F. The name and address of each company insuring the Condominium against fire, and other perils under the Special Form coverage provided by the Association under Article IV of these Second Amended and Restated Condominium Bylaws, including the amounts of such coverage;

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

H. The issuance of an official meeting of the Co-owners in which case each holder, insurer, or guarantor of a first mortgage shall be allowed to designate a representative to attend such meeting.

Section 3. **Mortgage Default.** The failure of a Co-owner to pay or comply with the terms and conditions of any mortgage on their Unit shall also constitute a default of the Condominium Documents. The Association shall have the right but not the obligation to take any action with reference to such Co-owner's default as to the mortgage and/or taxes or other liens, which are in the best interests of the Association.

Section 4. **Liability of Mortgagee.** Notwithstanding any other provisions of the Condominium Documents, the holder of any first recorded mortgage covering any Unit in the Condominium which acquires title to the Unit as a result of foreclosure, or any purchaser at a foreclosure sale in regard to said first recorded mortgage, shall take the property free of any claims for unpaid assessments or charges against the mortgaged Unit which accrue prior to the acquisition of title by such holder, purchaser, or assignee, except to the extent that any accrued balance is proportionately assessed to all Units.

Section 5. **Mortgagee Approval.** Except as otherwise provided by the Condominium Act, whenever a notice requirement appears in these Bylaws for the benefit of a mortgagee which requires a response in support of or against a proposal submitted by the Association, the mortgagee shall respond within thirty (30) days of receipt of said notice or the lack of response thereto shall be deemed as approval of the proposal.

ARTICLE VIII
VOTING

Section 1. **Vote.** Except as limited in these Second Amended and Restated Condominium Bylaws, each Co-owner is entitled to one (1) vote for each Unit owned. If a Unit is owned by multiple Co-owners, the voting rights of that Unit shall be exercised by a single vote. The right to vote includes the right to sign petitions. The Co-owner must be qualified and eligible to vote at the time of presentation of a petition in order to validly sign or circulate a petition.

Section 2. **Qualification and Eligibility to Vote.** A Co-owner is qualified and eligible to vote only after presenting a deed or other evidence of ownership of a Unit in the Condominium Project to the Association. Land contract vendees shall be recognized as Co-owners unless the land contract vendor provides the Association with a copy of the land contract expressly reserving voting privileges to the vendor.

A Co-owner must be in Good Standing in order to be eligible to vote. A Co-owner who is delinquent in the payment of assessments, fines, or other charges or who is in violation of any provisions of the Condominium Documents is not qualified and eligible to vote until such default or violation is cured.

Section 3. **Designation of Voting Representative.** Each Co-owner shall file a written notice with the Association designating the individual representative (Designated Voting Representative or DVR) who shall vote at meetings of the Association and receive all notices and other communications from the Association on behalf of such Co-owner. The DVR must be a Co-owner of the Unit that is the subject of the written notice.

If the Unit is owned by a legal entity (corporation, partnership, limited liability company, trust, or estate) and not by an individual person, then a shareholder or director, partner, member, present trust beneficiary, or personal representative (as applicable) of the entity that owns the Unit shall file a written notice with the Association designating the DVR who may vote at Association meetings and receive notices on behalf of such Co-owner. If the Unit is owned by a married couple, either spouse shall automatically be the DVR unless a written notice with another designation is received by the Association at or before any meeting in which a vote is taken in accord with the provisions of these Condominium Documents. If the Unit is owned by two (2) persons who are not married or two (2) entities, then each Co-owner must sign the notice. If the Unit is owned by more than two (2) persons or entities, then a majority of the Co-owners of the Unit must sign the notice.

The notice shall be signed and dated by all Co-owners of the Unit, as required above. Such notice shall state the name, address, and telephone number of the DVR, the address of the Unit

owned by the Co-owner(s), and the name, address, and telephone number of each person, corporation, partnership, limited liability company, trust or estate who is the Co-owner. The DVR may be changed by the Co-owner(s) of the Unit at any time by filing a new notice with the Association in the manner provided above. If no written notice is filed as required by this Section 3, then the Unit vote cannot be cast until the written notice is received.

Section 4. **Voting.** Votes may be cast in person, by proxy, or by a written or electronic absentee ballot (including ballots cast by email or online voting platform) duly signed by the Designated Voting Representative not present at a given meeting in person or by proxy, unless otherwise restricted by the Condominium Documents. Proxies and any written absentee ballots must be filed with the Secretary of the Association, or such other person as the Association shall designate, at or before the appointed time of each meeting of the Co-owners of the Association. Such filings may be made by hand delivery, mail, fax, email, or by any method permitted by the Michigan Nonprofit Corporation Act, including all methods of electronic transmission and/or communication permitted by the Act.

Proxy voting may be prohibited at the discretion of the Board of Directors for certain matters, including, without limitation, recall of Board Members or rescission of Association Rules and Regulations. Except as elsewhere provided in the Condominium Documents, proxies and absentee ballots are valid for the specific meeting identified on the proxy and absentee ballot and any adjournment for that meeting.

Cumulative voting shall not be permitted. "Cumulative voting" is defined as voting conducted in any election whereby the number of votes each Co-owner may cast in the election is based on the number of Directors to be elected and the Co-owner is permitted to cast all of their votes for one candidate.

Section 5. **Approval of Actions by Written Ballot Without a Meeting.** Any action which may be taken at a meeting of the Co-owners (except for removal of Directors) may be taken without a meeting by written balloting of the Co-owners. Ballots shall be solicited within the 60-day period of giving notice of meetings of Co-owners. The solicitation shall specify:

A. The number of responses needed to meet the quorum requirement;
B. The percentage of approvals necessary to approve the action; and
C. 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 Co-owner specifies a choice, the vote shall be cast in accordance with the Co-owner's specification.

Approval by written ballot is obtained by timely receipt of:

A. The number of ballots which equals or exceeds the quorum which would be required if the action were taken at a meeting;
B. The 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;

C. Ballots signed by the Designated Voting Representative; and,

D. Any proxy duly executed reflecting the designee and the Unit being voted and clearly identifying the person authorized to deliver or cast the ballot.

Section 6. **Majority.** A majority, except where otherwise provided in the Condominium Documents, shall consist of more than fifty (50%) percent of those Co-owners who are qualified and eligible to vote, and present in person, by permissible proxy, or by written or electronic absentee ballot at a given meeting of the Co-owners of the Association. Whenever provided specifically herein, a majority may be required to exceed the simple majority of Co-owners set forth above, represented by Designated Voting Representatives present in person, by proxy, or by written or electronic absentee ballot at a given meeting of the Co-owners of the Association called for a purpose as stated by the Board of Directors.

ARTICLE IX
MEETINGS

Section 1. **Location.** Meetings of the Association shall be held at a suitable place convenient to the Co-owners as may be designated by the Board of Directors.

Section 2. **Procedure.** In the discretion of the Board of Directors, meetings of the Association shall be conducted in accordance with Sturgis' Code of Parliamentary Procedure, Roberts Rules of Order, some other generally recognized manual of parliamentary procedure, or standard procedures adopted by the Board, when not otherwise in conflict with the Restated Articles of Incorporation, the Condominium Documents, or the laws of the State of Michigan. Only Co-owners in Good Standing, and their legal representatives, may speak at meetings of the Association. Any person in violation of this provision or the rules of order governing the meeting may be removed from such meeting, without any liability to the Association or its Board. Voting shall be as provided in Article VIII above.

Section 3. **Annual Meetings.** Annual Meetings of Co-owners of the Association shall be held at a date, time, and place determined by the Board of Directors. The Association shall have an Annual Meeting every twelve months.

A Board of Directors shall be elected by ballot at the Annual Meeting in accordance with the requirements of Article X of these Bylaws. The results of the election of Board Members shall be announced at the Annual Meeting. The Co-owners may transact any other business of the Association at the Annual Meeting as may properly come before them.

Section 4. **Special Meetings.** It shall be the duty of the President of the Association to call a Special Meeting of the Co-owners when requested by a majority of the Board of Directors. The President shall also call a Special Meeting upon receipt of a petition signed by one-third (⅓) of the qualified and eligible Designated Voting Representatives presented to the Secretary of the Association. In the event the President fails or refuses, for any reason, to call a Special Meeting as required within seven (7) days of the request, or fails, for any reason, to convene such Special Meeting within sixty (60) days of the request, then any Director or Co-owner who requested such Special Meeting shall be entitled to call and convene the same by providing notice of such meeting

to all Co-owners in accordance with these Bylaws. This provision shall in no way be construed to validate any action allegedly taken at such Special Meeting if the action was beyond the authority of the persons purporting to take such action. 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 5. **Notice of Meetings.** It shall be the duty of the Secretary of the Association (or other Officer in the Secretary's absence) to serve a notice of each Annual Meeting or Special Meeting. The notice shall state the purpose of the meeting, as well as the date, time, and place where it is to be held. The notice shall be sent to each Designated Voting Representative (DVR), at least fifteen (15) calendar days, but no more than sixty (60) calendar days prior to the meeting, by mailing, postage prepaid, or other delivery method as otherwise permitted in these documents, or as set forth by the DVR. An affidavit pertaining to service of notice shall be deemed notice served. Each Co-owner shall be deemed to have consented to receiving notices electronically via email if they provide the Association with their email address.

