

**AMENDED AND RESTATED CONDOMINIUM BYLAWS – EXHIBIT “A”  
TO MASTER DEED**

**CHARLEVOIX COUNTRY CLUB CONDOMINIUM**

**ARTICLE I**

**ASSOCIATION OF CO-OWNERS**

Charlevoix Country Club Condominium, a residential site Condominium Project located in the Township of Charlevoix, Charlevoix County, Michigan, shall be administered by an Association of Co-owners which shall be a non-profit corporation, hereinafter called the "Association", organized under the applicable laws of the State of Michigan, and responsible for the management, maintenance, operation and administration of the Common Elements, easements and affairs of the Condominium Project in accordance with the Condominium Documents and the laws of the State of Michigan. These Bylaws shall constitute both the Bylaws referred to in the Master Deed and required by Section 3(8) of the Act and the Bylaws provided for under the Michigan Non-Profit Corporation Act. Each Co-owner and the owner of the parcel legally described on the Attached Exhibit "C" ("Easement Parcel") shall be a member of the Association and no other person or entity shall be entitled to membership. For purposes of these Bylaws, the owner of the Easement Parcel shall be deemed a "Co-owner" and the Easement Parcel shall be considered a "Unit". The share of a Co-owner in the funds and assets of the Association cannot be assigned, pledged or transferred in any manner except as an appurtenance to his Unit. The Association shall keep current copies of the Master Deed, all amendments to the Master Deed, and other Condominium Documents for the Condominium Project available at reasonable hours to Co-owners, prospective purchasers and prospective mortgagees of Units in the Condominium Project. All Co-owners in the Condominium Project and all persons using or entering upon or acquiring any interest in any Unit therein or the Common Elements thereof shall be subject to the provisions and terms set forth in the aforesaid Condominium Documents.

**ARTICLE II**

**ASSESSMENTS**

All expenses arising from the management, administration and operation of the Association in pursuance of its authorizations and responsibilities as set forth in the Condominium Documents and the Act shall be levied by the Association against the Units and the Co-owners thereof in accordance with the following provisions:

Section 1. Assessments for Common Elements.

All costs incurred by the Association in satisfaction of any liability arising within, caused by, or connected with the General Common Elements, or the improvements constructed

or to be constructed within the perimeters of the Condominium Units for the Condominium Project shall constitute expenditures affecting the administration of the Project, and all sums received as the proceeds of, or pursuant to, any policy of insurance securing the interest of the co-owners against liabilities or losses arising within, caused by, or connected with the Common Elements or the administration of the Condominium Project, within the meaning of Section 54 (4) of the Act shall constitute revenues of the Association.

## Section 2. Determination of Assessments.

Assessments shall be determined in accordance with the following provisions:

### A. Budget.

The Board of Directors of the Association shall establish an annual budget in advance for each fiscal year and such budget shall project all expenses for the forthcoming year which may be required for the proper operation, management and maintenance of the Condominium Project, including a reasonable allowance for contingencies and reserves. An adequate reserve fund for maintenance, repairs and replacement of those Common Elements that must be replaced on a periodic basis shall be established in the budget and must be funded by regular payments, as set forth in Section 3 below, rather than by special assessments. At a minimum, the reserve fund shall be at least equal to ten (10%) of the Association's current annual budget on a non-cumulative basis. Since the minimum standard required by this subparagraph may prove to be inadequate for this particular Project, the Association should carefully analyze the Condominium Project to determine if a greater amount should be set aside, or if additional reserve funds should be established for other purposes from time to time. Upon adoption of an annual budget by the Board of Directors, copies of the budget shall be delivered to each Co-owner and the assessment for said year shall be established based upon said budget. Such budget and assessment shall be provided to each Co-owner at least ten (10) days prior to any Regular Meeting of the Association as defined herein, although the failure to deliver a copy of the budget to each Co-owner shall not affect or in any way diminish the liability of any Co-owner for any existing or future assessments. Should the Board of Directors at any time determine, in the sole discretion of the Board of Directors, that the assessments levied are or may prove to be insufficient (1) to pay the costs of operation and management of the Condominium, (2) to provide replacements of existing Common Elements, (3) to provide additions to the Common Elements not exceeding \$2,000 annually for the entire Condominium Project, or (4) that an event of emergency exists, the Board of Directors shall have the authority to increase the general assessment or to levy such additional assessment or assessments as it shall deem to be necessary. The Board of Directors also shall have the authority, without Co-owner consent, to levy assessments pursuant to the provisions of Article V, Section 4 hereof. The discretionary authority of the Board of Directors to levy assessments pursuant to this subparagraph shall rest solely with the Board of Directors for the benefit of the Association and the members thereof, and shall not be enforceable by any creditors of the Association or the members thereof.

## B. Special Assessments.

Special assessments, in addition to those required in subparagraph A above, may be made by the Board of Directors from time to time hereinafter provided to meet other needs or requirements of the Association, including, but not limited to: (1) assessments for additions to the Common Elements of a cost not exceeding \$2,000 for the entire Condominium Project per year; (2) assessments to purchase a Unit upon foreclosure of the lien for assessments described in Section 5 hereof; or (3) assessments for any other appropriate purpose not elsewhere herein described. Special assessments referred to in this subparagraph (b) (but not including those assessments referred to in subparagraph A above which shall be levied in the sole discretion of the Board of Directors) shall not be levied without the prior approval of more than sixty (60%) percent of all Co-owners. The authority to levy assessments pursuant to this subparagraph is solely for the benefit of the Association and the members thereof and shall not be enforceable by any creditors of the Association or the members thereof. Additionally, the Association may make special assessments against any one or more Co-owners for these purposes and to enforce those provisions set forth in Article VII, Paragraph 2 of the Master Deed without reference to the Co-Owners for approval.

## C. Special Assessments for Outside Maintenance.

In addition to the above, the Association may assess individual Co-owners for outside maintenance costs of all lawn and landscaped areas within a Unit, dwellings and other structures or improvements placed upon the Units if (i) the Co-owner fails to maintain the lawn and landscaping within a Unit or any structures or improvements located on any Unit, (ii) the Association has given written notice to the Co-owner of its failure to maintain, (iii) a period of thirty (30) days has elapsed from the date of such notice without remedy to such failure to maintain, and (iv) the Association has expended funds for such maintenance. The amount of such assessment shall be the cost incurred by the Association in performing such maintenance plus fifteen (15%) percent of such cost.

## Section 3. Apportionment of Assessments and Penalty for Default.

Unless otherwise provided for or in the Master Deed, all assessments levied against the Co-owners to cover expenses of administration shall be apportioned among and paid by the Co-owners in accordance with the percentage of value allocated to each Unit in Article V of the Master Deed, without increase or decrease for the existence of any limitation to use the Limited Common Elements appurtenant to a Unit. Semi-annual assessments as determined in accordance with Article II, Section 2(a) above shall be payable by Co-owners in two (2) semi-annual payments due and payable January 1st and July 1st of each year and prorated to the date of acceptance of a deed to or a land contract vendee's interest in a Unit, or with acquisition of fee simple title to a Unit by any other means. The payment of an assessment shall be in default if such assessment, or any part thereof, is not paid to the Association in full on or before the due date of each payment.

Each installment in default for ten (10) or more days shall bear interest from the initial due date thereof at the rate of seven (7%) per annum, or such greater rate as may from time to time be provided for by Michigan law, until each installment is paid in full. The Association may, pursuant to Article XVIII, Section 4 hereof, levy fines for the late payment in addition to such interest. Each Co-owner (whether one or more Co-owners) shall be, and remain, personally liable for the payment of all assessments (including fines for late payment and costs of collection and enforcement of payment) pertinent to his Unit which may be levied while the Co-owner is the owner thereof. Each Co-owner (whether one or more persons) shall be, and remain, personally liable for the payment of all assessments pertaining to his Unit which may be levied while such Co-owner is the owner thereof. Payments on account for installments of assessments in default shall be applied as follows: first, to costs of collection and enforcement of payment, including reasonable attorneys' fees; second, to any interest charges and fines for late payment on each installment; and third, to installments in default in order of their due dates.

