

**2003 REVISED CONDOMINIUM BYLAWS
OF LAKEVIEW ESTATES CONDOMINIUM**

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Section 1
ASSOCIATION OF CO-OWNERS

1.1 Replacement of Prior Condominium Bylaws and Amendments. These Revised Condominium Bylaws shall replace the Condominium Bylaws attached to the Master Deed first recorded on May 9, 1973 and all amendments thereto.

1.2 Organization. Lakeview Estates Condominium, is a residential condominium project located in Superior Township, Washtenaw County, Michigan. Upon the recording of the master deed, the management, maintenance, operation, and administration of the project shall be vested in an association of co-owners organized as a nonprofit corporation under the laws of the State of Michigan. The association will keep current copies of the master deed, all amendments to the master deed, and other condominium documents for the project available at reasonable hours for inspection by co-owners, prospective purchasers, mortgagees, and prospective mortgagees of units in the project.

1.3 Compliance. All present and future co-owners mortgagees, lessees, or other persons who may use the facilities of the condominium in any manner shall be subject to and comply with the provisions of Act No. 59, P.A. 1978, as amended, the master deed and any amendments, the condominium bylaws, and the articles of incorporation, association bylaws, and other condominium documents that pertain to the use and operation of the project. The acceptance of a deed of conveyance, the entering into of a lease, or the act of occupying a unit in the project shall constitute an acceptance of the terms of the condominium documents and an agreement to comply with their provisions.

Section 2
MEMBERSHIP AND VOTING

2.1 Membership. Each co-owner of a unit in the project, during the period of ownership, shall be a member of the association, and no other person or entity will be entitled to membership. The share of a member in the funds and assets of the association may be assigned, pledged, or transferred only as an appurtenance to a unit.

2.2 Voting Rights. Each co-owner will be entitled to one vote for each unit owned. Voting shall be by number.

2.3 Eligibility to Vote. No co-owner will be entitled to vote at any meeting of the association until the co-owner has presented written evidence of ownership of a unit in the project. A co-owner who is in default under the terms of these Bylaws (including unpaid association dues and assessments) shall be ineligible to vote at any meeting of the membership.

2.4 Designation of Voting Representative. The person entitled to cast the vote for each unit and to receive all notices and other communications from the association shall be designated by a

certificate signed by all the record owners of a unit and filed with the secretary of the association. The certificate shall state the name and address of the individual representative designated, the number of the unit owned, and the name and address of the person or persons, firm, corporation, partnership, association, trust, or other legal entity who is the unit owner. All certificates shall be valid until revoked, until superseded by a subsequent certificate, or until a change has occurred in the ownership of the unit.

2.5 Proxies. Votes may be cast in person or by proxy. Proxies may be made by any designated voting representative who is unable to attend the meeting in person. Proxies will be valid only for the particular meeting designated and any adjournment, and must be filed with the association secretary before or at the appointed time of the meeting.

2.6 Majority. At any meeting of members at which a quorum is present, 51 percent of the co-owners entitled to vote and present in person or by proxy (or written vote, if applicable), shall constitute a majority for the approval of the matters presented to the meeting, except in those instances in which a majority exceeding a simple majority is required by these bylaws, the master deed, or by law.

Section 3 MEETINGS AND QUORUM

3.1 Annual Meeting of Members. Annual meetings of the members shall be held in each year on a date and at a time and place selected by the board of directors. At least 20 days prior to the date of an annual meeting, written notice of the date, time, place, and purpose of such meeting shall be mailed or delivered to each member entitled to vote at the meeting; provided, that not less than 30 days' written notice shall be provided to each member of any proposed amendment to these bylaws or to other recorded condominium documents.

3.2 Quorum of Members. The presence in person or by proxy of 35 percent of the co-owners entitled to vote shall constitute a quorum of members. The written vote of any owner furnished at or prior to a meeting, at which meeting such owner 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 4 ADMINISTRATION

4.1 Board of Directors. The business, property, and affairs of the association shall be managed by a board of directors (the "board") to be elected in the manner described in the association bylaws.

4.2 Powers and Duties. The board shall have all powers and duties necessary for the administration of the affairs of the association, and may take all actions in support of the

administration as are not prohibited by the condominium documents or specifically reserved to the members, including by way of example, the following:

- a. care, upkeep, and maintenance of the common elements;
- b. development of an annual budget and the determination, levy, and collection of assessments required for the operation and affairs of the condominium;
- c. employment and dismissal of contractors and personnel as necessary for the efficient management and operation of the condominium property;
- d. adoption and amendment of rules and regulations, consistent with these bylaws, governing the use of the condominium property;
- e. opening bank accounts, borrowing money, and issuing evidences of indebtedness in furtherance of the purposes of the association, and designating signatories required for such purpose;
- f. obtaining insurance for the common elements, the premiums of which shall be an expense of administration;
- g. granting licenses for the use of the common elements for purposes not inconsistent with the provisions of the act or of the condominium documents;
- h. authorizing the execution of contracts, deeds of conveyance, easements, and rights-of-way affecting any real or personal property of the condominium on behalf of the co-owners;
- i. making repairs, additions, and improvements to, or alterations of, the common elements, and repairs to and restoration of the common elements after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings;
- j. asserting, defending, or settling claims on behalf of all co-owners in connection with the common elements of the project and, upon written notice to all co-owners, instituting actions on behalf of and against the co-owners in the name of the association; and
- k. such further duties as may be imposed by resolution of the members of the association or that may be required by the condominium documents or the act.