Any Co-owner may waive this notice requirement by filing a written notice of waiver signed by the Co-owner with the records of the Association. The written waiver constitutes due notice as required by this Section 5.

Section 6. **Quorum.** The presence, in person, by proxy, or by written vote, of thirty (30%) percent of the Co-owners eligible to vote, constitutes a quorum for holding a meeting of the Association, except for voting on questions specifically provided herein to require a greater quorum. The written or electronic vote of an eligible Co-owner furnished at a duly called meeting, the written or electronic vote of any person furnished prior to a meeting who is not present at the meeting, or the proxy of an eligible Co-owner who is not present at the meeting shall be counted in determining the presence of a quorum for that meeting.

Section 7. **Adjournment for Lack of Quorum.** If any meeting of the Association cannot be held because a quorum is not in attendance, the Co-owners who are present may adjourn the meeting to another date, time, and place not less than 48 hours from the time the original meeting was called. If the Board of Directors does not announce the date, time, and place for the adjourned meeting at the meeting at which the adjournment is taken, then the Association shall give proper notice of the date, time, and place of the adjourned meeting to the Co-owners as required by these Bylaws and the Nonprofit Corporation Act. At any such rescheduled meeting, the quorum requirement shall be reduced to fifteen (15%) percent of the Co-owners qualified to vote, except for voting on questions specifically provided herein to require a greater quorum. An informal meeting may be held as determined by the Board if quorum is not in attendance.

Section 8. **Quorum After a Catastrophic Event.** In event of a casualty or catastrophic event causing damage or destruction to more than fifty (50%) percent of the Condominium Premises, all quorum requirements for meetings of the Association shall be temporarily suspended. The President of the Board of Directors, or if absent, any Board Member, with the consensus of the Board or as circumstances dictate, shall be empowered to take those steps necessary and incur expenses of the Association to attempt to secure, protect, and safeguard the Condominium Project, to notify insurance companies as necessary to preserve known

insurance claims, and to collect and disburse proceeds of insurance for such purposes, notwithstanding the lack of Association meetings or Co-owner approval if otherwise required. Every Co-owner displaced or otherwise out of contact with the Association by the casualty or catastrophic event has the affirmative duty to notify the Board (or any Director) of their current address for meeting notification purposes. Upon receipt of such notification for all Co-owners, the suspension of quorum and meeting of Co-owners' obligations shall cease, and a meeting of Co-owners then and there called.

Section 9. **Consent of Absentees.** The transaction of business at any meeting of the Association, either Annual or Special, however called and noticed, shall be as valid as though made at a meeting duly held after regular call and notice, if a quorum is present either in person or by permissible proxy at the meeting. Co-owners who are not present in person or by permissible proxy at the meeting are deemed to have consented to action taken at the meeting unless the Co-owner files a written objection with the Secretary or managing agent to the form of call and notice and action of such meeting.

Section 10. **Order of Business.** The order of business at the Annual Meeting of the Association shall be as follows: (a) calling the meeting to order; (b) proof of notice of meeting or waiver of notice; (c) proof of quorum; (d) reading and approval of minutes of preceding meeting; (e) reports of Officers; (f) reports of committees, open discussion/miscellaneous committee business; (g) appointment of Inspectors of Elections (when appropriate); (h) election of Directors (when appropriate); (i) unfinished business; (j) new business; (k) open discussion/miscellaneous business.

Section 11. **Minutes of Meeting.** Written minutes, a tape recording, or any similar record of the proceedings of an Association meeting is presumed truthfully to evidence the matters addressed at the meeting when verified by an Officer of the Association. A statement in the minutes that notice of the meeting was properly given is prima facie evidence that notice was given. If recordings are utilized solely for the convenience of the Secretary, then they shall not be deemed the minutes of any meeting, nor are they required to be maintained or released to any person or entity.

Section 12. **Remote Participation in Meetings.** The Board of Directors may allow the conduct of meetings of the Association, the Board of Directors, or any Committees by remote participation (e.g., telephone conference call, video/internet conference, or by any other means of remote communication by which all persons can communicate with each other) and as provided in the Rules and Regulations.

ARTICLE X
BOARD OF DIRECTORS

Section 1. **Qualification and Eligibility of Directors.** The affairs of the Association are governed by a Board of Directors, all of whom shall be Co-owners. No candidate for election or appointment to the Board shall be eligible to serve (or if already elected or appointed, to continue to serve) if they do not reside on the Condominium Premises, if they own more than three (3) Units, if they are delinquent in the payment of any sum of money owed to the Association, or if

they are in default under any provisions of the Condominium Documents, until such default or violation is cured.

Only one (1) person per Unit shall be eligible as a candidate for the Board of Directors, notwithstanding the fact that the Unit is jointly owned by two (2) or more persons and/or entities. If a Co-owner is a *corporation*, then only a shareholder or a director thereof shall be qualified and eligible to serve as a Director. If a Co-owner is a *partnership*, then only a partner thereof shall be qualified and eligible to serve as a Director. If a Co-owner is a *limited liability company*, then only a member thereof shall be qualified and eligible to serve as a Director. If a Co-owner is a *trust*, then only a present trust beneficiary thereof shall be qualified and eligible to serve as a Director. Any Co-owner landlord who is not a corporation, partnership, limited liability company, nor a trust shall be qualified and eligible to serve as a Director only in their individual capacity, and the Tenant or agent of such landlord shall not be qualified or eligible to serve as a Director.

A Director must be in Good Standing to vote on a matter. If an elected or appointed Director fails to meet the requirements to be in Good Standing and fails to cure the reason for not being in Good Standing within ten (10) days, the Director shall be deemed to have automatically resigned from the Board of Directors for the remainder of the Director's term and the vacancy shall be filled in accordance with Section 7 below.

The Board of Directors shall serve without compensation but may be reimbursed for reasonable out-of-pocket expenses approved by the Board.

Section 2. **Size and Term of Office.** The Board of Directors shall be comprised of five (5) persons who shall manage the affairs of the Association. The term of office for each Director shall be two (2) years. Directors shall serve until their successors take office. The Board may appoint a non-voting alternate Director in its discretion.

Section 3. **Election.** The Board of Directors shall be elected at the Annual Meeting. Three (3) Directors are elected in one year and two (2) Directors are elected in the following year. Election may be by acclamation if the number of candidates is equal to or less than the number of vacancies on the Board. In the event there are no candidates, or an election may not be held, the existing Directors shall continue to serve.

Inspectors of Election shall be selected by the Board of Directors at the beginning of the Annual Meeting from volunteers present at that meeting. Inspectors of Election may be qualified Co-owners, incumbent Board Members not standing for re-election, management personnel, or any other disinterested person. A minimum of two (2) Inspectors of Election is required.

Ballots shall be counted and verified by the Inspectors of Election. The candidates receiving the greatest number of votes will fill the vacant seats on the Board of Directors. The names of the new Directors shall be announced to the Co-owners immediately after determination. In the case of a tie vote, the existing Board will break the tie. Ballots must be maintained with the Association records for not less than three (3) years from the Annual Meeting date.

Section 4. **Powers and Duties.** The Board of Directors has all the powers and duties

necessary for the administration of the affairs of the Association and may do all acts and things that are not prohibited by the Condominium Documents or Michigan law or required to be exercised and performed by the Co-owners. All projects and actions undertaken by the Association shall require the direction and approval of the Board.

The Directors have fiduciary duties to the membership, including the duty of loyalty to act only in the best interests of the Co-owners, as well as the duties of care and good faith, and to act only within the scope of their authority as Directors. The Directors shall at all times govern themselves and their conduct in full accordance with these fiduciary duties.

In addition to the general duties imposed by these Bylaws, those which may be stated in the Restated Articles of Incorporation, or any further duties which may be imposed by resolution of the Co-owners of the Association, the Board of Directors shall be responsible specifically as follows:

A. To manage and administer the affairs of, and to maintain the Condominium Project and the Common Elements thereof, all to the extent set forth in the Master Deed, or elsewhere in the Condominium Documents. In all instances the Board of Directors shall be governed and afforded discretion under the business judgment rule.

B. To determine, levy, collect and disburse assessments, fines, late charges, administrative charges, or other charges against and from the Co-owners of the Association or others and to use the proceeds for the purposes of the Association including, for example, without limitation, the acquisition, insurance, maintenance, repair, remediation, extraction and desiccation, replacement and reconstruction of the Common Elements, any amenities, and Units of the Condominium Project.

C. To obtain insurance and distribute insurance proceeds in accordance with the provisions of Article VII of these Second Amended and Restated Condominium Bylaws.