#### Section 4. Waiver of Use or Abandonment of Unit.

No Co-owners may exempt himself from liability for contribution toward the expenses of administration by waiver of the use or enjoyment of any of the Common Elements or by the abandonment of his Unit.

#### Section 5. Enforcement.

##### A. Remedies.

In addition to any other remedies available to the Association, the Association may enforce collection of delinquent assessments by a suit at law for a money judgment or by foreclosure of the statutory lien that secures payment of assessments. In the event of default by any Co-owner in the payment of any installment of the annual assessment levied against his Unit, the Association shall have the right to declare all unpaid installments of the annual assessment for the pertinent fiscal year immediately due and payable. The Association also may discontinue the furnishing of any utilities or other services to a co-owner in default upon seven (7) days written notice to such Co-owner of its intention to do so. A Co-owner in default shall not be entitled to utilize any of the General Common Elements of the Project and shall not be entitled to vote at any meeting of the Association so long as such default continues; provided, however, this provision shall not operate to deprive any Co-owner of ingress or egress to and from his Unit. In a judicial foreclosure action, a receiver may be appointed to collect a reasonable rental for the Unit from the Co-owner thereof or any persons claiming under him. All of these remedies shall be cumulative and not alternative and shall not preclude the Association from exercising such other remedies as may be available at law or in equity.

##### B. Foreclosure Proceedings.

Each Co-owner, and every other person who from time to time has any interest in the Project, shall be deemed to have granted to the Association the unqualified right to elect to foreclose the lien securing payment of assessments either by judicial action or by

advertisement. The provisions of Michigan law pertaining to foreclosure of mortgages by judicial action and by advertisement, as the same may be amended from time to time, are incorporated herein by reference for the purposes of establishing the alternative procedures to be followed in lien foreclosure actions and the rights and obligations of the parties to such actions. 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 Project acknowledges that at the time of acquiring title to such Unit he was notified of the provisions of this subparagraph and that he voluntarily, intelligently and knowingly waived notice of any proceedings brought by the Association to foreclose by advertisement the lien for non-payment of assessments and hearing on the same prior to the sale of the subject Unit.

C. Notice of Action.

Notwithstanding the foregoing, neither a judicial foreclosure action nor a suit at law for a money judgment shall be commenced, nor shall any notice of foreclosure by advertisement be published, until the expiration of ten (10) days after mailing, by first class mail, postage prepaid, addressed to the delinquent Co-owner(s) at his or their last known address, a written notice that one or more installments of the annual 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, attorneys' fees and future assessment(s)), (iv) the legal description of the subject Unit(s) and (v) the name (s) of the Co-owner(s) of record. Such affidavit shall be recorded in the office of the Register of Deeds in the county in which the project is located prior to commencement of any foreclosure proceeding, but it need not have been recorded as of the date of mailing as aforesaid. If the delinquency is not cured within the ten (10) day period, the Association may take such remedial action as may be available to it hereunder or under Michigan law. In the event the Association elects to foreclose the lien by advertisement, the Association shall so notify the delinquent Co-owner and shall inform him that he may request a judicial hearing by bringing suit against the Association.

D. Expenses of Collection.

The expenses incurred in collecting unpaid assessments, including interest, cost, actual attorney's fees (not limited to statutory fees) and advances for taxes or other liens paid by the Association to protect its lien, shall be chargeable to the Co-owner in default and shall be secured by the lien on his Unit.

## Section 6. Liability of Mortgagee.

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

## Section 7. Property Taxes and Special Assessments.

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

## Section 8. Personal Property Tax Assessment of Association Property

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

## Section 9. Mechanic's Lien.

A mechanic's lien otherwise arising under Act No. 497 of the Michigan Public Acts of 1980, as amended shall be subject to Sections 132 of the Act.

## Section 10. Statement as to Unpaid Assessments.

The purchaser of any Unit may request a statement of the Association as to the amount of any unpaid Association assessments thereon, whether regular or special. Upon written request to the Association accompanied by a copy of the executed purchase agreement pursuant to which the purchaser holds the right to acquire a Unit, the Association shall provide a written statement of such unpaid assessments as may exist or a statement that none exist, which statement shall be binding upon the Association for the period stated therein. Upon the payment of that sum within the period stated, the Association's lien for assessments as to such Unit shall be deemed satisfied; provided, however, that the failure of a purchaser to request such statement at least five (5) days prior to the closing of the purchase of each Unit shall render any unpaid assessments and the lien securing same fully enforceable against such purchaser and the Unit itself, to the extent provided by the Act. Under the Act, unpaid assessments constitute a lien upon the Unit and the proceeds of sale thereof apply to such lien prior to all claims except real property taxes and first mortgages of record.

**ARTICLE III**  
**ARBITRATION**

Section 1. Scope and Election.

Disputes, claims or grievances arising out of or relating to the interpretation or the application of the Condominium Documents, or any disputes, claims or grievances arising among or between the Co-owners and the Association, upon the election and written consent of the parties to any such disputes, claims or grievances (which consent shall include an agreement of the parties that the judgment of any circuit court of the State of Michigan may be rendered upon any award pursuant to such arbitration), and upon written notice to the Association, shall be submitted to arbitration and the parties hereto shall accept the arbitrator's decision as final and binding, provided that no question affecting the claim of title of any person to any fee or life estate in real estate is involved. The Commercial Arbitration rules of the American Arbitration Association as amended and in effect from time-to-time hereafter shall be applicable to any such arbitration.

Section 2. Judicial Relief.

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

Section 3. Election of Remedies.

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

**ARTICLE IV**  
**INSURANCE**

Section 1. Extent of coverage.

The Association shall, to the extent appropriate given the nature of the Common Elements of the Project, carry fire and extended coverage, vandalism and malicious mischief and liability insurance, and workman's compensation insurance, if applicable, pertinent to the ownership, use and maintenance of the General Common Elements of the Condominium Project and such insurance shall be carried and administered in accordance with the following provisions:

A. Responsibilities of Association.

All such insurance shall be purchased by the Association 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 mortgagee endorsements to the mortgagees of the Co-owners.

B. Insurance of Common Elements.

All General Common Elements of the Condominium Project shall be insured against fire and other perils covered by a standard extended coverage endorsement, if appropriate, in an amount equal to the maximum insurable replacement value, excluding foundation and excavation costs, as determined annually by the Board of Directors of the Association.

C. Premium Expenses.

All premiums upon insurance purchased by the Association pursuant to these Bylaws shall be expenses of administration.

D. Proceeds of Insurance Policies.

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

Section 2. 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 his true and lawful attorney-in-fact to act in connection with all matters concerning the maintenance of fire and extended coverage, vandalism and malicious mischief, liability insurance and workmen's compensation insurance, if applicable, pertinent to the Condominium Project and the General Common Elements thereof, and such insurer as may, from time to time, provide such insurance for the Condominium Project. Without limitation on the generality of the foregoing, the Association as said attorney shall have full power and authority to purchase and maintain such insurance, to collect and remit premiums 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 execute releases of liability and to execute all documents and to do all things on behalf of such



Co-owner and the Condominium as shall be necessary or convenient to the accomplishment of the foregoing.