4.3 Books of Account. The association shall keep books and records containing a detailed account of the expenditures and receipts of administration, which will specify the maintenance and repair expenses of the common elements and any other expenses incurred by or on behalf of the association and its members. Such accounts shall be open for inspection by the co-owners and their mortgagees during reasonable hours. The association shall also prepare and distribute a financial statement to each co-owner at least once a year, the contents of which will be defined

by the association. The books and records shall be reviewed annually and audited at such times as required by the board of directors by qualified independent accountants (who need not be certified public accountants), and the cost of such review or audit shall be an expense of administration.

4.4 Maintenance and Repair. The responsibility for maintenance and repair of units and common elements is as follows:

a. All maintenance of and repair to a unit (other than maintenance and repair of general common elements located within a unit) and to a limited common element that is the responsibility of the co-owner of a unit as set forth in the master deed, shall be made by the co-owner of the unit. Any co-owner who desires to make structural modifications to a unit or limited common element must first obtain the written consent of the association and shall be responsible for all damages to the common elements resulting from such repairs.

b. All maintenance of, repair to, and replacement for the general common elements, whether located inside or outside the units, and to limited common elements to the extent required by the master deed, shall be made by the association and shall be charged to all the co-owners as a common expense unless necessitated by the negligence, misuse, or neglect of a particular co-owner, in which case the expense shall be charged to the co-owner individually. The association or its agent shall have access to each unit from time to time during reasonable hours, upon notice to the occupant, for the purpose of maintenance, repair, or replacement of any of the common elements that are the responsibility of the association located within or accessible only from a unit. The association or its agents shall also have access to each unit at all times without notice for making emergency repairs necessary to prevent damage to other units and/or to the common elements.

4.5 Reserve Fund. The association shall maintain a reserve fund to be used for major repairs and replacement of the common elements as provided by section 105 of the act. The fund shall be established, and shall, to the extent possible, be maintained at a level that is equal to or greater than 10 percent of the then-current annual budget of the association on a noncumulative basis. The minimum reserve standard required by this section may prove to be inadequate, and the board should carefully analyze the project from time to time in order to determine if a greater amount should be set aside or if additional reserve funds shall be established for other purposes.

4.6 Construction Liens. A construction lien arising as a result of work performed on a unit or on an appurtenant limited common element shall attach only to the unit upon which the work was performed. A construction lien for work authorized by the association shall attach to each unit only to the proportionate extent that the co-owner of such unit is required to contribute to the expenses of administration. No construction lien shall arise or attach to a condominium unit for work performed on the general common elements not contracted for by the association.

4.7 Managing Agent. The board may employ a management company or managing agent at a compensation established by the board to perform such duties and services as the board shall authorize, including, but not limited to, the powers and duties described in section 4.2.

4.8 Officers. The association bylaws shall provide the designation, number, terms of office, qualifications, manner of election, duties, removal, and replacement of officers of the association and may contain any other provisions pertinent to officers of the association not inconsistent with these bylaws. Officers may be compensated, but only upon the affirmative vote of 60 percent or more of all co-owners.

4.9 Indemnification. All directors and officers of the association shall be entitled to indemnification against costs and expenses incurred as a result of actions (other than willful or wanton misconduct or gross negligence) taken or not taken on behalf of the association upon 10 days' notice to all co-owners, in the manner and to the extent provided by the association bylaws. In the event that no judicial determination as to indemnification has been made, an opinion of independent counsel as to the propriety of indemnification shall be obtained if a majority of co-owners vote to procure such an opinion.

Section 5 ASSESSMENTS

5.1 Administration Expenses. The association shall be assessed as the entity in possession of any tangible personal property of the condominium owned or possessed in common, and personal property taxes levied on such property shall be treated as expenses of administration. All costs incurred by the association in satisfaction of any liability arising within, caused by, or connected with the common elements or the administration of the project shall be expenses of administration, and all sums received as proceeds of, or pursuant to any policy of insurance covering the interests of the co-owners against liabilities or losses arising within, caused by, or connected with the common elements or the administration of such common elements shall be receipts of administration.

5.2 Determination of Assessments. Assessments will be determined in accordance with the following provisions:

a. *Initial budget.* The board of the association shall establish an initial budget in advance for each fiscal year, which budget will project all expenses for the coming year that may be required for the proper operation, management, and maintenance of the condominium project, including a reasonable allowance for contingencies and reserves. The annual assessment to be levied against each unit in the project shall then be determined on the basis of the budget. Copies of the budget will be delivered to each owner, although the failure to deliver such a copy to each owner will not affect or in any way diminish the liability of a co-owner for any existing or future assessment.

b. *Budget assessments.* Should the board determine at any time, in its sole discretion, that the initial assessments levied are insufficient: (1) to pay the costs of operation and maintenance of the common elements; (2) to provide for the replacement of existing common elements; (3) to provide for additions to the common elements not exceeding \$5,000 or \$100 per unit annually, whichever is less; or (4) to respond to an emergency or unforeseen development; the board is

authorized to increase the initial assessment or to levy such additional assessments as it deems to be necessary for such purpose(s). The discretionary authority of the board to levy additional assessments will rest solely with the board for the benefit of the association and its members, and may not be attached by or subject to specific performance by any creditors of the association.