D. To restore, repair, or rebuild the Condominium Project, or any portion thereof, pursuant to the Condominium Documents, after occurrence of casualty, and to negotiate on behalf of all Co-owners in connection with any taking of the Condominium, or any portion thereof, by eminent domain.

E. To contract for and employ, and to discharge, persons, entities, or other agents to assist in the management, operation, maintenance, and administration of the Condominium Project. All such contracts shall be deemed to incorporate, and all vendors, their employees, agents, or sub-contractors shall comply with all provisions of the Condominium Documents, including, without limitation, the Bylaw restrictions pertaining to Non-Discrimination and Fair Housing compliance.

F. To purchase or otherwise acquire on behalf of the Association, any Units offered for sale or surrendered by their Co-owners or mortgagees or lien holders, subject to any limitations in the Condominium Documents.

G. To purchase Units in the Condominium Project at tax foreclosure, mortgage foreclosure, or other lien, judicial, or sheriff sales on behalf of the Association in order to protect the Association's lien position on that Unit or otherwise determined in the best interest of the Association.

H. To sell, lease, mortgage, cast the votes appurtenant to a Unit (other than for the election of members of the Board of Directors), or otherwise take action with regard to Units acquired by the Association.

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

J. To open and maintain accounts with financial institutions or entities in furtherance of the purposes of the Association and designating signatories required for those purposes.

K. To borrow money and issue evidences of indebtedness in furtherance of any and all purposes of the business of the Association, and to secure the same by assignment of the right to collect assessments, mortgage, pledge, or other lien, on property owned by the Association; provided, however, that any such action shall also be approved by affirmative vote of more than sixty (60%) percent of all Co-owners of the Association, except in the case of financing or refinancing of a Unit acquired through foreclosure of the statutory lien for unpaid assessments, obtaining a letter of credit, and/or appeal bond for litigation, or purchasing personal property with a value of $5,000.00 or less, all of which shall require no such approval.

L. To determine an annual budget and such other financial plans for Association funds as may be necessary or desirable for the maintenance, repair, remediation, extraction and desiccation, replacement and reconstruction of the Common Elements, any amenities, or Units, or in furtherance of administration of the affairs of the Association.

M. To adopt, enforce, amend, revoke, revise, or suspend Rules and Regulations convenient to the administration of affairs and operation of the Condominium Project in accordance with Article VI, Section 20 of the Second Amended and Restated Condominium Bylaws.

N. To set and establish grandfather and sunset provisions as to any terms, conditions, or circumstances it deems appropriate in the administration of affairs of the Condominium Project.

O. To establish or dissolve committees, either executive or general, and to solicit volunteers for service on the committees as deemed necessary, convenient, or desirable; to appoint persons to the committees for the purpose of implementing the administration and operation of the Condominium Project; and to delegate to committees any functions or responsibilities which are not by law, or the Condominium Documents required to be performed by the Co-owners or Board of Directors.

P. To make rules and regulations or to enter into agreements with institutional lenders,

or both, for the purpose of obtaining mortgage financing for Co-owners which is acceptable for purchase by the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association, of any other agency of the federal government, the State of Michigan, the County of Wayne, the City of Grosse Pointe, or any other agency or unit of government.

Q. To enforce the provisions of the Master Deed and Bylaws of the Condominium, the Restated Articles of Incorporation, Rules and Regulations of the Association as may hereafter be adopted and amended, to sue on behalf of the Co-owners, and to assert, defend, or settle claims on behalf of the Co-owners with respect to the Condominium Project.

R. To maintain, or cause to be maintained, a list of all Co-owners, Tenants, and Non-Co-owner Occupants of the Association with contact information including address and phone number, as well as a current list of Designated Voting Representatives and mortgagees.

S. To initiate, authorize, or ratify suits, actions, investigations, proceedings (civil, criminal, or investigative) by the Association or defense of same against the Association, its Board Members, Officers, agents or third parties; and counter claim or prosecute, intervene, or file third party or cross claims and behalf of the Association, and any appeals from any of the foregoing.

T. To remit payment for property taxes or other liens assessed or attached to any Unit and the Condominium Project where necessary to preserve the Association's interest in the Unit and Condominium.

U. To carry out the purposes of the Association and to have all the powers conferred upon nonprofit corporations and associations of Co-owners by Michigan law necessary to carry out those purposes.

V. In general, to enter into any kind of activity, to make and perform any contract, and to exercise all powers necessary, incidental, or convenient to the administration, management, maintenance, repair, remediation, extraction and desiccation, replacement and reconstruction, and operation of the Condominium Project and to the accomplishment of any of the purposes of the Project.

W. The Board of Directors shall not be required or subject to the imposition of any other duties except as it determines in accordance with the Condominium Documents.

Section 5. **Additional Powers.** The Board of Directors shall have the power and authority (but not the obligation) to make improvements to any Unit or advance payments upon any obligations or liens to protect and secure the interest of the Association and maintain the standards of the Condominium Project as required under the Condominium Documents. All such improvements, payments, or expenses are chargeable as assessments and secured and collected in the same manner as Article II hereof. Actions pursuant to this Section 5 are permissive and not mandatory.

Section 6. **Professional Management.** The Board of Directors may employ a

professional management agent for the Association at reasonable compensation established by the Board to perform those duties and services contained in the Condominium Documents. The Board may delegate to the 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 or the Co-owners of the Association.

In no event shall the Board be authorized to enter into a contract with a professional management agent with a maximum term greater than three (3) years and which is not terminable with or without cause by the Association upon ninety (90) days' written notice, or which provides for a termination fee or penalty. No management contract shall be entered into by the Association where the management fee to be charged to the Association is in excess of five (5%) percent of the total budget, exclusive of reserves for repair and replacement of the Common Elements. No Director or Officer of the Board shall have any affiliation with the management agent.

Section 7. **Vacancies.** Vacancies on the Board of Directors caused by any reason, other than the removal of a Director by a vote of the Co-owners shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum. Each person so appointed shall be a Director until the end of the term of the Director who is replaced, and a successor is elected at the next Annual Meeting of the Association. A Director's written resignation is effective upon the prospective date stated in a written notice or if no date is stated or the resignation is oral, upon acknowledgment in the minutes of the Board of Directors.

Notwithstanding any other terms contained in these Bylaws, the Board may allow a vacant seat created by a Director's resignation to remain vacant until the next Annual Meeting pursuant to Section 3 above, as long as at least three (3) Directors still remain on the Board. Regardless of whether a successor is appointed or elected, the original term of office of the Director whose seat became vacant shall neither be shortened nor lengthened; in this manner, the staggered terms of office shall be preserved.

For purposes of this Section 7, the Director who wins election with the least number of votes shall be deemed to have been elected to the serve the remaining year of the term of the Director was removed or who resigned.

Section 8. **Removal of Directors.** Any Director may be removed with or without cause at any regular or special meeting of the Association duly called with proper notice of the removal action proposed to be taken. The affirmative vote of at least fifty-one (51%) of all the Co-owners qualified and eligible to vote shall be required for removal of any Director. A successor may be elected at the meeting to fill any vacancy thus created. Any Director whose removal has been proposed by the Co-owners shall be given an opportunity to be heard at the meeting. Use of proxies is prohibited for voting at the meeting to remove Directors. Voting to remove a Director must be by written ballot.

Any Director may also be removed for cause by majority vote of the Board of Directors then in office. As used in this Section 8, "cause" means (1) conviction of a felony; (2) declaration of incompetency by Order of a Court; (3) gross dereliction of duty; (4) commission of an action involving moral turpitude, or (5) commission of an action which constitutes intentional misconduct

or a knowing violation of law, either event having resulted in improper personal benefit or material injury to the Association. The Director proposed for removal for cause shall be afforded a hearing before the Board prior to removal.

Section 9. Meetings of the Board of Directors.

A. **First Meeting of New Board of Directors.** The first meeting of a newly elected Board of Directors shall be held at the next regular meeting of the Board, but in no event, shall the meeting be held more than thirty (30) days from the date of election. Notice of the meeting shall be given to the Directors as prescribed in Section 10 below. The purpose of the meeting shall be the appointment of Officers and such other matters as might come before the Board at a regular Board meeting. If the date, place, and time of the first Board meeting is set at the Annual Meeting at which the new Directors were elected and the majority of the Board is present at such meeting, then the Board need not provide any written notice for the first meeting of a newly elected Board.

After any election of new Directors at an Annual Meeting or the resignation of any Director, the Directors who are no longer serving on the Board shall turn over all minutes, financial statements, maintenance schedules, alteration/modification forms, project proposals, contracts, and all other Association records, documents, and Association personal property of any kind in their possession or control to the remaining and newly-elected Directors no later than the date of the first meeting of the newly-elected Board, if after an Annual Meeting, or the date of next Board meeting that takes place after the Director's resignation, if after a resignation.

B. **Regular Board of Directors 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. At least two (2) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board shall be given to each Director at least ten (10) days prior to the date named for such meeting.