### Section 3. Responsibilities of Co-owners.

Each Co-owner shall be responsible for obtaining fire and extended coverage and vandalism and malicious mischief insurance with respect to his residential dwelling and all other improvements constructed or to be constructed within the perimeter of his Condominium Unit, together with all Limited Common Elements appurtenant to his Unit, whether located within or outside the perimeter of his Unit, and for his personal property located therein or elsewhere on the Condominium Project. All such insurance shall be carried by each Co-Owner in an amount equal to the maximum insurable replacement value, excluding foundation and excavation costs. In the event of the failure of a Co-owner to obtain such insurance, the Association may obtain such insurance on behalf of such Co-owner and the premiums therefor shall constitute a lien against the Co-owner's Unit which may be collected from the Co-owner. Co-owner also shall be obligated to obtain insurance coverage for his personal liability for occurrences within the perimeter of his Condominium Unit or within the residential dwelling located thereon and on the Limited Common Elements of his Condominium Unit or within the residential dwelling located thereon and on the Limited Common Elements appurtenant thereto (regardless of where located), and also for alternative living expense in the event of fire. The Association shall, under no circumstances, have any obligation to obtain any of the insurance coverage described in this Section 3 or any liability to any person for failure to do so.

### Section 4. Waiver of Right of Subrogation.

The Association and all Co-owners shall use their best efforts to cause all property and liability insurance carried by the Association or any Co-owner to contain appropriate provisions whereby the insurer waives its right of subrogation as to any claims against any Co-owner or the Association.

## **ARTICLE V**

### **RECONSTRUCTION OR REPAIR**

#### Section 1. Determination to Reconstruct or Repair.

If any part of the Common Elements shall be damaged, the property shall be rebuilt or repaired if any Unit in the Condominium is tenantable, unless it is determined by the Co-owners in the Condominium that the Condominium shall be terminated pursuant to the provisions of Article VIII, Section 5 of the Master Deed.

#### Section 2. Repair in Accordance with Plans and Specifications.

Any such reconstruction or repair shall be substantially in accordance with the Master Deed and the plans and specifications on file with the appropriate governmental authority

for each dwelling in the Project to a condition as comparable as possible to the existing prior to damage unless the Co-owners shall unanimously decide otherwise.

### Section 3. Co-owner Responsibility for Repair.

If the damage is only to the dwelling or other improvement constructed within the perimeter of a Unit, or to a Limited Common Element appurtenant thereto which is the responsibility of a Co-owner to maintain and repair, it shall be the responsibility of the Co-owner to repair such damage. In all other cases, the responsibility for reconstruction and repair shall be that of the Association.

### Section 4. Association Responsibility for Repair.

Except as otherwise provided in Section 3 above of the Master Deed, the Association shall be responsible for the reconstruction, repair and maintenance of Common Elements, immediately after a casualty causing damage to property for which the Association has the responsibility of maintenance, repair and reconstruction, the Association shall obtain reliable detailed estimates of the cost to replace the damaged property in a condition as good as that existing prior to the damage. If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction or repair required to be performed by the Association, or if at any time during such reconstruction or repair or upon completion of such reconstruction or repair, the funds for the payment of the cost thereof are sufficient, assessment shall be made against all Co-owners for the cost of reconstruction or repair of the damaged property in sufficient amounts to provide funds to pay the estimated or actual cost repair.

### Section 5. Timely Reconstruction and Repair.

If damage to Common Elements or the dwelling or improvements constructed within the perimeter of a Unit adversely affects the appearance of the Unit, the Association or Co-owner responsible for the reconstruction, repair and maintenance thereof shall proceed with replacement of the damaged property without delay, and shall initiate such replacement or repair within six (6) months after the date of the occurrence which caused damage to the property and complete such replacement or repair within twelve (12) months. The Board of Directors may extend this period at its discretion.

### Section 6. Eminent Domain.

Section 133 of the Act and the following provisions shall control upon taking by eminent domain:

#### A. Taking of Unit.

In the event of any taking of an entire Unit (or of all the improvements located within the perimeter thereof) by eminent domain, the award for such taking shall be paid to the Co-owner of such Unit and the mortgagee thereof, as their interests may appear. After

acceptance of such award by the Co-owner and his 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 his mortgagee, as their interests may appear.

B. Taking of Common Elements.

If there is any taking of any portion of the Condominium other than any Unit, the condemnation proceeds relative to such taking shall be paid to the Co-owners and their mortgagees in proportion to their respective interests in the Common Elements and the affirmative vote of more than fifty (50%) percent of the Co-owners shall determine whether to rebuild, repair or replace the portion so taken or to take such other action as they deem appropriate.

C. Continuation of Condominium After Taking.

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

D. Notification of Mortgagees.

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

Section 7. Notification of FHLMC or FNMA.

In the event any mortgage in the Condominium is held by the Federal Home Loan Mortgage Corporation ("FHLMC") or the Federal National Mortgage Association ("FNMA") then, upon request 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 \$25,000 in amount or damage to a Condominium Unit covered by a mortgage purchased in whole or in part by FHLMC or FNMA exceeds \$2,500.

## Section 8. Priority of Mortgage Interests.

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

## **ARTICLE VI**

### **RESTRICTIONS**

All of the Units in the Condominium shall be held, used and enjoyed subject to the following limitations and restrictions:

#### Section 1. Residential use.

No Unit in the Condominium shall be used for other than single family residence purposes including living quarters over garages and the Unit and the Common Elements shall be used only for purposes consistent with the use of single-family residences.

#### Section 2. Leasing and Rental.

##### A. Right to Lease.

- i) A Co-owner may lease or rent his Unit for the same purposes set forth in Section 1, of this Article VI provided that written disclosure of such lease transaction is submitted to the Board of Directors of the Association in the manner specified in subsection (B) below. The terms of all leases, occupancy agreements and occupancy arrangements shall incorporate, or be deemed to incorporate all of the provisions of the Condominium Documents.
- ii) Only an entire Unit may be leased or rented. No individual rooms or portion of a Unit may be leased or rented.

##### B. Leasing Procedures.

The leasing or renting of Units in the project shall conform to the following provisions:

- i) There shall be no short-term rentals; the term of the lease shall be a minimum of one (1) month. The Board of Directors may, at its sole discretion, consider an exception to the minimum rental term in the event of financial hardship of the Co-owner. Any Co-owner of a Unit in the Project

being rented for a term of less than such period on the date this Amendment becomes effective, may continue to rent their Unit for less than one (1) month until the earlier of (a) title to the Unit is transferred or (b) the Unit is rented for a term of less than one (1) month in any six (6) month period.

- ii) A Co-owner desiring to rent or lease a Unit, shall use a form of lease or rental agreement approved by the Association.
- iii) The Association Manager shall maintain all required documentation on behalf of the Association.
- iv) Tenants or non-Co-owner occupants shall comply with all of the conditions of the Condominium Documents. A copy of these documents shall be provided to all non-Co-owners by the Co-owner.
- v) If the Association determines that the tenant or non-Co-owner occupant has failed to comply with the conditions of the Condominium Documents, the Association shall take the following action:
  - a. Notify the Co-owner by certified mail advising of the alleged violation by the tenant.
  - b. The Co-owner shall have seven (7) days after receipt of such notice to investigate and correct the alleged breach by tenant or advise the Association that a violation has not occurred.
  - c. If after fifteen (15) days the Association believes that the alleged breach is not cured or may be repeated, it may institute on its behalf 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 provided for in this subparagraph may be by summary proceeding. The Association may hold both the tenant and the Co-owner liable for any damages to the Common Elements caused by the Co-Owner or tenant in connection with the Unit or Condominium Project.
- vi) When a Co-owner is in arrears to the Association for assessments, the Association may give written notice of the arrearage to a tenant occupying a Co-owner's Unit under a lease or rental agreement and the tenant, after receiving the notice, shall deduct from rental payments due the Co-owner the arrearage and future assessments as they fall due and pay them to the Association. The deductions shall not constitute a breach of the lease or rental agreement by the tenant.