c. Special assessments. Special assessments, in excess of those permitted by subsections (a) and (b), may be made by the board from time to time with the approval of the co-owners as provided in this subsection to meet other needs or requirements of the association, including but not limited to: (1) assessments for additions to the common elements costing more than \$5,000 in any year; (2) assessments to purchase a unit upon foreclosure of the lien described in section 5.5; or (3) assessments for any other appropriate purpose not specifically described. Special assessments referred to in this subsection (but not including those assessments referred to in subsections (a) and (b), which will be levied in the sole discretion of the board) will not be levied without the prior approval of 60 percent or more of all co-owners. The authority to levy assessments pursuant to this subsection is solely for the benefit of the association and its members and may not be attached by or subject to specific performance by any creditors of the association.

5.3 Apportionment of Assessments. All assessments levied against the unit owners to cover expenses of administration shall be apportioned among and paid by the co-owners on an equal basis, without increase or decrease for the existence of any rights to the use of limited common elements appurtenant to a unit. Unless the board shall elect some other periodic payment schedule, annual assessments will be payable by co-owners in 12 equal monthly installments, commencing with the acceptance of a deed to, or a land contract vendee's interest in a unit, or with the acquisition of title to a unit by any other means. The payment of an assessment will be in default if the assessment, or any part, is not received by the association in full on or before the due date for such payment established by rule or regulation of the association.

5.4 Expenses of Administration. The expenses of administration shall consist, among other things, of such amounts as the board may deem proper for the operation and maintenance of the condominium property under the powers and duties delegated to it and may include, without limitation, amounts to be set aside for working capital of the condominium, for a general operating reserve, for a reserve for replacement, and for meeting any deficit in the common expense for any prior year; provided, that any reserves established by the board prior to the initial meeting of members shall be subject to approval by such members at the initial meeting. The board shall advise each co-owner in writing of the amount of common charges payable by the co-owner and shall furnish copies of each budget containing common charges to all co-owners.

5.5 Collection of Assessments. Each co-owner shall be obligated for the payment of all assessments levied upon the co-owner's unit during the time that the person is the co-owner of the unit, and no co-owner may become exempt from liability for the co-owner's contribution toward the expenses of administration by waiver of the use or enjoyment of any of the common elements, or by the abandonment of a unit.

a. *Legal remedies.* In the event of default by any co-owner in paying the assessed common charges, the board may declare all unpaid installments of the annual assessment for the pertinent fiscal year to be immediately due and payable. In addition, the board may impose reasonable fines or charge interest at the legal rate on such assessments from and after the due date. Unpaid assessments, together with interest on the unpaid assessments, collection, and late charges; advances made by the association for taxes or other liens to protect its lien; attorney fees; and fines in accordance with the condominium documents shall constitute a lien on the unit prior to all other liens except tax liens in favor of any state or federal taxing authority and sums unpaid upon a mortgage of record recorded prior to the recording of any notice of lien by the association, and the association may enforce the collection of all sums due by suit at law for a money judgment or by foreclosure of the liens securing payment in the manner provided by section 108 of the act. In a foreclosure proceeding, whether by advertisement or by judicial action, the co-owner or anyone claiming under the co-owner shall be liable for assessments charged against the unit that become due before the redemption period expires, together with interest, advances made by the association for taxes or other liens to protect its lien, costs, and reasonable attorney fees incurred in their collection.

b. *Sale of unit.* Upon the sale or conveyance of a unit, all unpaid assessments against the unit shall be paid out of the sale price by the purchaser in preference over any other assessment or charge except as otherwise provided by the condominium documents or by the act. A purchaser or grantee may request a written statement from the association as to the amount of unpaid assessments levied against the unit being sold or conveyed. The purchaser or grantee shall not be liable for, and the unit sold or conveyed shall not be subject to a lien for any unpaid assessments in excess of, the amount stated in a written response from the association. Unless the purchaser or grantee requests a written statement from the association at least five days before sale as provided in the act, however, the purchaser or grantee shall be liable for any unpaid assessments against the unit together with interest, late charges, fines, costs, and attorney fees.

c. *Self-help.* The association may enter upon the common elements, limited or general, to remove and abate any condition constituting a violation of the condominium documents, or may discontinue the furnishing of services to a co-owner in default under any of the provisions of the condominium documents, upon seven days' written notice to such co-owner of the association's intent 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 the default continues; provided, that this provision shall not operate to deprive any co-owner of ingress and egress to and from the co-owner's unit.

d. *Application of payments.* Money received by the association in payment of assessments in default shall be applied as follows: first, to costs of collection and enforcement of payment, including reasonable attorney fees; second, to any interest charges and fines for late payment on such assessments; and third, to installments of assessments in default in order of their due dates.