C. **Special Board of Directors Meetings.** Except as otherwise required due to exigent circumstances, special meetings of the Board of Directors may be called by the President on three (3) calendar days' notice to each Director. Special meetings of the Board of Directors shall be called by the President or Secretary in the same manner and on like notice on the written request of one Director. In the event the President or Secretary shall fail or refuse or refuse, for any reason, to call a special meeting as required hereby within seven (7) days' notice of a request therefore, or shall fail for any reason to convene such a meeting within twenty-one (21) days of a request therefore, then the Director who requested such meeting shall be entitled to call and convene the same by providing notice of such meeting to all other Directors in accordance with these Bylaws.

D. **Remote Participation in Board of Directors Meetings.** Directors may participate in Board of Directors meetings via telephone conference call, video/internet conferencing (e.g., Skype, Facetime, etc.), or by any other means of remote communication by which all persons can communicate with each other. Participation in a Board meeting by such means shall constitute being present in person at the meeting for any and all purposes. Directors

may vote electronically by email and if all Directors concur in doing so the vote shall have the same effect as if a meeting had been physically held. Such decision shall be reflected in the minutes of the next regular meeting of the Board.

Section 10. **Notice of Board of Directors Meetings.** Notice of meetings of the Board of Directors shall be given to each Director personally or by mail, facsimile transmission, telephone, or electronic media, at least ten (10) days prior to the date named for a regular meeting and at least three (3) days prior to the date named for a special meeting. The notice shall state the time, place, and purpose of the meeting.

Section 11. **Waiver of Notice for Board of Directors Meetings.** Before or at any meeting of the Board of Directors, any Director may, in writing or orally, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meetings of the Board shall be deemed a waiver of notice by them of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required, and any business may be transacted at such meeting.

Section 12. **Quorum and Voting for Board of Directors Meetings.** 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. A Director will be considered present and may vote on matters before the Board if present in person or by participation in such meeting by remote means, such as conference call or video conferencing, electronically, or by any other method of giving the remainder of the Board sufficient notice of the absent Director's vote and position on any given matter; provided, however, that any vote not in writing is confirmed in writing not later than the next meeting of the Board.

If, at any meeting of the Board of Directors, there be less than a quorum present, the majority of those present may adjourn the meeting to a subsequent time upon 24 hours' prior written notice delivered to all Directors not present. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice. The joinder of a Director in the action of a meeting by signing or concurring in the minutes thereof, shall constitute the presence of such Director for purposes of establishing a quorum and the action taken.

Section 13. **Board of Directors Vote on Action Without Meeting.** Directors may vote electronically (email or text) without a meeting only if all Directors concur in the action that is the subject of the vote. In such event, the vote shall have the same effect as if a meeting had been physically held. The emails or texts containing the approvals of all of Directors of the action or decision shall be reflected in the minutes of the next regular meeting of the Board of Directors. Further, the presiding officer of the Association, in exceptional cases requiring immediate action, may poll all Directors by phone for a vote, and provided the action is consented to by the requisite number of Directors, such vote shall constitute valid action by the Board, provided the results of the vote and the issue voted upon are noted in the minutes of the next Board meeting to take place.

Section 14. **Closing of Board of Directors Meetings to Co-owners; Privileged Minutes.** The Board of Directors, in its discretion, may close a portion or all of any meeting of

the Board to the Co-owners of the Association or may permit Co-owners to attend a portion or all of any meeting of the Board.

Any Co-owner of the Association shall have the right to inspect, and make copies of, the minutes of the meetings of the Board; provided, however, that no Co-owner of the Association shall be entitled to review or copy any minutes which reference privileged communications, including the following:

A. Communications between the Board of Directors and counsel for the Association, or any other matter to which a privilege against disclosure pertains under Michigan Statute, common law, the Michigan Rules of Evidence, or the Michigan Court Rules;

B. Any unpaid amounts owed by a specific Co-owner to the Association, or the names and addresses of such Co-owners;

C. Any information the disclosure of which would impair the lawful purposes of the Association;

D. Any information the disclosure of which would impair the rights of privacy or free association of any Co-owner of the Association;

E. Any information relating to a pending Bylaw violation enforcement matter against a Co-owner; or

F. Information the disclosure of which may compromise or adversely affect the Association in pending or threatened legal proceedings.

Section 15. **Board of Directors Meeting Minutes.** Minutes shall be taken at each meeting of the Board of Directors. Such minutes shall:

A. Identify all persons present during the meeting and the time present (if not present for the entire meeting);
B. Record an explanation of the subject of each matter discussed;
C. State each issue on which a vote is taken; and
D. Record by name the vote of each Director on each vote taken.

The minutes for the executive session portion of a Board of Directors meeting shall be kept separately from the minutes of the regular session of such meeting. Minutes of executive sessions of Board meetings may only be disclosed to the general membership in accordance with this Section 15 and Article XIII of these Amended and Restated Condominium Bylaws.

Section 16. **Conflicts of Interest.** In the event any Director shall have any relationship or transactions with, or interest in, any person or entity with whom or which the Association may have any contractual dealings, such Director shall have an affirmative duty to disclose such relationship, transaction, or interest, in writing, to the Board of Directors at a Board meeting as soon as such contractual dealings are contemplated or initiated. The proposed contractual dealing

must be fair to the Association at the time entered into, and the Director must disclose or make known to the Board all material facts of such relationship, transaction, and interest. If a Director has any such relationship, transaction, or interest, they shall recuse themselves from any vote taken by the Board to ratify or approve the contractual dealing.

Section 17. **Fidelity Bonds; Employee Dishonesty Insurance.** The Board of Directors shall require that all Directors, Officers, agents, and employees of the Association handling or responsible for Association funds shall be covered by adequate fidelity bonds and/or employee dishonesty insurance purchased by the Association. The premiums on such bonds and insurance shall be expenses of administration of the Association. Such bonds or insurance shall not be less than the amount of the reserve funds plus a sum equal to three (3) months' aggregate assessments on all Units.

ARTICLE XI
COMMITTEES

Section 1. **Designation.** The Board of Directors may designate one or more committees, each committee consisting of one or more Directors. The Board may designate one or more Directors as alternate members at a meeting of the committee. A committee and each member shall serve at the pleasure of the Board.

Section 2. **Appointment of Substitutes.** In the absence or disqualification of a member of a committee, the members present at a meeting and not disqualified from voting, whether they constitute quorum, may unanimously appoint another Director or a Co-owner to act at the committee meetings in place of the absent or disqualified member.

Section 3. **Powers.** A committee shall act in only an advisory capacity to the Board of Directors unless such committee is specifically empowered by the Board to exercise further discretionary authority.

ARTICLE XII
OFFICERS

Section 1. **Designation.** The principal officers of the Association shall be President, Vice President, Secretary, and Treasurer, all of whom shall be members of the Board of Directors. The Directors may appoint such other Officers as in their judgment may be necessary. Any two (2) offices except that of President and Vice President may be held by one person. Officers shall not be compensated for their services as Officers, but they may be reimbursed for reasonable out-of-pocket expenses.

A. **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. The President shall have all of the general powers and duties which are usually vested in the office of the President of an association, including, without limitation, the power to appoint committees from among the Co-owners of the Association from time to time as the President may in their discretion deem appropriate to assist in the conduct of the affairs of the Association.

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

C. Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors and the Association. The Secretary shall have charge of such books, contracts, records, financial statements, and papers as the Board may direct; and they shall, in general, perform all duties incident to the office of the Secretary. The Secretary, or, in the absence or disability of the Secretary, the Treasurer, shall sign the minutes upon approval.

D. 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 depositaries as may, from time to time, be designated by the Board of Directors. The Treasurer shall review and oversee payment of all invoices and shall review the monthly and annual financial statements of the Association. The Treasurer shall monitor the reserve funds of the Association and consult with the Board as necessary concerning such funds. To the extent permitted by law and these Bylaws, the Treasurer's duties described herein may be delegated, in whole or in part, to a professional management agent to be performed on the Board's behalf and subject to its regular review pursuant to Article X, Section 4 of these Bylaws. All decisions concerning reserve funds shall be made by the Board exclusively and shall not be delegated to any third party in any event. Withdrawals from reserve funds shall be approved in advance by signature of at least one Director if payable to the Association and at least two (2) Directors if payable to any other party. Reserve funds shall be used only for such purposes as are permitted under Michigan law and these Condominium Documents.

Section 2. Appointment or Election of Officers. The Officers of the Association shall be appointed or elected annually by the Board of Directors at the first meeting of each new Board and shall hold office at the pleasure of the Board.

Section 3. Removal of Officers. Upon affirmative vote of a majority of the members of the Board of Directors, any Officer may be removed from their office position either with or without cause, and their successor appointed at any regular meeting of the Board, or at any special meeting of the Board called for such purpose. No such removal action may be taken, however, unless the matter is 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.

Any Officer who is removed from their office position shall remain on the Board as a Director at large, unless otherwise removed from the Board by the Co-owners under Article X, Section 8 of these Bylaws.