- vii) The Association reserves the right to deny leasing or rental privileges to any Co-owner, person or entity that violates the provisions of the leasing or rental agreement and/or these Condominium Documents. If a Co-owner's tenants violate the terms of the Condominium Documents and the Co-owner fails or refuses to have its tenants come into compliance with the Condominium Documents, the Board of Directors may refuse to allow such Co-owner to lease its Unit.

### Section 3. Architectural Control.

The Developer of the Project intends that there shall be a residential dwelling and certain other improvements within the boundaries of each of the Condominium Units in the Project. Except for residences and improvements constructed by the Developer, all preliminary plans and working drawings shall be approved by an Architectural Review Board which board shall be appointed initially by the Developer until seventy-five (75%) percent of the Units which may be created have been sold at which time the Association shall appoint the Review Board and such plan shall:

A. Be prepared by a licensed builder, architect or other person satisfactory to the Developer and/or the Association; by and

B. Require the approval of the Developer and/or the Association as hereinafter set forth prior to the time of the commencement of any construction within the boundaries of the Condominium Unit or Units or upon any of the Common Elements of the Condominium Project. Then, with prior written consent by the Developer and/or the Association, a Co-owner may engage the services of a licensed builder to construct improvements (including the residential dwelling) within the boundaries of a Unit or to the extent approved by the Developer and/or the Association on the Limited Common Elements, if any, appurtenant to a Condominium Unit. In such event, Developer shall be entitled to require that such builder or Co-owner furnish to the Association adequate security, in Developer's discretion, to protect the Association against costs and expenses which it might incur in connection with the failure to complete construction in a timely and diligent manner in accordance with the approved plans and specifications for the dwelling and its appurtenances and in this respect, exterior construction shall be completed within one (1) year of the start of construction unless waived in writing by the Review Board. No one other than the Review Board shall be entitled to alter the nature or appearance of any improvements constructed within the boundaries of a Condominium Unit or the Limited Common Elements appurtenant thereto without the prior written consent of the Review Board, which consent may be withheld by the Board in its absolute discretion. The Board's prior written approval of proposed plans is required for any residential construction, additional buildings or structures, roads, sidewalks or other improvements to be built or erected on the Unit and any changes to existing buildings or structures prior to the construction or erection thereof; however, such approval shall not be unreasonably withheld. Any such plans for construction or alteration referred to above shall include a plan for restoration of the premises after construction or alteration to a condition satisfactory to the Review Board. Construction of any dwelling must also receive any

necessary approvals from the local public authority. The Review Board shall have the right to refuse to advance any such plan or specifications, or grading or landscaping plans which are not suitable or desirable, in its opinion, for aesthetic or other reasons; and in passing upon such plans and specifications it shall have the right to take into consideration the suitability of the proposed structure, improvement or modification, the site upon which it is proposed to construct the same, and the degree of harmony thereof with the Condominium as a whole and the area of future development described in the Master Deed. Said Board may also, in its discretion, require as a condition of approval of any plans, an agreement for special assessment or increased maintenance charges from any Co-owner whose proposed dwelling and appurtenances and related improvements will cause the Association abnormal expenses in carrying out its responsibilities with respect thereto under the Master Deed. In this connection, the Co-owner shall submit, in a form satisfactory to the Developer, on any and all grades or slopes exceeding ten (10%) percent whether as a result of (i) the current condition of the Unit; (ii) the construction to be undertaken upon the Unit; or, (iii) the physical characteristics of the structure placed upon the Unit, a report from a registered engineer stating that such existing or resulting slope shall not cause or occasion water run off erosion in a manner which would adversely affect abutting, adjacent or where applicable, downstream premises. In any event it shall be the responsibility of the Co-owner to provide, at his sole cost and expense, such erosion control devices as may be necessary in the opinion of the Review Board and governmental authorities, to ensure that water runoff shall not cause erosion adversely affecting such abutting, adjacent or downstream premises; and should the Co-owner fail to provide such erosion controls, the Review Board may undertake to provide them and assess the Co-owner for such costs in the manner provided for special assessments for outside building maintenance as set forth in Article II, Section 2 (c) hereof. The purpose of this Section is to assure for the benefit of the Co-owners, Developer and Association the continued maintenance of the Condominium as a beautiful and harmonious residential development, and shall be binding upon both the Association and upon all Co-owners. Developer may construct any improvements upon the Condominium Premises that it may, in its sole discretion, elect to make without the necessity or prior consent from the Review Board or any other person or entity, subject only to the express limitations contained in the Condominium Documents. In this respect:

- i) No building, fence, wall, deck, swimming pool, outbuilding or other structure, landscaping or exterior improvement shall be commenced, erected or maintained on any Unit nor shall any exterior addition to or change or alteration therein or change in the exterior appearance thereof or change in landscaping be made until the plans and specifications showing the kind, size, shape, height, colors, materials, topography and location of the same on the Unit shall have been submitted to and approved in writing by the Review Board.
- ii) Plans and specifications for final approval by the Review Board shall include the following:

- a. Complete site plans and specifications sufficient to secure a building permit from the appropriate governmental authority including a dimensioned plot plan showing the Unit and placement of residence, outbuilding and fences, sewers and wells, if any, and all other improvements and an engineered plan showing storm water runoff.
  - b. Front elevation, side elevation and rear elevation of the building, plus elevations of any walls and fences.
  - c. A perspective drawing, if deemed necessary by the Review Board, to interpret adequately the exterior design.
  - d. Data as to size, materials, colors and texture of all exteriors, including roof coverings and any fences and walls. .
  - e. Any other data, drawings or materials which the Review Board requests in order to fulfill its function.
- iii) Preliminary plans shall first be submitted to the Review Board for preliminary approval.
  - iv) The Review Board may disapprove plans because of noncompliance with any of the restrictions herein contained, or because of dissatisfaction with the grading and drainage plan, the location of the structure on the Unit, the materials used, the color scheme, the finish, design, proportion, shape, height, style or appropriateness of the proposed improvement or alteration or because of any matter or thing which in the judgment of the Review Board would render the proposed improvement or alteration inharmonious with or out of keeping with the objectives of the Review Board or with improvements erected or to be erected on other Units in the Condominium, including purely aesthetic conditions. However, approval shall not be unreasonably withheld.
  - v) In the event the Review Board fails to approve or disapprove plans within thirty (30) days after proper submission, then such approval will not be required but all other limitations, conditions and restrictions set forth herein shall apply and remain in force as to such plans.
  - vi) Review Board approval shall be deemed given if the plans and specifications submitted for approval are marked or stamped as having been finally approved by the Review Board and are dated.
  - vii) All Units shall be used for single family residence purposes only and no building of any kind whatsoever shall be erected, re-erected, moved or maintained thereon except one (1) single family dwelling house and appurtenant attached structures on each Unit as hereinafter provided. Each



house shall be designed and erected for occupation by a single private family. A private attached or detached garage for the sole use of the occupants, their servants, agents or employees, of the Unit upon which the garage is erected may also be erected and maintained and, as to the upper portion of such garage, used for residential purposes. All dog houses, pens, satellite dishes, radio or television antennas or other communication antennas, or storage sheds must be totally obscured from the view of any other Unit or any recreational area with evergreen screening or similar vegetation, or, in the case of storage tanks, covered and below ground level.