Section 6 TAXES, INSURANCE, AND REPAIR

6.1 Real Property Taxes. Real property taxes and assessments shall be levied against the individual units and not against the property of the project. For tax and special assessment purposes no unit shall be combined with any other unit or units, and no assessment of any fraction of a unit or combination of any unit with other whole or partial units shall be made, nor shall any division or split of the assessment or taxes of a single unit be made, whether the unit is owned by an individual or multiple co-owners. Taxes for real property improvements made to or within a specific unit shall be assessed against that unit only, and each unit shall be treated as a separate, single parcel of real property for purposes of property taxes and special assessments.

6.2 Insurance Coverage. The association shall be appointed as attorney-in-fact for each co-owner to act on insurance matters and shall be required to obtain and maintain, to the extent applicable: casualty insurance with extended coverage, vandalism and malicious mischief endorsements; liability insurance (including director's and officer's liability coverage if deemed advisable); and worker's compensation insurance pertinent to the ownership, use, and maintenance of the common elements of the project. All insurance shall be purchased by the board of directors for the benefit of the association, the co-owners, the mortgagees, as their interests may appear. Such insurance, other than title insurance, shall be carried and administered according to the following provisions:

a. *Co-owner responsibilities.* Each co-owner will be responsible for obtaining casualty insurance coverage at the co-owner's expense with respect to the residential building and all other improvements constructed or located within the perimeters of the co-owner's unit, and for the limited common elements appurtenant to the co-owner's unit. It shall also be each co-owner's responsibility to obtain insurance coverage for the co-owner's personal property located within the co-owner's unit or elsewhere on the condominium, for personal liability for occurrences within the co-owner's unit or on the limited common elements appurtenant to the co-owner's unit, and for alternative living expenses in the event of fire or other casualty causing temporary loss of the co-owner's unit. All insurance carried by the association or any co-owner shall contain provisions waiving the right of subrogation as to any claims against any co-owner or the association for insured losses.

b. *Common element insurance.* The general common elements of the project shall be insured by the association against fire and other perils covered by a standard extended coverage endorsement, to the extent deemed applicable and appropriate, in an amount to be determined annually by the board. The association shall not be responsible in any way for maintaining insurance with respect to the limited common elements, the units themselves, or any improvements located within the units.

c. *Fidelity insurance.* The association may obtain, if desired, fidelity coverage to protect against dishonest acts by its officers, directors, trustees, and employees and all others who are responsible for handling funds of the association.

d. *Power of attorney.* The board is irrevocably appointed as the agent for each co-owner, each mortgagee, other named insureds and their beneficiaries, and any other holder of alien or other interest in the condominium or the property, to adjust and settle all claims arising under

insurance policies purchased by the board and to execute and deliver releases upon the payment of claims.

e. *Indemnification.* Each individual co-owner shall indemnify and hold harmless every other co-owner and the association for all damages, costs, and judgments, including reasonable attorney fees, that any indemnified party may suffer as a result of defending claims arising out of an occurrence on or within an individual co-owner's unit or appurtenant limited common elements. This provision shall not be construed to give an insurer any subrogation right or other right or claim against an individual co-owner or the association.

f. *Premium expenses.* Except as otherwise provided, all premiums upon insurance purchased by the association pursuant to these bylaws shall be expenses of administration.

6.3 Reconstruction and Repair. The following provisions will control, if any part of the condominium property is damaged or destroyed:

a. *General common elements.* If the damaged property is a general common element, the damaged property shall be repaired or rebuilt promptly unless 80 percent or more of the co-owners and the institutional holders of mortgages on any unit in the project agree to the contrary. Provided, that if the affected general common element is the common roadway providing the sole means of ingress and egress to one or more units in the project, it will be repaired or rebuilt unless the 80 percent or more of the co-owners agreeing not to repair or rebuild includes the co-owners of all such units.

b. *Limited common elements and improvements.* If the damaged property is a limited common element or an improvement located within the boundaries of a unit, the co-owner of the applicable unit or units alone shall determine whether to rebuild or repair the damaged property, subject to the rights of any mortgagee or other person having an interest in the property, and the co-owner shall be responsible for the cost of any reconstruction or repair that the co-owner elects to make. The co-owner shall in any event remove all debris and restore the unit and its improvements to a clean and slightly condition satisfactory to the association within a reasonable period of time following the occurrence of the damage.

c. *Reconstruction standards.* Any reconstruction or repair shall be substantially in accordance with the master deed and the original plans and specifications for the improvements located within the unit, unless prior written approval for changes is obtained from the association.

d. *Procedure and timing.* Immediately after the occurrence of a casualty causing damage that is to be reconstructed or repaired by the association, the association shall obtain reliable and detailed estimates of the cost to place the damaged property in a condition as good as that existing before the damage. If the proceeds of insurance are not sufficient to cover the estimated cost of reconstruction or repair required to be performed by the association, or if at any time during such reconstruction or repair the funds for the payment of such costs by the association

are insufficient, assessments shall be levied against all co-owners in sufficient amounts to provide funds to pay the estimated or actual costs of reconstruction or repair.

e. *Withdrawal from the condominium.* If a decision to reconstruct is not made in the manner provided by subparagraphs (a) and (b) of section 6.3, provision for the withdrawal of the damaged property from the project and the provisions of the act may be made by the affirmative vote of not fewer than 80 percent of the co-owners voting at a meeting called for the specific purpose. The meeting shall be held within 30 days following the final adjustment of insurance claims, if any, or within 90 days after the casualty happens, whichever first occurs. If any unit or portion of a unit is withdrawn, the percentage of ownership in the common elements appurtenant to the withdrawn property shall be reallocated among the remaining units not withdrawn on the basis of the relative percentages of ownership in the common elements appurtenant to each remaining unit. If only a portion of a unit is withdrawn, the percentage of ownership in the common elements appurtenant to the unit shall be reduced accordingly, upon the basis of the diminution in market value of such unit, as determined by the board.