Section 4. Other Duties. The Officers shall have such other duties, powers, and responsibilities as shall, from time to time, be authorized by the Board of Directors.

ARTICLE XIII
FINANCES AND RECORDS

Section 1. **Fiscal Year.** The fiscal year of the Association shall be the calendar year. The commencement date of the fiscal year shall be subject to change by the Board of Directors for accounting reasons or other good cause.

Section 2. **Banking.** The funds of the Association shall be initially deposited in such credit unions, banks, or with insured securities brokers or invested in federally insured securities as may be designated by the Board of 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 from time to time.

Section 3. **Investment of Funds.** Funds of the Association may be invested from time to time in accounts or deposit certificates of such banks or credit unions as are insured by an agency of the federal government and may also be invested in interest-bearing obligations of the United States Government or in such other depositories as may be adequately insured in the discretion of the Board of Directors.

Section 4. **Financial Statements; Audit.** The Association shall prepare and distribute a financial statement at least annually to each Co-owner, the contents of which shall be defined by the Board of Directors. The financial statement shall be distributed to the Co-owners each year along with the Notice for the Annual Meeting. Any institutional holder of a first mortgage of record on any Unit in the Condominium Project is entitled to receive a copy of the Association's annual financial statement within 90 days after receipt by the Association of such financial statement, upon written request, and payment of all administrative fees, if any.

The Board of Directors shall engage a qualified, independent certified public accountant annually to perform a review or audit of the books of account. The costs of any such audit and any accounting expenses shall be expenses of administration of the Association. Pursuant to MCL 559.157(3), the Association may opt out of conducting a review or audit of the books of account by an affirmative vote of a majority of the Co-owners, on an annual basis.

Upon receiving a written request from a Co-owner, the Association shall mail to the Co-owner its balance sheet as of the end of the preceding fiscal year, its statement of income for that fiscal year, and, if prepared by the Association, its statement of source and application of funds for that fiscal year.

Section 5. **Association Records.** The Board of Directors or its authorized agent shall maintain current copies of all Condominium Documents and keep detailed books of account showing all expenditures and receipts of administration of the Association. The books of account shall specify the maintenance, repair, remediation, extraction and desiccation, replacement, and reconstruction or other expenses pertinent to the Common Elements and any other expenses incurred by or on behalf of the Association and the Co-owners.

The Board of Directors shall maintain a file on each Unit in the Condominium Project

containing evidence of ownership, information regarding mortgagee and insurance, a copy of any Lease or information pertaining to Non-Co-owner Occupants, duly executed Designated Voting Representative form, correspondence, approvals for architectural, landscape or other modifications, a list of major repairs performed or authorized by the Board, and any other documentation necessary to provide a history of the Unit. Unless otherwise authorized by the Board, access to this Unit file is only available to the Co-owner, the Management Company, the Board, and anyone or entity authorized by the owner(s) of such Unit.

Any of the books, records, or minutes of the Association may be in written form or in any other form that is convertible to written form within a reasonable time. The Association shall convert into written form, without charge, any record that is not in written form, if requested by a person entitled to inspect the record.

Section 6. **Right to Inspect Association Records.** A Director of the Association may examine the Association's books, records, contracts, and financial statements for a purpose reasonably related to their position as a Director.

A Co-owner has the right to inspect the Association's books, records, contracts, and financial statements in accordance with these Bylaws, as well as the rights and remedies afforded to Co-owners/Members under the Michigan Condominium Act (MCL 559.157(1)), the Nonprofit Corporation Act (MCL 450.2487) and any other applicable law. Such inspection may be made by any Co-owner or the Co-owner's Designated Voting Representative, or their mortgagee, attorney, or other agent, as limited by the provisions of MCL 450.2101 et seq. as amended. If an attorney or other agent is inspecting the records on behalf of a Co-owner, the demand must include a Power of Attorney or other writing that authorizes the Attorney or agent to act on behalf of the Co-owner.

A Co-owner desiring to view records of the Association pursuant to the Nonprofit Corporation Act (MCL 450.2487) shall tender a prior written demand to the Board of Directors, describing with reasonable particularity:

A. The purpose of the inspection;
B. The records desired to be inspected; and
C. How the records sought are directly connected to the purpose of the inspection.

For purposes of this Section 6, a "proper purpose" means a purpose that is reasonably related to a Co-owner's interest as a Co-owner/Member of the Association.

A Co-owner's right to inspect the Association's records, contracts, records, and financial statements under the Bylaws and all applicable laws shall be cumulative and not exclusive. A Co-owner may choose to exercise some or all of these legal rights in their discretion, and a Co-owner's failure to exercise any of these rights shall not constitute a waiver of any rights. The "right to inspect" under this Section 6 includes the right of the Co-owner to make copies (including photographic copies of the documents inspected) and to make extracts from the records. The Association may assess the Co-owner a reasonable charge for the cost of any copies requested by the Co-owner, as well as the cost for labor and third-party charges involved in compiling, gathering, monitoring, or supervising the examination and inspection of records.

A Co-owner shall not disclose any records to third parties who are not entitled to view or have such records. A Co-owner shall not use the records for commercial purposes such as sales, resales, rentals, solicitation, or advertising.

Section 7. **Limitations on Right to Inspect Association Records.** Notwithstanding Section 6 above, a Co-owner does not have the right to inspect, copy, or make extracts of the books, records, contracts, and financial statements of the Association if the Board of Directors has made a good faith determination, in its sole discretion, that one or more of the following applies to the documents requested for inspection and copying by the Co-owner:

A. The documents requested contain privileged communications between the Board of Directors and legal counsel for the Association, or any other matter to which a privilege against disclosure pertains under Michigan Statute, common law, the Michigan Rules of Evidence, or the Michigan Court Rules;

B. The documents contain information regarding any unpaid amounts owed by a specific Co-owner to the Association;

C. Disclosure of the documents requested would impair the lawful purposes of the Association;

D. Disclosure of the documents requested would impair the rights of privacy or free association of any Co-owner of the Association;

E. Disclosure of the documents requested may compromise or adversely affect the Association in any pending or threatened legal proceeding; or

F. Disclosure of the documents requested is not in the best interests of the Association.

ARTICLE XIV
INDEMNIFICATION OF DIRECTORS AND OFFICERS; DIRECTORS' AND OFFICERS' INSURANCE

In regard to the indemnification, insurance, and protection from liability of Directors, Officers, agents, and non-Director volunteers, the Association shall be governed by this Article XIV, as well as Articles VII and VIII of the Association's Restated Articles of Incorporation, which are hereby incorporated by reference.

Section 1. **Indemnification of Directors, Officers, and Non-Director Volunteers - Generally.** The Association shall indemnify any person who was or is a party or is threatened to be made a party to a threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative or investigative, and whether formal or informal, other than an action by or in the right of the Association, by reason of the fact that they are or were a Director, Officer, non-Director volunteer, agent, or employee of the Association, against expenses, including attorneys' fees, judgments, penalties, fines, and amounts paid in settlement actually and reasonably incurred by them in connection with the action, suit, or proceeding, if the person acted in good

faith and in a manner they reasonably believed to be in or not opposed to the best interests of the Association or its Members, was not guilty of willful and wanton misconduct or gross negligence and, with respect to a criminal action or proceeding, if the person had no reasonable cause to believe their conduct was unlawful.

The termination of an action, suit, or proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent, does not, of itself, create a presumption that the person did not act in good faith and in a manner which they reasonably believed to be in or not opposed to the best interests of the Association or its Members and, with respect to a criminal action or proceeding, had reasonable cause to believe that their conduct was unlawful or was not guilty of willful and wanton misconduct or gross negligence; provided, however, that in the event of any claim for reimbursement or indemnification hereunder based upon settlement by the Director, Officer, or other person seeking such reimbursement or indemnification, the indemnification provided for herein shall apply only if the Board of Directors, with the person seeking reimbursement or indemnification abstaining, approves such settlement and reimbursement or indemnification as being in the best interest of the Association.

The foregoing right of reimbursement or indemnification shall be in addition to and not exclusive of other rights to which such Director, Officer, or other person may be entitled. At least ten (10) days prior to payment of any reimbursement or indemnification which it has approved, the Board of Directors shall notify all Co-owners thereof.

Section 2. **Indemnification of Directors, Officers, and Non-Director Volunteers – Derivative Actions in the Right of the Association.** The Association shall indemnify any person who was or is a party to or is threatened to be made a party to a threatened, pending, or completed action or suit in the right of the Association to procure a judgment in its favor by reason of the fact that they are or were a Director, Officer, non-Director volunteer, agent, or employee of the Association, against expenses, including attorneys' fees and amounts paid in settlement actually and reasonably incurred by them in connection with the action or suit, if the person acted in good faith and in a manner they reasonably believed to be in or not opposed to the best interests of the Association or its Members and was not guilty of willful and wanton misconduct or gross negligence.