- viii) No dwelling shall be permitted on any Unit unless, in the case of one-story building, the living area thereof shall be no less than one thousand six hundred (1600) square feet; in the case of a two-story building, the living area thereof shall be not less than one thousand seven hundred (1700) square feet; and in the case of a quad or tri-level building, the living area thereof shall be not less than one thousand eight hundred (1800) square feet. All computations of square footage for determination of the permissibility of erection of residences under this section shall be exclusive of basements, attics, outbuildings, porches or similar areas which are not normally classified as living areas. All garages must be architecturally related to the dwelling. The Board may grant such exceptions to this restriction as it deems suitable. Building setbacks shall be fifty (50') feet on the front and rear and twenty (20') on the sides.
- ix) Each Co-owner shall keep all improvements on his Unit in good condition and in good repair at all times.
- x) Easements are provided for as follows:
  - a. Easements for access, the installation, maintenance, repair, replacement, modification and/or removal of utilities, underground television cable, sanitary and storm sewer lines, water mains, drainage lines, surface drainage swales and any other improvements which would serve the Condominiums, the Association and the Developer are reserved to the Developer, its successors and assigns, as shown on the Condominium Subdivision Plan which is Exhibit B to the Master Deed of the Condominium. The use of all or part of such easements may at any time or times hereafter be granted or assigned by the Developer, its successors or assigns, to any person, firm corporation, governmental unit or agency which furnishes such services or utilities.

No building may be constructed or maintained over or on any easements; provided, however, that after the aforementioned utilities have been installed, planting, fencing (where permitted), or other Unit line improvements shall be allowed, so long as they do not

violate the provisions of this Article and do not interfere with, obstruct, hinder or impair the drainage plan of the Condominium and so long as access be granted without charge or liability for damages, for the installation, maintenance, repair, replacement, modification and/or removal of the utilities, drainage lines and/or additional facilities.

- b. Private easements for public utilities are granted and reserved as shown on the Subdivision Plan of the Condominium.
- xi) Mobile homes, trailers, shacks, barns, or any temporary buildings of any description whatsoever are expressly prohibited and no temporary occupancy shall be permitted in unfinished residential buildings. Tents for entertainment or recreational purposes are permitted for periods not to exceed forty-eight (48) hours. The erection of a temporary storage building by a builder or his subcontractors for materials and supplies to be used in the construction of a dwelling is permitted during the period when improvements are under construction in the Condominium by the builder.
- xii) The following general conditions shall be in effect:
- a. No Unit shall be used or maintained as a dumping ground for rubbish, trash, garbage or other waste, and the same shall not be kept except in sanitary containers properly concealed from view and/or provided by the Association.
  - b. No laundry shall be hung for drying in such a way as to be visible from the street on which the dwelling fronts and/or sides of such Unit or visible to abutting Units.
  - c. The grade of any lot in the subdivision may not be changed without the written consent of the Review Board.
  - d. No swimming pool may be built which is higher than one (1) foot above the final lot grade except for hot tubs or whirlpool baths which may be located upon the decks of structures to be built. No swimming pool may be built unless some portion of the pool is within twenty (20') feet of the residence. All swimming pools, tubs and whirlpools must be constructed so that they drain in a manner approved by the Review Board.
  - e. No radio, television, or other communication antennas of any type will be installed on or outside of any residence unless specifically approved by the Review Board in writing. Antennas may be installed or placed in the interior of any residence.

- f. No exterior lighting shall be installed so as to disturb the occupants of neighboring Units or impair the vision of traffic on any street.
- g. All utility lines including but not limited to electric, gas, telephone, and cable television must be installed underground.
- xiii) The visible exterior walls of any dwelling structures shall be made of natural wood, wood veneer, brick, stone, log, stucco or a combination of these materials. The Review Board may grant such exceptions to this restriction as it deems suitable. Windows and doors made of unpainted aluminum or non-factory painted aluminum are prohibited.
- xiv) No fence, wall or solid hedge may be erected, grown or maintained in front of or along the front building line of any Unit; provided, however, that low ornamental fencing or planting along the front Unit line in architectural harmony with the design of the house, may be erected with approval of the Board. No fence, except for dog run fences, or wall may be erected or maintained on or along the sides lines of any Unit and/or on or along the real line of any Unit except fences which are required by law to enclose swimming pools and fences which are an integral part of a deck or patio design shall be permitted. All fences, except for dog run fences which may be constructed using black chain link, must be constructed as above provided.
- xv) All driveways, aprons and parking areas must be paved with asphalt, concrete or a grass paver.
- xvi) Any debris resulting from the destruction in whole or in part of any dwelling or building on any Unit shall be removed with all reasonable dispatch from such Unit in order to prevent an unsightly or unsafe condition.
- xvii) No tree of more than twelve (12") inches in diameter at three (3) feet above the ground shall be removed without the approval of the Review Board unless such tree is dead, diseased or because of construction. No person shall do any act the result of which could reasonably be expected to cause damage to or destruction to any tree.

#### Section 4. Changes in Common Elements.

Except as provided in Article VI, Section 3 above with respect to the Developer, no Co-owner shall make changes in any of the Common Elements, Limited or General, without the express written approval of the Review Board.

## Section 5. Activities.

No unlawful or offensive activity shall be carried on in any Unit or upon the Common Elements, Limited or General, nor shall anything be done which may be, or become, an annoyance or a nuisance to the Co-owners of the Condominium. No unreasonably noisy activity shall occur in or on the Common Elements or on any Unit at any time. Co-owner shall not do or permit anything to be done, or keep or permit to be kept on his Unit or on the Common Elements, anything that will increase the rate of insurance of the Condominium without the written approval of the Association, and each Co-owner shall pay to the Association the increased cost of insurance premiums resulting from any such activity or the maintenance of any such condition even if approved. Activities which are deemed offensive and are expressly prohibited include, but are not limited to, any activity involving the use of firearms, air rifles, pellet guns, B-B guns, bows and arrows, or other similar dangerous weapons, projectiles or devices.

## Section 6. Pets.

No animals, except for household pets, shall be maintained by any Co-owner unless specifically approved in writing by the Association. No animal may be kept or bred for any commercial purpose and all animals shall have such care and restraint so as not to be obnoxious or offensive on account of noise, odor, or unsanitary conditions. No savage or dangerous animal shall be kept and any Co-owner who causes any animal to be brought or kept upon the Condominium Premises shall indemnify and hold harmless the Association for any loss, damage or liability which the Association may sustain as the result of the presence of such animal on the premises, whether or not the Association has given permission therefor. The Association may, without liability to the owner thereof, remove or cause to be removed any animal from the Condominium which it determines to be in violation of the restrictions imposed by this Section. In the event of any violation of this Section, the Board of Directors of the Association may assess fines for such violation in accordance with these Bylaws and in accordance with duly adopted rules and regulations after written notice of such violation to the Co-owner and a thirty (30) day period to cure such violation.

## Section 7. Aesthetics.

The Common Elements, Limited or General, shall not be used for storage of supplies, materials, personal property or trash or refuse of any kind, except as provided in duly adopted rules and regulations of the Association. No unsightly condition shall be maintained on any patio, porch or deck and only furniture and equipment consistent with normal and reasonable use of such areas shall be permitted. Trash receptacles shall be maintained in areas designated therefor at all times and such short periods of time as may be reasonably necessary to permit periodic collection of trash. The Common Elements shall not be used in any way for the drying or airing of clothing or other fabrics. In general, no activity shall be carried on nor condition maintained by a Co-owner in his dwelling, elsewhere on his Unit, or upon the Common Elements, which is detrimental to the appearance of the Condominium.

## Section 8. Vehicles.

No house trailers, commercial vehicles, boat trailers, boats, camping vehicles, camping trailers, motorcycles, all-terrain vehicles, snowmobiles, snowmobile trailers, or vehicles other than automobiles or vehicles used primarily for general personal transportation use, may be stored upon any Unit, unless parked in an approved structure. Notwithstanding, the temporary parking of such vehicles within a Unit shall be permitted for not more than seven (7) days in any given thirty (30) day period. No inoperable vehicles of any type may be brought or stored upon the condominium premises either temporarily or permanently. Commercial vehicles and trucks shall not be parked in or about the condominium (except as above provided) except while making deliveries or pickups in the normal course of business.