f. *Allocation of proceeds.* In the event of the withdrawal of a unit, a common element or a portion of either, any insurance proceeds received by the association shall be allocated among the withdrawn units and/or common elements on the basis of the square footage withdrawn or such other equitable basis as the board may determine. As compensation for such withdrawals: (1) any insurance proceeds allocated to withdrawn units or portions of units shall be applied in payment to the owners of such units in proportion to their relative percentages of ownership in the common elements appurtenant to such withdrawn units, or portions of them; (2) any insurance proceeds allocated to withdrawn portions of the limited common elements shall be applied in payment to the unit co-owners entitled to their use in proportion to their relative percentages of ownership in the common elements appurtenant to the units saved by such limited common elements; and (3) any insurance proceeds allocated to withdrawn portions of the general common elements shall be applied in payment to all unit co-owners in proportion to their relative percentages of ownership in the common elements. Upon the withdrawal of any unit or portion of a unit, the co-owner shall be relieved of further responsibility or liability for the payment of any assessments, if the entire unit is withdrawn, or for the payment of a portion of such assessments proportional to the diminution in square footage of such unit, if only a portion of the unit is withdrawn.

6.4 Eminent Domain. The following provisions will control upon any taking by eminent domain:

a. *Units.* In the event of the taking of all or any portion of a unit, the award for such taking shall be paid to the co-owner of the unit and any mortgagee of the unit, as their interests may appear. If a co-owner's entire unit is taken by eminent domain, such co-owner and any mortgagee shall, after acceptance of the condemnation award, be divested of all interest in the project.

b. *Common elements.* In the event of the taking of all or any portion of the general common elements, the condemnation proceeds relative to the taking shall be paid to the association for use and/or distribution to its members. The affirmative vote of 80 percent or more of the co-owners

in number and in value shall determine whether to rebuild, repair, or replace the portion so taken or to take such other action as the co-owners deem appropriate.

c. *Amendment to master deed.* In the event the project continues after the taking by eminent domain, the remaining portion of the project shall be resurveyed and the master deed amended accordingly. If any unit shall have been taken, the master deed shall also be amended to reflect the taking. The amendment may be completed by an officer of the association duly authorized by the board without the necessity of execution or specific approval by any co-owner.

d. *Notice to mortgagees.* In the event any unit in the condominium, the common elements, or any portion of them is made the subject matter of an eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, the association shall promptly notify each holder of a publicly recorded mortgage lien on any of the units in the condominium.

e. *Inconsistent provisions.* To the extent not inconsistent with the provisions of this section, section 133 of the act shall control upon any taking by eminent domain.

Section 7

USE AND OCCUPANCY RESTRICTIONS

7.1 Residential Use. Condominium units shall be used exclusively for residential occupancy, and no unit or appurtenant common element shall be used for any purpose other than that of a single family residence or purposes incidental to residential use. Home occupations conducted entirely within the residence and participated in solely by members of the immediate family residing in the residence that do not generate unreasonable traffic by members of the general public and do not change the residential character of the unit or neighborhood, are permitted as incidental to primary residential use. No building intended for other business uses, and no apartment house, rooming house, day care facility, foster care residence, or other commercial and/or multiple-family dwelling of any kind shall be erected, placed, or permitted on any unit. To be permitted as a "home occupation," there must be: (1) no sign or display that indicates from the exterior that the residence is being utilized for any purpose other than that of a single family dwelling; (2) no goods or commodities shall be kept for viewing and/or sale upon the unit or within the project; and (3) no mechanical or electrical equipment is used, other than personal computers and other office equipment. In no event shall any barber shop, styling salon, beauty parlor, tea room, day care center, animal hospital, or any other form of animal care and/or treatment such as dog trimming, be considered as a home occupation.

7.2 Common Areas. The common elements shall be used only by the co-owners of units in the condominium and by their agents, tenants, family members, invitees, and licensees for access, ingress to, and egress from the respective units, and for other purposes incidental to use of the units; provided, that any parking areas, storage facilities, or other common elements designed for a specific purpose shall be used only for those purposes or other uses approved by the board. The use, maintenance, and operation of the common elements shall not be obstructed, damaged, or unreasonably interfered with by any co-owner, and shall be subject to any lease or easement

presently in existence or entered into by the board at some future date that affects all or any part of the common elements.