Indemnification shall not be made for a claim, issue, or matter in which the person has been found to be liable to the Association except to the extent authorized by Section 564c of the Business Corporation Act.

Section 3. **Directors' and Officers' Liability Insurance.** Whether the Association would have the power to indemnify the persons under Sections 561 and 562 of the Michigan Nonprofit Corporation Act, the Association shall provide liability insurance for every Director, Officer, employee, non-Director volunteer, or agent of the Association for the same purposes provided above in Sections 1 and 2, and in such amounts as may reasonably insure against any potential liability asserted against the person and incurred by the person in that capacity or arising out of the person's status as such.

With prior written consent of the Association, a Director, or an Officer of the Association

may waive any liability insurance for such Director's or Officer's personal benefit. No Director or Officer shall collect for the same expense or liability under Sections 1 or 2 and under this Section 3. To the extent, however, that the liability insurance provided herein to a Director or Officer was not waived by such Director or Officer and is inadequate to pay any expenses or liabilities otherwise properly indemnifiable under the terms hereof, a Director or Officer shall be reimbursed or indemnified only for such excess amounts under Sections 1 or 2 above.

ARTICLE XV
AMENDMENTS

Section 1. **Proposals.** Amendments to these Second Amended and Restated Condominium Bylaws may only be proposed by the Board of Directors acting upon the vote of the majority of the Directors, or by a written instrument signed by those Co-owners who represent at least one-third (⅓) of all Units in the Condominium Project. The Association shall be required to provide prior written notice to all Co-owners of the Condominium of the text of any and all proposed amendments to these Second Amended and Restated Condominium Bylaws before a vote of the membership may be held on the amendments.

Section 2. **Meetings and Voting.**

A. **Informational Meeting.** A meeting of the Co-owners (the "Informational Meeting") shall be duly called in accordance with these Second Amended and Restated Condominium Bylaws to discuss and review with the Co-owners any proposed amendment that would require a vote of the Co-owners under the Condominium Act. Such Informational Meeting shall be called, regardless of any provisions in these Second Amended and Restated Condominium Bylaws which might authorize the Association to take action by written consent or written ballot without a meeting.

B. **Voting on Amendments.** The Association may conduct a Co-owner vote on the proposed amendments solely by written ballot under Section 408 or by polling place under Section 409 of the Nonprofit Corporation Act and these Second Amended and Restated Condominium Bylaws, as long as at least one (1) prior meeting of the Co-owners has been held to discuss and review the proposed amendments, as outlined herein. Voting by written ballot and/or polling place also may be combined with voting conducted in person or by proxy or by written ballot at membership meetings on the same amendment proposals to the fullest extent permitted by the Nonprofit Corporation Act and any other applicable law.

(1) ***Voting at the Informational Meeting.*** Co-owner voting on proposed amendments may, but need not, be commenced at the Informational Meeting after the conclusion of Co-owner discussion regarding the amendments. Such voting may only be commenced if the notice for the Informational Meeting specifically stated that voting on the proposed amendments may be conducted at the meeting. The Board of Directors shall have discretion to decide, by majority vote of the Board, whether to commence voting on the proposed amendments at the Informational Meeting.

(2) ***Voting at a Special Meeting.*** The Board of Directors may, in its

discretion, choose to commence voting on the proposed amendments at a Special Meeting called for that purpose.

(3) ***Continuation of Voting Period.*** If the Board of Directors votes to commence the Co-owner vote at the Informational Meeting or at a Special Meeting called for that purpose, the vote need not be concluded at that meeting if sufficient votes are not received from the Co-owners to decide the issue(s). The vote may be continued by written ballot to the fullest extent permitted by the Nonprofit Corporation Act and other applicable law. The vote may also be continued at a subsequent Annual Meeting or Special Meeting of the Co-owners called for such purposes.

(4) ***Conclusion of Vote.*** Voting on amendments shall conclude upon the Association's receipt of enough votes from eligible Co-owners to decide the issue(s), or upon majority vote of the Board of Directors, whichever is sooner. The vote need not be concluded at a Membership Meeting. The Board may, in its sole discretion, call a Special Meeting to complete voting and/or to announce the result of an amendment vote.

(5) ***Record Date.*** The record date for a vote on proposed amendments shall be provided to the Co-owners in writing, as required by the Nonprofit Corporation Act. The record date must comply with the Nonprofit Corporation Act requirements, but the Board of Directors shall have the discretion to choose a different record date to the fullest extent permitted by the Act.

Section 3. **Co-owner Approval.** Whenever a proposed amendment to these Second Amended and Restated Condominium Bylaws would materially alter or effect the rights of the Co-owners under the Condominium Act, such an amendment shall require the approval two-thirds (⅔) of the Co-owners' Units in the Condominium Project who are entitled to vote as of the record date for such vote. For purposes of this Article XV, a "material" amendment is an amendment to the Second Amended and Restated Condominium Bylaws that in any way alters or changes a Co-owner's legal rights or obligations under the Condominium Bylaws, or which gives the Bylaws a different legal effect in regard to Co-owners.

Section 4. **Mortgagee Approval.** Whenever a proposed amendment would materially alter or change the rights of mortgagees (as defined in Section 90a(9) of the Condominium Act), such amendment shall require the approval of not less than two-thirds (⅔) of all first mortgagees of record. A mortgagee shall have one vote for each mortgage held. Mortgagee approval shall be solicited in accordance with Section 90a of the Condominium Act for material amendments which establish, provide for, govern, or regulate any of the following:

A. Voting;
B. Assessments, assessment liens, or subordination of such liens;
C. Reserves for maintenance, repair, and replacement of the Common Elements;
D. Insurance or fidelity bonds;
E. Rights to use of the Common Elements;
F. Responsibility for maintenance and repair of the several portions of the Condominium;

G. Expansion or contraction of the Condominium Project or the addition, annexation, or withdrawal of property to or from the Condominium;
H. Boundaries of any Unit;
I. Interests in the Common Elements;
J. Convertibility of Units into Common Elements or Common Elements into Units;
K. Leasing of Units;
L. Imposition of any right of first refusal or similar restriction on the right of a Co-owner to sell, transfer, or otherwise convey their Unit; or
M. Establishment of self-management by the Condominium Association where professional management has been required by any of the agencies or corporations.

Section 5. **Board of Directors' Power to Amend.** The Association may, acting through a majority of its Board of Directors and without the consent of any Co-owner or any other person, amend these Second Amended and Restated Condominium Bylaws as long as the amendments do not materially affect any rights of the Co-owners in the Condominium Project or impair the security of any mortgage holder, but only if the amendments serve at least one (1) of the following specific purposes:

A. To correct survey errors or any other errors in the Condominium Bylaws;
B. To maintain the Condominium Bylaws in compliance with the Act;
C. To facilitate conventional mortgage loan financing or refinancing for existing or prospective Co-owners;
D. To enable the purchase of such mortgage loans by the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association, and/or any other agency of the Federal government or the State of Michigan; or
E. To reflect and permit changes in technology related to building materials or standards which otherwise would not noticeably alter the appearance, color, or style of Units, improvements, or Common Elements.

Section 6. **Costs of Amendments.** Any person causing or requesting an amendment to these Second Amended and Restated Condominium Bylaws shall be responsible for the costs and expenses of proposing, preparing, considering, adopting, and recording such amendment. However, that such costs and expenses relating to amendments adopted pursuant to Sections 3 through 5 above shall be expenses of administration of the Association.

Section 7. **Effective Date.** For all amendments, Co-owners and mortgagees of record shall be notified of proposed amendments not less than ten (10) days before the amendments are recorded with the Wayne County Register of Deeds. Any amendment to these Second Amended and Restated Condominium Bylaws shall become effective upon recording of such amendment with the Wayne County Register of Deeds.

Section 8. **Binding.** A copy of each amendment to these Second Amended and Restated Condominium Bylaws shall be furnished to every Co-owner of the Association after recordation. Any amendment to these Second Amended and Restated Condominium Bylaws that is adopted in accordance with this Article XV shall be binding upon all persons who have an

interest in the Condominium Project, regardless of whether such persons actually receive a copy of the amendment.

ARTICLE XVI
COMPLIANCE

The Association of Co-owners and all present or future Co-owners, mortgagees, tenants, Non-Co-owner Occupants, land contract purchasers, licensees, contractors, invitees, guests, family or household members, or any other persons acquiring an interest in, entering upon, or using the facilities of the Condominium in any manner are subject to and shall comply with the Condominium Act, as amended, and with the Condominium Documents, as amended. The mere acquisition, occupancy, lease or rental of any Unit or any interest in a Unit, or the use of, or entry upon, the Condominium Premises signifies that the Condominium Documents are accepted and ratified.

ARTICLE XVII
REMEDIES FOR DEFAULT

Section 1. **Definition of Default.** The term "default" may include by way of illustration without intent of limitation, any acts of omission or commission under the Condominium Documents, the failure to comply with the Condominium Documents, the failure to pay mortgages, taxes, insurance, or any other obligation or incur liens or forfeitures which impacts or jeopardizes the health, safety, welfare, financial interest, or aesthetics of the Condominium Project. Such default shall entitle the Association to an action for damages, or any other relief or remedy as set forth in the Condominium Documents without being deemed an election of remedies.