## Section 9. Advertising and Signage.

No signs, political campaign signs or other advertising devices of any kind shall be displayed which are visible from the exterior of a Unit or on the Common Elements, excluding "For Sale" signs, without written permission from the Association. Signs are permitted for Association sponsored events as approved by the Board of Directors. "For Sale" signs shall comply with Association's policies, which may be obtained from the Association or the Association's Manager.

## Section 10. Rules and Regulations.

It is intended that the Board of Directors of the Association may make rules and regulations from time to time to reflect the needs and desires of the majority of the Co-owners in the Condominium. Reasonable regulations consistent with the Act, the Master Deed and these Bylaws concerning the use of the Common Elements may be made and amended from time to time by any Board of Directors of the Association. Copies of all such rules, regulations and amendments thereto shall be furnished to all Co-owners within ten (10) days of their establishment or amendment. The Board of Director's may furnish the rules and regulations by mailing or emailing a copy to all of the Co-owners or publishing them on a website that may be accessed by all Co-owners.

## Section 11. Right of Access of Association.

The Association, or its duly authorized agents, shall have access to each Unit and any improvements thereon and Limited Common Elements appurtenant thereto from time to time during reasonable working hours upon notice to the Co-owner thereof, as may be necessary for the maintenance, repair or replacement of any Common Elements. The Association, or its agents, shall also have access to each Unit and any improvements thereon and 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 or to the improvements thereon.

## Section 12. Landscaping.

No Co-owner shall perform any landscaping or plant any trees, shrubs or flowers or place any ornamental materials upon the Common Elements without the prior written approval of the Review Board.

## Section 13. Common Elements Maintenance.

Sidewalks, yards, landscaped areas, driveways, roads, parking areas and pool areas shall not be obstructed nor shall they be used for purposes other than for which they are reasonably and obviously intended. No bicycles, vehicles, chairs or other obstructions may be left unattended on or about the Common Elements. Use of any recreational facilities in the Condominium may be limited to such times and in such manner as the Association shall determine by duly adopted rules and regulations.

## Section 14. Co-owner Maintenance.

Each Co-owner shall maintain his Unit and the improvements thereon and any Limited Common Elements appurtenant thereto, for which he has maintenance responsibility, in a safe clean and sanitary condition. Each Co-owner shall also use due care to avoid damaging any of the Common Elements including, but not limited to, the telephone, water, gas, plumbing, electrical or other utility conduits and systems which are appurtenant to or which may affect any other Unit. Each Co-owner shall be responsible for damages or costs to the Association resulting from negligent damage to, or misuse of, any of the Common Elements by him or his family, guests, agents or invitees, unless such damages or costs are covered by insurance carried by the Association (in which case there shall be no such responsibility, unless reimbursement to the Association is limited by virtue of a deductible provision, in which case the responsible Co-owner shall bear the expense to the extent of the deductible amount). Any costs or damages to the Association may be assessed to and collected from the responsible Co-owner in the manner provided in the Article II hereof.

## Section 15. Enforcement of Bylaws

It shall be the responsibility of the Board of Directors to ensure that the Condominium Project at all times be maintained in a manner consistent with the highest standards of a beautiful, serene, private, residential community for the benefit of the Co-owners and all persons interested in the Condominium.

## Section 16. Sewers and Water.

All tap-in fees to public sewer and water systems shall be borne by the Co-owners.

## **ARTICLE VII**

### **MORTGAGES**

#### Section 1. Notice to Association.

Any Co-owner who mortgages his Unit shall notify the Association of the name and address of the mortgagee, and the Association shall maintain such information in a book entitled "Mortgagees of Units". The Association may, at the written request of a mortgagee of such Unit, report any unpaid assessments due from the Co-owner of such Unit. The Association shall give to the holder of any first mortgage covering any Unit in the Project written notification of any default in the performance of the obligations of the Co-owner of such Unit that is not cured within sixty (60) days.

#### Section 2. Insurance.

The Association shall notify each mortgagee appearing in said book of the name of each company insuring the Condominium against fire, perils covered by extended coverage and vandalism and malicious mischief and the amounts of such coverage.

#### Section 3. Notification of Meetings.

Upon request submitted to the Association, any institutional holder of a first mortgage lien on any Unit in the Condominium shall be entitled to receive written notification of every meeting of the members of the Association and to designate a representative to attend such meeting.

## **ARTICLE VIII**

### **VOTING**

#### Section 1. Vote.

Except as limited in these Bylaws, each Co-owner shall be entitled to one (1) vote for each Unit owned at the percentage value established in Article V of the Master Deed.

#### Section 2. Eligibility to vote.

No Co-owner shall be entitled to vote at any meeting of the Association until he has presented evidence of ownership of a Unit to the Association.

#### Section 3. Designation of Voting Representative.

Each Co-owner shall file a written notice with the Association designating the individual representative who shall vote at meetings of the Association and receive all notices and other communications from the Association on behalf of such Co-owner. Such notice shall

state the name, address and email address of the individual representative designated. The notice shall provide each person, firm, corporation, partnership, association, trust or other entity who is the Co-owner. Such notice shall be signed and dated by the Co-owner. The individual representative designated may be changed by the Co-owner at any time by filing a new notice in the manner herein provided.

#### Section 4. Quorum.

The presence in person or by proxy of thirty-five (35%) percent of the Co-owners qualified to vote shall constitute a quorum for holding a meeting of the members of the Association, except for voting on questions specifically required by the Condominium Documents to require a greater quorum. The written or electronic vote of any person furnished at, or prior to, any duly called meeting at which meeting said person is not otherwise present in person or by proxy shall be counted in determining the presence of a quorum with respect to the question upon which the vote is cast.

#### Section 5. Voting.

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

#### Section 6. Majority.

A majority, except where otherwise provided herein, shall consist of more than fifty (50%) percent of those qualified to vote and present in person or by proxy (or written vote, if applicable) at a given meeting of the members of the Association. Whenever provided specifically herein, a majority may be required to exceed the simple majority hereinabove set forth and may require such majority to be one or both number and value as designated voting representatives present in person or by proxy or by written ballot, if applicable, at a given meeting of the members of the Association.

## **ARTICLE IX**

### **MEETINGS**

#### Section 1. Place of Meeting.

Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the Co-owners as may be designated by the Board of Directors. Meetings of the Association shall be conducted in accordance with generally recognized manual of parliamentary procedure, when not otherwise in conflict



with the Condominium Documents (as defined in the Master Deed) or the laws of the State of Michigan.

## Section 2. Annual Meetings.

Annual meetings of the Association shall be held on the third Saturday of July each year at such time and place as shall be determined by the Board of Directors. Should circumstances require a change to this date, the Annual Meeting shall be held as close to the above date as practicable. At such meetings there shall be elected by ballot of the Co-owners a Board of Directors in accordance with the requirements of Article X of these Bylaws. The Co-owners may also transact at annual meetings such other business of the Association as may properly come before them.

## Section 3. Special Meetings.

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

## Section 4. Notice of Meetings.

It shall be the duty of the Secretary (Association Manager or other Association officer in the Secretary's absence) to serve a notice of each annual or special meeting, stating the purpose thereof as well as of the time and place where it is to be held, upon each Co-owner of record, at least thirty (30) days but not more than sixty (60) days prior to such meeting. The mailing, postage prepaid, or an electronic mail notification of a notice to the representative of each Co-owner at the physical or electronic mail address shown in the notice required to be filed with the Association by Article VIII, Section 3 of these Bylaws shall be deemed notice served. Any member may, by written waiver of notice signed by such member, waive such notice and such waiver when filed in the records of the Association, shall be deemed due notice.