7.3 Use and Occupancy Restrictions. In addition to the general requirements of sections 7.1 and 7.2, the use of the project and its common elements by any co-owner shall be subject to the following specific restrictions:

- a. *Exterior changes.* No co-owner shall make any additions, alterations, or modifications to any of the common elements, nor make any changes to the exterior appearance or structural elements of the unit without the prior written approval of the association. The association shall not approve any alterations or structural modifications that would jeopardize or impair the soundness, safety, or appearance of the project. Any co-owner may make alterations, additions, or improvements within the co-owner's unit without the prior approval of the board, but the co-owner shall be responsible for any damage to other units, the common elements, or the property resulting from such alterations, additions, or improvements.
- b. *Unit rental.* No portion of a unit may be rented, and no transient tenants may be accommodated in any building; provided, that this restriction shall not prevent the rental or sublease of an entire unit together with its appurtenant limited common elements for residential purposes in the manner permitted by these bylaws.
- c. *Nuisances.* No nuisances shall be permitted on the property nor shall any use or practice be permitted that is a source of annoyance to, or that interferes with the peaceful possession or proper use of the project by the co-owners. No unit shall be used in whole or in part for the storage of rubbish or trash, nor for the storage of any property or thing that may cause the unit to appear in an unclean or untidy condition. No substance or material shall be kept on a unit that will emit foul or obnoxious odors, or that will cause excessive noise that will or might disturb the peace, quiet, comfort, or serenity of the occupants of surrounding units.
- d. *Prohibited uses.* No immoral, improper, offensive, or unlawful use shall be conducted on the property, and nothing shall be done or kept in any unit or on the common elements that will increase the rate of insurance for the project without the prior written consent of the association. No co-owner shall permit anything to be done or kept in the co-owner's unit or elsewhere on the common elements that will result in the cancellation of insurance on any unit or any part of the common elements, or that will be in violation of any law.
- e. *Signs.* No signs or other advertising devices that are visible from the exterior of the unit or from the common elements shall be displayed on any unit without written permission from the association or its managing agent.
- f. *Personal property.* No co-owner shall display, hang, or store any clothing, sheets, blankets, laundry, or other articles of personal property outside a unit. This restriction shall not be construed to prohibit a co-owner from placing and maintaining outdoor furniture and accoutrements and decorative foliage of a customary nature and appearance on a porch, patio or deck appurtenant to a unit.

g. *Firearms and weapons.* No co-owner shall use, or permit the use by any occupant, agent, tenant, invitee, guest, or member of the co-owner's family of any firearms, air rifles, pellet guns, B-B guns, bows and arrows, illegal fireworks or other dangerous weapons, projectiles, or devices anywhere on or about the property.

h. *Pets and animals.* No animals of any kind may be kept or maintained in any unit except for one domestic dog, one domestic cat, and/or two caged birds, without the prior written consent of the association, which consent, if given, may be revoked at any time by the association. No exotic, savage, or dangerous animal shall be kept on the property, and no animal may be kept or bred for commercial purposes. Common household pets permitted under the provisions of this subsection shall be kept only in compliance with the rules and regulations promulgated by the board of directors from time to time, and must at all times be kept under care and restraint so as not to be obnoxious on account of noise, odor, or unsanitary conditions. No animal shall be permitted to run loose upon the common elements or within any unit (except the unit owned by the owner of such animal), and the owner of each pet shall be responsible for cleaning up after it.

The association may charge a co-owner maintaining animals a reasonable supplemental assessment if the association determines that such an assessment is necessary to defray additional maintenance costs to the association of accommodating animals within the condominium. The association may also, without liability to the owner of the pet, remove or cause any animal to be removed from the condominium that it determines to be in violation of the restrictions imposed by this section. Any person who causes or permits any animal to be brought to or kept on the condominium property shall indemnify and hold the association harmless from any loss, damage, or liability that the association may sustain as a result of the presence of such animal on the condominium property.

The association may adopt such other and additional pet policies as shall be deemed appropriate to protect the health, welfare and other interests of the association co-owners.

i. *Recreational vehicles.* No recreational vehicles, boats, or trailers shall be parked or stored anywhere on the property, without the written approval of the association. No snowmobile, all-terrain vehicle, or other motorized recreational vehicle shall be operated on the property. No maintenance or repair shall be performed on any boat or recreational vehicle on the property.

j. *Occupancy limitations.* No more than 4 persons shall permanently occupy or reside in any two-bedroom unit, and no more than 6 persons shall permanently occupy or reside in any unit with three or more bedrooms, without the express prior written approval of the association. In the event that a violation of this restriction by a family in occupancy of a unit results from the birth or adoption of a child, or the marriage or remarriage of a family member, this restriction shall be suspended as to such family for a period of one year to provide such family a reasonable time to cure such violation or otherwise dispose of the unit.

k. *Satellite dishes.* A co-owner may install a satellite dish, not to exceed 18 inches in diameter, on the co-owner's unit, subject to reasonable prior written approval by the association

as to size, location, color, and screening. To the extent required by applicable federal law, the association's regulations shall not unreasonably impair a co-owner's installation, maintenance, or use of the satellite dish.

I. Application of restrictions. Unless there is an election to arbitrate pursuant to these bylaws, a dispute or question as to whether a violation of any specific regulation or restriction contained in this section has occurred shall be submitted to the board, which shall conduct a hearing and render a decision in writing; the decision shall be binding upon all co-owners and other parties having an interest in the project.

m. Use of common elements. The general common elements shall not be used for the storage of supplies or personal property (except for such short periods of time as may be reasonably necessary to permit the placement of trash for collection the next day). No vehicles shall be parked on or along the private drive(s) (except in the event of approved parties or receptions generating a need for off-site parking), and co-owners shall not personally use or obstruct any guest parking areas that may be located on the common elements of the project without the prior consent of the association. No co-owner shall in any way restrict access to any utility line or other area that must be accessible to service the common elements or that affects an association responsibility in any way. In general, no activity shall be carried on nor condition maintained by any co-owner either in the co-owner's unit or upon the common elements that despoils the appearance of the condominium.