Section 2. **Relief Available.** Any default by a mortgagee, Co-owner, Non-Co-owner Occupant, family and household member, guest, licensee, invitee, contractor, subcontractor, or vendee shall entitle the Association or another Co-owner or Co-owners to the following relief:

A. **Legal Action.** Failure to comply with any of the terms and provisions of the Condominium Documents or the Condominium Act, including any of the Rules and Regulations promulgated by the Board of Directors, shall be grounds for relief, which may include, without limitation, an action to recover sums due for damages, injunctive relief, foreclosure of lien (if default in payment of assessment or other amounts due as provided by the Condominium Documents), or any combination thereof. Relief may be sought by the Association, or if appropriate, by any aggrieved Co-owner or Co-owners. The Board may also impose any administrative remedies including, by way of illustration, without limitation, levy of fines, denial of access to any community facilities, amenities, websites, or other electronic media communication, denial of vote either as a Co-owner or Board Member or both, or eviction if a Non-Co-owner Occupant.

B. **Recovery of Costs.** In the event of a default of the Condominium Documents by a Co-owner or Non-Co-owner Occupant, resident or guest, licensee, invitee, contractor, or other person claiming any right of interest through a Co-owner, the Association shall

be entitled to recover from the Co-owner and Non-Co-owner Occupant resident or guests the pre-litigation and post-litigation (and appellate) costs, and actual attorney and other professional costs and fees incurred in obtaining compliance with the Condominium Documents The Association shall be entitled to recovery of such fees and costs of any civil, administrative, or criminal investigation, proceeding or action.

In any proceeding arising because of an alleged default by any Co-owner (including appellate proceedings), the Association, if successful, shall be entitled to recover the costs of the proceeding and actual attorney fees (not limited to statutory fees) incurred in obtaining compliance or relief, as may be determined by the Court. The Association, if successful, shall also be entitled to recoup the costs and attorney fees incurred in defending any claim, counterclaim, or other matter from the Co-owner asserting the claim, counterclaim, or other matter. No Co-owner shall be entitled for any reason to reimbursement of the Co-owner's litigation or pre-litigation attorney, professional and contractor fees, unless such reimbursement results from the application of the Michigan Court Rules.

If a Co-owner or Non-Co-owner Occupant files or participates in an action against the Association or initiates arbitration or administrative, alternative dispute proceedings, civil rights, or any other proceedings (civil or criminal) which are found not entitled to prevail on the remedy requested or frivolous action by the Court, tribunal or agency, arbitration, mediator or other means of dispute resolution, then the Co-owner or Non-Co-owner Occupant shall be responsible to reimburse the Association for its actual costs, expenses and Attorney, professional and contractor fees incurred in prosecution defense, participation in the proceedings in any capacity or enforcement of the Condominium Documents.

C. **Removal and Abatement.** The violation of any of the provisions of the Condominium Documents, including the Rules and Regulations promulgated by the Board of Directors, 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 or into any Unit, where reasonably necessary, and summarily remove and abate, at the expense of the Co-owner in violation, any structure, thing, or condition existing or maintained contrary to the provisions of the Condominium Documents. Provided, however, that judicial proceedings shall be instituted before items of construction are altered or demolished pursuant to this Section 2(C). The Association shall have no liability to any Co-owner arising out of the exercise of its removal and abatement power authorized herein. The Association may assess to the Co-owner any and all expenses, attorney fees and costs incurred, arising out of, or relating to the removable and abatement in the same manner as other assessments under Article II of these Second Amended and Restated Condominium Bylaws and Sections 1(A) and (B) of this Article XVII.

D. **Assessment of Fines.** The violation of any of the provisions of the Condominium Documents, including any of the Rules and Regulations promulgated by the Board of Directors, by any Co-owner or Non-Co-owner Occupant, guest, or tenant in addition to the rights set forth above, shall be grounds for assessment by the Association, acting through its duly constituted Board, of monetary fines for such violation in accordance with Article XVIII of these Bylaws. Such Co-owner shall be deemed responsible for such violations whether they occur as a result of their personal actions or the actions of their family, guests, Non-Co-owner Occupants, Tenants, or any other person admitted to the Premises through such Co-owner.

Nothing in this Article shall be construed to prevent the Association from pursuing any other remedy under the Condominium Documents or the Condominium Act for such violations or from combining a fine with any other remedy or requirement to redress any violation. Fines may be assessed only upon notice to the offending Co-owners as prescribed in Article XVIII, Section 2, and an opportunity for such Co-owner to appear before and respond to the Board no less than ten (10) 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 assessments provided in Article II of these Second Amended and Restated Condominium Bylaws.

Section 3. **Failure to Enforce Rights.** The failure of the Association or of any Co-owner to enforce any right, provision, covenant, or condition which may be granted by the Condominium Documents shall not constitute a waiver of right of the Association or of any such Co-owner to enforce such right, provision, covenant, or condition in the future.

Section 4. **Cumulative Rights and Remedies.** All rights, remedies, and privileges granted to the Association or any Co-owner pursuant to any terms, provisions, covenants, or conditions of the Condominium Documents or the laws of the State of Michigan, 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 from exercising other and additional rights, remedies, or privileges as may be available to such party at law or in equity.

Section 5. **Limitation of Actions.** An action against a Director or Officer for failure to perform the duties imposed under this Section 5 shall be commenced within three (3) years after the cause of action has accrued, or within two (2) years after the time when the cause of action is discovered or should reasonably have been discovered, by the complainant, whichever occurs first. Directors and Officer shall be evaluated by the business judgment rule.

In the event of any action by and between any Co-owners and Non-Co-owner Occupants in the enforcement or declaratory or other relief pertaining to the Condominium Documents, the prevailing party shall be entitled to recovery of reasonable costs and attorney fees, and other professional fees and expenses as may be determined by the Court or other presiding arbiter in such action. Provided, however, that in no event, absent any Statute or Court Rule, shall any Co-owner be awarded or recover such attorney's or other professional fees, costs, and expenses against the Association.

The Association may (but without obligation) take such action as it deems reasonable, necessary, and appropriate in the best interests of the Association to be involved in or participate in any such action. Provided, however, the Association shall have no obligation to collect or enforce any Judicial or Administrative Orders, decisions, or awards in any such action unless deemed reasonable, necessary, and appropriate in the best interests of the Association. All costs, expenses, attorneys' fees, or other professionals' fees incurred or paid by the Association in any form of inclusion or participation shall be recoverable against the party or parties involved.

Section 6. **Co-owner's Right to Enforce against the Association, Directors, and Officers.** A Co-owner may maintain an action against the Association and its Directors and Officers to compel them to enforce the terms and provisions of the Condominium Documents. A

Co-owner who is the prevailing party in any dispute between a Co-owner and the Association or its Directors or Officers may recover their reasonable attorney's fees and costs incurred in the dispute, subject to all of the following conditions and limitations:

A. The Co-owner's right to recover attorney's fees and costs from the Association or its Directors or Officers shall not apply to any fees or costs incurred by the Co-owner which arise out of or relate to any action or effort by the Association to collect any unpaid assessments or other amounts owed or alleged to be owed by the Co-owner to the Association, regardless of whether the Co-owner prevailed on a claim or defense against the Association or its Directors or Officers over such a matter;

B. The Co-owner may not recover any pre-litigation attorney's fees or costs; and

C. The Co-owner's claim or action for which the fees and costs were incurred involved at least one of the following types of claims or disputes:

(1) A dispute over the enforcement or interpretation of the Condominium Documents;

(2) A claim by the Co-owner to enforce a legal right that they have under the Condominium Act, the Nonprofit Corporation Act, or other applicable law; or

(3) A claim by the Co-owner brought against the Association's Directors or Officers, including, without limitation, a tort claim which arises out of or relates to any action or inaction taken by the Director or Officer while acting in their capacity as Director or Officer of behalf of the Association.

If the Association, its Board of Directors, or Officers prevails in defending against any type of claim or action brought against them by a Co-owner involving Sections 6(C)(1) through (3) above, then the prevailing Association, Directors, or Officers shall have the right to recover their attorney fees and costs from the Co-owner. In those cases where the Association is the prevailing party, it may assess such amounts to the Co-owner's Unit in accordance with Article II of these Second Amended and Restated Condominium Bylaws. The Association's rights under this paragraph shall be in addition to any other rights that the Association has under the Condominium Documents to recover its attorney fees and costs from a Co-owner.