## Section 5. Adjournment.

If any meeting of Co-owners cannot be held because a quorum is not in attendance, the Co-Owners who are present may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called.

## Section 6. Order of Business.

The order of business at all meetings of the members shall be as follows: (a) roll call to determine the voting power represented at the meeting; (b) proof of notice of meeting or waiver of notice; (c) reading of minutes of preceding meeting; (d) reports of officers; (e) reports of committees; (f) appointment of inspector of elections (at annual meetings or

special meetings held for purpose of election of Directors or officers); (g) election of Directors (at annual meeting or special meetings held for such purpose); (h) unfinished business; and (i) new business. Meetings of members shall be chaired by the most senior officer of the Association present at such meeting. For purposes of this Section, the order of seniority of officers shall be President, Vice President, Secretary and Treasurer.

#### Section 7. Action Without Meeting.

Any action which may be taken at a meeting of the members (except for the election or removal of Directors) may be taken without a meeting by written ballot of the members. Ballots shall be solicited in the same manner as provided in Section 4 for the giving of notice of meetings of members. Such solicitations shall specify: (a) the number of responses needed to meet the quorum requirements; (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 member specifies a choice, the vote shall be cast in accordance therewith. Approval by written ballot shall be constituted by a receipt within the time period specified in the solicitation of (i) a number of ballots which equals or exceeds the quorum which would be required if the action were taken at a meeting; and (ii) a number of approvals which equals or exceeds the number of votes which would be required for approval if the action were taken at a meeting at which the total number of votes cast was the same as the total number of ballots cast.

#### Section 8. Consent of Absentees.

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

#### Section 9. Minutes, Presumption of Notice.

Minutes or a similar record of the proceedings of meetings of members (whether Annual Meeting, Special Meeting or Action Without Meeting), when signed by the President or Secretary, shall be presumed to truthfully evidence the matters set forth therein. Such record shall include the date, time and attendees of the meeting. It shall also document any decisions made at the meeting along with an explanation of the reasoning for this decision. A recitation in the minutes of any such meeting that notice of the meeting was properly given shall be prima facie evidence that such notice was given. Such minutes shall be provided to all Co-owners via physical mail, electronic mail or posted to the Association's website (if any) within ten (10) days of the conclusion of the meeting.

## **ARTICLE X**

### **BOARD OF DIRECTORS**

#### Section 1. Number and Qualifications of Directors.

The Board of Directors shall be comprised of at least three (3) and no more than seven (7) as may from time to time be fixed by the Board of Directors, all of whom must be members of the Association or officers, partners, trustees, employees or agents of members of the Association. Directors shall serve without compensation.

Candidates for the Board of Directors shall be submitted at least thirty (30) days in advance of the Annual Meeting. A brief biography of each candidate (if provided by the candidate) and a ballot shall be provided to all Co-owners at the same time as the meeting agenda. Ballots must be returned to the Secretary of the Association or such other party as designated by the Board of Directors prior to the start of the Annual Meeting. Only one (1) person with an ownership interest in a Unit may serve as a Director at any one time. A listing of all members of the Board of Directors (including their telephone and electronic mail contact information) shall be made available to all Co-owners within ten (10) days of the election or appointment of any Director.

#### Section 2. Election of Directors.

- A. Term. Directors shall be elected to a term of three (3) years.
- B. Staggered Terms. One-third ( $\frac{1}{3}$ ) of the directors shall be elected each year.

#### Section 3. Powers and Duties.

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

#### Section 4. Committees.

The Board of Directors shall have the power to appoint committees as it deems necessary to carry out the duties and responsibilities of the Association. All committees shall serve at the discretion of the Board of Directors. At the time of establishing any committee, the Board of Directors shall clearly state the role and purpose of the committee and the same shall be clearly documented in the Board meeting minutes. The committee and the Board of Directors shall jointly agree on the deliverables. Such committees may be standing or ad hoc committees, must include Co-owners and may include non-Co-owners with particular subject matter expertise. All committees shall submit any recommendations to the Board of Directors who shall have final determination on such matters.

A. A Standing Committee shall be one which serves an on-going function on behalf of the Association. Regardless of role, each Standing Committee shall sunset after three (3) years unless specifically extended by the Board of Directors.

- 1) The Board of Directors shall establish an Architectural Review Committee as a Standing Committee. Such committee shall consist of a minimum of three (3) persons.

B. An Ad Hoc Committee shall be one which serves a limited duration function on behalf of the Association. An Ad Hoc Committee shall sunset at the conclusion of its defined purpose. Regardless of role, each Ad Hoc Committee shall sunset after no more than one (1) year unless specifically extended by the Board of Directors.

#### Section 5. Other Duties.

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

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

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

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

D. To rebuild improvements after casualty.

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

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

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

H. To make rules and regulations in accordance with Article VI, Section 11 of these Bylaws.

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

J. To enforce the provisions of the Condominium Documents.

#### Section 6. Management Agent.

The Board of Directors may employ for the Association a professional management agent ("Association Manager") at a reasonable compensation established by the Board to perform such duties and services as the Board shall authorize, including, but not limited to, the duties listed in Sections 3 and 5 of this Article. The Board may delegate to such management agent any other duties or powers which are not by law or by the Condominium Documents required to be performed by or have the approval of the Board of Directors or the members of the Association. In no event shall the Board be authorized to enter into any contract with a professional management agent, or any other contract providing for services, in which the maximum term is greater than three (3) years or which is not terminable by the Association upon ninety (90) days' written notice thereof to the other party and no such contract shall violate the provisions of Section 55 of the Act.

#### Section 7. Vacancies.

Vacancies in the Board of Directors caused by any reason other than the removal of a Director by a vote of the members of the Association, shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum. Each person so elected shall be a Director until a successor is elected at the next annual meeting of the Association.

#### Section 8. Removal.

At any regular or special meeting of the Association duly called with due notice of the removal action proposed to be taken, any one or more of the Directors may be removed with or without cause by the affirmative vote of more than fifty (50%) percent of all the Co-owners and successor may then and there be elected to fill any vacancy thus created. The quorum requirement for the purpose of filling such vacancy shall be the normal thirty-five (35%) percent requirement set forth in Article VIII, Section 4. Any Director whose removal has been proposed by the Co-owners shall be given an opportunity to be heard at the meeting.

#### Section 9. First Meeting.

The first meeting of a newly elected Board of Directors shall be held within ten (10) days of election at such place as shall be fixed by the Directors at the meeting at which such Directors were elected, and no notice shall be necessary to the newly elected Directors

in order legally to constitute such meeting, providing a majority of the whole Board shall be present.

#### Section 10. Regular Meetings.

Regular meetings of the Board of Directors may be held at such times and places as shall be determined from time to time by a majority of the Directors, but at least two (2) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each Director, personally, by mail, electronic mail, telephone or telegraph at least ten (10) days prior to the date named for such meeting. All Co-owners shall be copied on such notice.

#### Section 11. Special Meetings.

Special meetings of the Board of Directors may be called by the President on three (3) days' notice to each Director, given personally, by mail, electronic mail, telephone or telegraph, which notice shall state, the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of two (2) Directors. All Co-owners shall be copied on such notice.

#### Section 12. Minutes.

A record shall be made of any Regular or Special Meeting of the Board of Directors. Such record shall include the date, time and attendees of the meeting. It shall also document any decision made at the meeting along with an explanation of the reasoning for this decision. Such minutes shall be distributed to all Co-owners via physical mail or electronic mail or posted to the Association's website (if any) within ten (10) days of the conclusion of the meeting. Additionally, any Co-owner may review the minutes by contacting the Association Manager during normal business hours.