7.4 Zoning Compliance. In addition to the restrictions contained in this section, the use of any unit must satisfy the requirements of the zoning ordinances of the municipality in which the project is located in effect at the time of the contemplated use, unless a variance for such use is obtained from the municipality.

7.5 Rules of Conduct. Additional rules and regulations consistent with the act, the master deed, and these bylaws concerning the use of units and common elements may be promulgated and amended by the board. Copies of such rules and regulations must be furnished by the board to each co-owner at least 10 days prior to their effective date, and may be revoked at any time by the affirmative vote of 60 percent or more of all co-owners.

7.6 Co-owner Enforcement. An aggrieved co-owner will also be entitled to compel enforcement of the condominium documents by action for injunctive relief and/or damages against the association, its officers, or another co-owner in the project.

7.7 Remedies on Breach. In addition to the remedies granted by these bylaws for the collection of assessments, the association shall have the right, in the event of a violation of the restrictions on use and occupancy imposed by this section, to enter the unit and to remove or correct the cause of the violation. Such entry will not constitute a trespass, and the co-owner of the unit will reimburse the association for all costs of the removal or correction. Failure to enforce any of the restrictions contained in this section will not constitute a waiver of the right of the association to enforce restrictions in the future.

Section 8 MORTGAGES

8.1 Notice to Association. Any co-owner who mortgages a unit shall notify the association of the name and address of the mortgagee (referenced in this section as a "mortgagee"), and the association will maintain such information. The information relating to mortgagees will be made available as needed for the purpose of obtaining consent from, or giving notice to mortgagee concerning actions requiring consent or notice to mortgagees under the condominium documents or the act.

8.2 Insurance. The association shall notify each mortgagee of the name of each company insuring the condominium against fire, perils covered by extended coverage, and vandalism and malicious mischief, with the amounts of the coverage.

8.3 Rights of Mortgagees. Except as otherwise required by applicable law or regulation, a mortgagee has the following rights:

a. *Inspection and notice.* Upon written request to the association, a mortgagee will be entitled to: (1) inspect the books and records relating to the project upon reasonable notice; (2) receive a copy of the annual financial statement that is distributed to co-owners; (3) notice of any default under the condominium documents by its mortgagor in the performance of the mortgagor's obligations that is not cured within 30 days; and (4) notice of all meetings of the association and its right to designate a representative to attend the meetings.

b. *Exemption from restrictions.* A mortgagee that comes into possession of a unit pursuant to the remedies provided in the mortgage or by deed in lieu of foreclosure, shall be exempt from any option or right of first refusal on the sale or rental of the mortgaged unit in the condominium documents.

c. *Past-due assessments.* A mortgagee that comes into possession of a unit pursuant to the remedies provided in the mortgage, or by deed in lieu of foreclosure, shall take the unit free of any claims for unpaid assessments on charges against the mortgaged unit that accrue prior to the time the mortgagee comes into possession, except for assessments having priority as liens against the unit or claims for a pro rata share of such assessments or charges resulting from a reallocation of such assessments charged to all units including the mortgaged unit.

8.4 Additional Notification. When notice is to be given to a mortgagee, the board shall also give such notice to the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Veterans Administration, the Federal Housing Administration, the Farmer's Home Administration, the Government National Mortgage Association and any other public or private secondary mortgage market entity participating in purchasing or guarantying mortgages of units in the condominium if the board has notice of such participation.

Section 9 LEASES

9.1 Notice of Lease. A co-owner intending to lease a unit, shall disclose that fact in writing to the association at least 10 days before presenting a lease form to the prospective tenant and, at the same time, shall supply the association with a copy of the lease form. No unit shall be leased for a period of less than 90 days without the prior written consent of the association.

9.2 Terms of Lease. Non-co-owner occupants of a unit shall comply with all the conditions of the condominium documents of the project, and all lease and rental agreements must require such compliance.

9.3 Remedies of Association. If the association determines that any non-co-owner occupant has failed to comply with any conditions of the condominium documents, the association may take the following action:

a. *Notice.* The association shall notify the co-owner of the unit by certified mail advising of the alleged violation by the non-co-owner occupant.

b. *Investigation.* The co-owner will have 15 days after receipt of the notice to investigate and correct the alleged breach by the non-co-owner occupant or to advise the association that a violation has not occurred.

c. *Legal action.* If, after 15 days, the association believes that the alleged breach has not been cured or may be repeated, it may institute an action for eviction against the non-co-owner occupant and a simultaneous action for money damages (in the same or in a separate action) against both the co-owner and the non-co-owner occupant for breach of the conditions of the condominium documents. The relief provided for in this section may be by summary proceeding. The association may hold both the non-co-owner occupant and the co-owner liable for any damages to the common elements caused by the co-owner or non-co-owner occupant in connection with the unit or the project.