ARTICLE XVIII
FINES

Section 1. **Fines - Generally.** The violation by any mortgagee, Co-owner, Non-Co-owner Occupant, their guest, licensee, invitee, agent, contractor, or family or household member, of any of the provisions of the Condominium Documents, including any duly adopted Rules and Regulations or directives of the Board of Directors, shall be grounds for assessment of monetary fines, costs, expenses or administrative charges against the involved mortgagee or Co-owner and Non-Co-owner Occupant, by the Association, acting through its duly constituted Board. Such Co-owner shall be responsible for the violation whether it occurs because of their personal actions or

omissions, or the actions of their family or household member, guest, licensee, invitee, contractor, subcontractor, or Non-Co-owner Occupant or any other person or entity claiming any interest or right through them to be upon the Condominium Premises.

Nothing in this Article XVIII shall be construed as to prevent the Association from pursing any other remedy under the Condominium Documents and the Condominium Act for such violations, or from combining a fine with any other remedy or requirement to redress any violation.

Section 2. **Procedures.** Upon any violation of default of the Condominium Documents is alleged by the Board of Directors, the following procedures shall be followed, subject to further procedures set forth in the Rules and Regulations:

A. **Notice - Generally.** All notices regarding violations ("Notices") shall be in writing and include a description of the factual nature of the alleged offense and reference the corresponding provision of the Condominium Document(s). All Notices and other correspondence regarding violations and fines shall be sent by first class mail (postage prepaid), email, or personally delivered to the Designated Voting Representative of the Co-owner at the address as shown in the notice required to be filed with the Association pursuant to Article VIII, Section 3 of these Second Amended and Restated Condominium Bylaws.

Once a notice of violation letter has been sent to a Co-owner, the Co-owner's subsequent curing of the violation shall not, in and of itself, prohibit the Board of Directors from finding, whether via default or at a hearing with the Co-owner, that a violation nevertheless occurred prior to the Co-owner's cure efforts, or from assessing fines to the Co-owner as might otherwise be appropriate. Notices of alleged violations which are not ultimately upheld by the Board will remain on file for continuity of policy and historical purposes but shall not be counted in the fine schedule or for the purpose of imposing any subsequent fines upon the Co-owner.

B. **Courtesy Notification.** The first correspondence regarding an alleged violation or default of the Condominium Documents may be a ***courtesy notification*** and may provide the Co-owner an opportunity to correct the alleged violation within ten (10) calendar days from the date of the courtesy notification. Failure to correct the alleged violation within the 10-day period will result in further action by the Board of Directors, including formal violation Notices and corresponding fines.

C. **First Violation Notice with Opportunity to Defend.** A ***First Violation Notice*** shall provide the Co-owner with an opportunity to address the Board of Directors and to offer evidence in defense of the alleged violation. The appearance before the Board shall be at its next regularly scheduled meeting or at a Special Meeting held at the Board's earliest convenience, but in no event shall the hearing take place fewer than ten (10) days from the date of the First Violation Notice. The hearing may be open to others' attendance, but only if both the Board and the alleged violator Co-owner agree.

D. **Default.** Failure of a Co-owner to respond to the First Violation Notice in writing within thirty (30) days of the date of the First Violation Notice, or the Co-owner's failure to attend a scheduled hearing before the Board of Directors on such alleged violation shall result

in the alleged violation being upheld by default. The Co-owner's default shall be noted in the minutes of the Board meeting at which the Co-owner was scheduled to appear.

E. **Hearing and Decision.** If, after hearing the response of the Co-owner and reviewing the matter, the Board of Directors determines, by majority vote of a quorum of the Board, that the alleged violation did not occur, the matter will be dismissed. If the Board determines that a violation did occur but was corrected prior to the hearing, the Board may waive the corresponding fine and dismiss the matter. If the Board determines that a violation did occur, the Board may levy the corresponding fine identified in Section 3 below against the Co-owner's Unit.

The decision of the Board shall be made in the exercise of its business judgment, shall be final, and may not be appealed. The Board shall issue a written notice of its decision regarding the First Violation Notice within ten (10) days after the hearing. The Board's Decision Notice shall indicate that the Co-owner has five (5) days from the date of the Board's Decision Notice to correct the violation, in order to avoid a Second Violation Notice and corresponding fine. If the violation is corrected within five (5) days from the date of the Board's Decision Notice, the Co-owner must notify the Board in writing of that fact. The matter will then be dismissed.

F. **Second and Third Violation Notices.** If the violation is not corrected or if the Co-owner fails to notify the Board of Directors in writing that the violation has been corrected within five (5) days from the date of the Board's Decision Notice, a Second Violation Notice will be issued, and the corresponding fine identified in Section 3 below will be levied against the Co-owner's Unit. Subsequent Violation Notices will be issued, and corresponding fines will be levied if the violation is not corrected within five (5) days from the date of the previous Violation Notice.

G. **Fourth and Subsequent Violation Notices.** After the Fourth Violation Notice has been issued, additional Violation Notices regarding an uncorrected violation may be sent to a Co-owner every thirty (30) days, or as often as determined by the Board of Directors, with a $100.00 fine being levied every five (5) days until the Co-owner has notified the Board in writing that the violation has been corrected.

Section 3. Fine Amounts. Upon a determination that a violation of any of the provisions of the Condominium Documents has occurred and has not been corrected, the following fines may be levied:

First Violation	No fine shall be levied
Second Violation	$50.00 fine
Third Violation	$100.00 fine
Fourth and Subsequent Violations	$200.00 fine

The fines levied pursuant to this Section 3 are cumulative. The Board of Directors, without the necessity of an amendment to these First Amended and Restated Condominium Bylaws, may, in its sole discretion, make changes to any of the fines stated herein (including, without limitation, indexing and adjusting such fines to the rate of inflation), to the periodicity of fines, and may adopt alternative fines in accordance with duly adopted Rules and Regulations

promulgated in compliance with these Second Amended and Restated Condominium Bylaws. The Board shall provide prior written notice to the Co-owners of the adoption of any such rules or regulations changing the fine amounts or the periodicity of fines in accordance with these Second Amended and Restated Condominium Bylaws.

Section 4. **Collection of Fines.** The fines levied pursuant to Section 3 above shall be assessed against the Co-owner's Unit and shall be due and payable thirty (30) days from the date of the Board of Directors' Decision Notice or levy of fine. Failure to pay the fines will subject the Co-owner to all liabilities set forth in the Condominium Documents including, without limitations, those described in Article II and Article XVII of these Second Amended and Restated Condominium Bylaws.

Section 5. **Category of Violation.** The Board of Directors may establish whether fines accrue per violation or per category or subject matter as set forth in the Rules and Regulations.

Section 6. **Waiver of Fines.** The Board of Directors shall have the authority to waive or suspend any fines or penalties in any manner under such terms and conditions it deems appropriate and in the best interest of the Association in its administration of affairs, including, without limitation, waiver of fines if the violation is corrected before any hearing date. If any violation is corrected prior to any scheduled violation hearing, upon submission of proof thereof, the hearing shall be cancelled and any fine which may have been levied will be waived and will not count toward the graduated fine schedule.

ARTICLE XIX
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 Condominium Act. Whenever any reference herein is made to one gender, the same shall include a reference to any and all genders where same would be appropriate; similarly, whenever a reference is made herein to the singular, a reference shall also be included to the plural where the same would be appropriate.

ARTICLE XX
CAPTIONS AND EXAMPLES

The captions and examples contained in these Second Amended and Restated Condominium Bylaws are for convenient reference and illustrative purposes only. They do not add to or detract from, nor in any way, expend or limit the content of the Articles and Sections set forth herein.

ARTICLE XXI
SEVERABILITY

In the event that any of the terms, provisions, or covenants of these Second Amended and Restated Condominium 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 the Condominium Documents or the remaining portions of any terms, provisions, or covenants which are held to be partially invalid or unenforceable.

ARTICLE XXII
CONFLICTING PROVISIONS

In the event of a conflict between the provisions of the Condominium Act, or other laws of the State of Michigan, and any Condominium Documents, the Condominium Act, or other laws of the State of Michigan, shall govern. In the event of any conflict between the provisions of any one or more Condominium Documents, the following order of priority shall prevail and the provisions of the Condominium Document, as amended, having the highest priority shall govern:

(1) Articles of Incorporation of the Association
(2) Master Deed, including the Condominium Subdivision Plan
(3) Condominium Bylaws
(4) Rules and Regulations of the Association

ARTICLE XXIII
NONDISCRIMINATION POLICY AND FAIR HOUSING COMPLIANCE

The Association and its Board of Directors and Officers do not participate in or tolerate any conduct that might constitute discrimination based upon race, color, national origin, religion, sex, sexual orientation, gender identity, LGBTQ status, familial status (including children under the age of eighteen (18) years living with parents or legal custodians), pregnant women, and people securing custody of children under the age of eighteen (18) years, or disability. The Association and its Board of Directors and Officers will not enforce any of the provisions in the Condominium Documents or take any other actions or fail to act in any manner that might constitute unlawful discrimination under the Fair Housing Act or any other applicable federal, state, or local laws against such discriminatory conduct. The Association makes reasonable accommodations in its policies and procedures and permits reasonable modifications of the Condominium premises where necessary or appropriate to comply with Fair Housing laws.

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