#### Section 13. Waiver of Notice.

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

#### Section 14. Adjournment.

At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, less than a quorum is present, the majority of those present may adjourn the meeting to a subsequent time upon twenty-four (24) hours' prior written notice delivered to all Directors not present. At any such

adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice. The joinder of a Director in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such Director for purposes of determining a quorum.

#### Section 15. Fidelity Bonds.

The Board of Directors shall require that all officers, agents and employees of the Association handling or responsible for the Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be expenses of administration.

### **ARTICLE XI**

#### **OFFICERS**

##### Section 1. Officers.

The principal officers of the Association shall be a President, who shall be a member of the Board of Directors, a Vice President, a Secretary and a Treasurer. The Directors may appoint an Assistant Treasurer, and an Assistant Secretary, and such other officers as in their judgment may be necessary. Any two (2) offices except that of President and Vice President may be held by one (1) person.

##### A. President.

The President shall be the chief executive of the Association. He shall preside at all meetings of the Association and of the Board of Directors. He shall have all of the general powers and duties which are usually vested in the office of the President of an association.

##### B. Vice President.

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

##### C. Secretary.

The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the members of the Association; he shall have charge of the corporate seal, if any, and he shall, in general, perform all duties incident to the office of the Secretary.

D. Treasurer.

The Treasurer shall have full responsibility for the Association funds and securities and shall be responsible for books belonging to the Association. He shall be responsible for the timely deposit of all monies and other valuable effects in the name and to the credit of the Association, and in such depositories as may, from time to time, be designated by the Board of Directors. The Treasurer may delegate the foregoing functions to the Association Manager, so long as they provide oversight of the Association Manager.

Section 2. Election.

The officers of the Association shall be elected annually by the Board of Directors at the organizational meeting of each new Board and shall hold office at the pleasure of the Board.

Section 3. Removal.

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

Section 4. Duties.

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

Section 5. Term Limits.

Any person elected as an officer of the Board shall serve in such capacity for a maximum of three (3) consecutive one-year terms. Thereafter a period of two (2) consecutive years shall pass before such person is re-eligible to serve again in such capacity.

**ARTICLE XII**

**SEAL**

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



## **ARTICLE XIII**

### **FINANCE**

#### Section 1. Records.

The Association shall keep detailed books of account showing all expenditures and receipts of administration which shall specify the maintenance and repair expenses of the Common Elements and any other expenses incurred by or on behalf of the Association and the Co-owners. Such accounts and all other Association records shall be open for inspection by the Co-owners and their mortgagees during reasonable working hours. The Association shall prepare and distribute to each Co-owner at least once a year a financial statement, the contents of which shall be defined by the Association. The books of account shall be audited at least annually by qualified independent auditors; provided, however, that such auditors need not be certified public accountants nor does such audit need to be a certified audit. Any institutional holder of a first mortgage lien on any Unit in the Condominium shall be entitled to receive a copy of such annual audited financial statement within ninety (90) days following the end of the Association's fiscal year upon request therefor. The costs of any such audit and any accounting expenses shall be expenses of administration.

#### Section 2. Fiscal Year.

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

#### Section 3. Bank.

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

## **ARTICLE XIV**

### **INDEMNIFICATION OF OFFICERS AND DIRECTORS**

Every Director and officer of the Association shall be indemnified by the Association against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him in connection with any proceeding to which he may be a party or in which he may become involved by reason of his being or having been a Director or officer of the Association, whether or not he is a Director or officer at the time such expenses

are incurred except in such cases wherein the Director or officer is adjudged guilty of willful or wanton misconduct or gross negligence in the performance of his duties; provided that, in the event of any claim for reimbursement or indemnification hereunder based upon a settlement by the Director or officer seeking such reimbursement or indemnification, the indemnification herein shall apply only if the Board of Directors (with the Director seeking reimbursement abstaining) approves such settlement and reimbursement as being in the best interest of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such Director or officer may be entitled. At least ten (10) days prior to payment of any indemnification which it has approved, the Board of Directors shall notify all Co-owners thereof. Further, the Board of Directors is authorized to carry officers' and directors' liability insurance covering acts of the officers and Directors of the Association in such amounts as it shall deem appropriate.

## **ARTICLE XV**

### **AMENDMENTS**

#### Section 1. Proposal.

Amendments to these Bylaws may be proposed by the Board of Directors of the Association acting upon the vote of the majority of the Directors or may be proposed by one-third (1/3) or more of the Co-owners by instrument in writing signed by them.

#### Section 2. Meeting.

Upon any such amendment being proposed, a meeting for consideration of the same shall be duly called in accordance with the provisions of these Bylaws.

#### Section 3. Voting.

These Bylaws may be amended by the Co-owners at any regular annual meeting or a special meeting called for such purpose by an affirmative vote of not less than sixty-six and two-thirds (66-2/3%) percent of all Co-owners. No consent of mortgagees shall be required to amend these Bylaws unless such amendment would materially alter or change the rights of such mortgagees, in which event the approval of sixty-six and two-thirds (66-2/3%) percent of first mortgagees shall be required with each mortgagee to have one (1) vote for each mortgage held.

#### Section 4. When Effective.

Any amendment to these Bylaws shall become effective upon recording of such amendment in the office of the Charlevoix County Register of Deeds.

Section 5. Binding.

A copy of each amendment to the Bylaws shall be furnished to every member of the Association after adoption; provided, however, that any amendment to these Bylaws that is adopted in accordance with this Article shall be binding upon all persons who have an interest in the Project irrespective 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, tenants, or any other persons acquiring an interest in or using the facilities of the Project in any manner are subject to and shall comply with the Act, as amended, and the mere acquisition, occupancy or rental of any Unit or an interest therein or the utilization of or entry upon the Condominium Premises shall signify that the Condominium Documents are accepted and ratified. In the event the Condominium Documents conflict with the provisions of the Act, the Act shall govern.

**ARTICLE XVII**

**DEFINITIONS**

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

**ARTICLE XVIII**

**REMEDIES FOR DEFAULT**

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

Section 1. Legal Action.

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

Section 2. Recovery of Cost.

In any proceeding arising because of an alleged default by any Co-owner, the Association, if successful, shall be entitled to recover the costs of the proceeding and

such reasonable attorney's fees (not limited to statutory fees) as may be determined by the court but in no event shall any Co-owner be entitled to recover such attorney's fees.

### Section 3. Removal and Abatement.

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

### Section 4. Assessment of Fines.

The violation of any of the provisions of the Condominium Documents by any Co-owner shall be grounds for assessment by the Association, acting through its duly constituted Board of Directors, of monetary fines for such violations. No fine may be assessed unless rules and regulations establishing such fine have first been duly adopted by the Board of Directors of the Association and notice thereof given to all Co-owners in the same manner as prescribed in Article IX, Section 4 of these Bylaws. Thereafter, fines may be assessed only upon notice to the offending Co-owners as prescribed in said Article IX, Section 4 and an opportunity for such Co-owner to appear before the Board no less than seven (7) days from the date of the notice and offer evidence in defense of the alleged violation. All fines duly assessed may be collected in the same manner as provided in Article II of these Bylaws. No fine shall be levied for the first violation. No fine shall exceed Twenty-five (\$25.00) Dollars for the second violation, Fifty (\$50.00) Dollars for the third violation or One hundred (\$100.00) Dollars for any subsequent violation.

### Section 5. Non-Waiver of Right.

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

### Section 6. Cumulative Rights, Remedies and Privileges.

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

## Section 7. Enforcement of Provisions of Condominium Documents.

A Co-owner may maintain an action against the Association and its officers and Directors to compel such persons to enforce the terms and provisions of the Condominium Documents. A Co-owner may maintain an action against any other Co-owner for injunctive relief or for damages or any combination thereof for noncompliance with the terms and provisions of the Condominium Documents or the Act.

### **ARTICLE XIX**

#### **SEVERABILITY**

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

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