9.4 Liability for Assessments. If a co-owner is in arrears to the association for assessments, the association may give written notice of the arrearage to a non-co-owner occupant occupying the co-owner's unit under a lease or rental agreement and the non-co-owner occupant, after receiving such notice, shall deduct from rental payments due the co-owner the full arrearage, and future assessments as they fall due, and pay them to the association. Such deductions shall not be a breach of the lease agreement by the non-co-owner occupant.

9.5 Co-owner Liable for Costs. The costs of enforcement described above, including actual legal fees of the Association, shall be borne by the co-owner.

Section 10 TRANSFER OF UNITS

10.1 Unrestricted Transfers. An individual co-owner may, without restriction under these bylaws, sell, give, devise, or otherwise transfer the co-owner's unit, or any interest in the unit.

10.2 Notice to Association. Whenever a co-owner shall sell, give, devise, or otherwise transfer the co-owner's unit, or any interest in the unit, the co-owner shall give written notice to the association within five days after consummating the transfer. Such notice shall be accompanied by documents evidencing the title or interest transferred.

10.3 Purchase at Judicial Sale. The board shall have the power and authority to bid and purchase, for and on behalf of the association, any unit at a sale pursuant to a mortgage foreclosure, a foreclosure of the lien for common expenses under the act, an order or direction of a court, or at any other involuntary sale, upon the consent or approval of at least 60% of the co-owners. The consent shall include a maximum price that the board or its duly authorized agent may bid and pay for the unit.

10.4 Financing of Purchase. The board shall have authority to make mortgage arrangements and special assessments proportionately among the respective co-owners, and other such financing arrangements as authorized by the vote of the co-owners, in order to close and consummate the purchase of a unit by the association. No such financing arrangement may be secured by an encumbrance on any interest in the project other than the unit to be purchased and the limited common elements appurtenant to the unit.

10.5 Miscellaneous.

a. A transfer of a unit to the association or the holder of any mortgage on a unit that comes into possession of the mortgaged unit in the manner provided by sections 5 or 9 shall not be subject to the provisions of this section.

b. The association shall hold title to any unit acquired pursuant to this section in the name of the association or a nominee delegated by the board, for the sole benefit of all co-owners. The board shall have the authority at any time to sell, lease, or sublease the unit on behalf of the association upon such terms as the board shall deem desirable, but in no event shall a unit be sold for less than the amount paid by the association to purchase the unit unless co-owners owning not less than 60 percent in number first authorize the sale for such lesser amount.

**Section 11
ARBITRATION**

11.1 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 thereto 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.

11.2 Judicial Relief. In the absence of the election and written consent of the parties pursuant to Section 11.1 above, no co-owner or the Association shall be precluded from petitioning the courts to resolve any such disputes, claims or grievances.

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

Section 12 OTHER PROVISIONS

12.1 Definitions. All terms used in these bylaws will have the same meaning assigned by the master deed to which these bylaws relate, or as defined in the act.

12.2 Severability. In the event that any of the terms, provisions, or covenants of these bylaws or of any condominium document are held to be partially or wholly invalid or unenforceable for any reason whatsoever, such holding shall not affect, alter, modify, or impair any of the other terms, provisions, or covenants of such documents or the remaining portions of any terms, provisions, or covenants held to be partially invalid or unenforceable.

12.3 Notices. Notices provided for in the act, master deed, or bylaws shall be in writing and shall be addressed to the association at its registered office in the State of Michigan and to any co-owner at the address contained in the deed of conveyance, or at such other address as may subsequently be provided. The association may designate a different address for notices to it by giving written notice of such change of address to all co-owners. Any co-owner may designate a different address for notices by giving written notice to the association. Notices addressed as above shall be deemed delivered when mailed by United States mail with postage prepaid or when delivered in person.

12.4 Amendment. These bylaws may be amended, altered, changed, added to, or repealed only in the manner prescribed in the Michigan Condominium Act.

12.5 Conflicting Provisions. In the event of a conflict between the act (or other laws of the State of Michigan) and any condominium document, the act (or other laws of the State of Michigan) shall govern. In the event of a conflict between the provisions of any one or more of the condominium documents themselves, the following order of priority shall be applied, and the provisions of the document having the highest priority shall govern:

1. the articles of incorporation of the association;
2. the master deed, including the condominium subdivision plan (but excluding these bylaws);

3. these condominium bylaws;
4. the association bylaws;
5. the rules and regulations of the association; and
6. the disclosure statement.

BYLAWS CERTIFICATE

The undersigned certifies that she is the Secretary of Lakeview Estates Condominium Association, a Michigan non-profit corporation, and that, as such she is authorized to execute this certificate on behalf of said corporation, and further certifies that the foregoing bylaws constitute the amended and restated bylaws of Lakeview Estates Condominium as of this date, duly adopted by the association of co-owners.

Dated: 4/16/04, 2004 Lynne Rose
), Secretary

State of Michigan
 County of Washtenaw

The foregoing instrument was acknowledged before me this 16th day of April, 2004 by Lynne Rose, Secretary of Lakeview Estates Condominium Association, a Michigan non-profit corporation, on behalf of the corporation.

[Signature]
 Notary Public,
 Washtenaw County, Michigan
 My commission expires:

CAROL RATLIFF
 NOTARY PUBLIC WAYNE CO., MI
 MY COMMISSION EXPIRES Sep 30, 2007
 ACTING IN WASHTENAW COUNTY, MI