



AMENDED AND RESTATED CONSOLIDATED MASTER DEED
HERITAGE PLACE CONDOMINIUM

THIS AMENDED AND RESTATED CONSOLIDATED MASTER DEED (“Master Deed”) is made and executed on this 18th day of January, 2023, by the HERITAGE PLACE CONDOMINIUM ASSOCIATION, a Michigan Nonprofit Corporation, hereinafter referred to as the “Association,” whose address is c/o Customized Property Management, 6556 Arrow Drive, Sterling Heights, MI 48314.

WHEREAS, the Condominium’s Developer, Lombardo Enterprises, Inc., established the real property described in Article II below, together with the improvements located thereon and the appurtenances thereto, as a residential Condominium Project under the provisions of the Michigan Condominium Act (being Act 59 of the Public Acts of 1978, as amended) by the recording of a Consolidated Master Deed, Condominium By-Laws, (Exhibit “A”), and Condominium Subdivision Plan, (Exhibit “B”), recorded on November 15, 1991, in Liber 5249, Pages 829 through 879, Macomb County Records, and designated as Macomb County Subdivision No. 181;

WHEREAS, the Association desires to amend its governing documents by the recording of this Master Deed, together with the Amended and Restated Condominium Bylaws attached hereto as Exhibit “A,” which are hereby incorporated by reference;

WHEREAS, this Master Deed and the Amended and Restated Condominium Bylaws attached hereto shall completely supersede and replace the Consolidated Master Deed and Condominium Bylaws that were attached as Exhibit “A” thereto recorded on November 15, 1991, in Liber 5249, Pages 829 through 879, Macomb County Records (except for the Exhibit “B” drawings that were attached to the Consolidated Master Deed, which shall remain in full force and effect);

WHEREAS, this Master Deed and the Amended and Restated Condominium Bylaws were

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duly adopted and approved by 66 and 2/3% of the membership on May 19, 2022, and by 66 and 2/3% of the first mortgagees on May 19, 2022, in accordance with the requirements of MCL 559.190 and MCL 559.190a of the Act;

NOW, THEREFORE, the Association does, upon the recording hereof, reaffirm the establishment of Heritage Place as a Condominium Project under the Act and does declare that Heritage Place Condominium (hereinafter referred to as the "Condominium", the "Project" or the "Condominium Project"), shall continue to be held, conveyed, hypothecated, encumbered, leased, rented, occupied, improved, or in any other manner utilized, subject to the provisions of the Act, and to the covenants, conditions, restrictions, uses, limitations and affirmative obligations set forth in the Master Deed and the Exhibit "A" hereto, and the Exhibit "B" drawings that were attached to the Consolidated Master Deed recorded on November 15, 1991, in Liber 5249, Pages 829 through 879, Macomb County Records, which are hereby incorporated by reference into this Master Deed, all of which shall be deemed to bind and run with the land and shall continue to be a burden and a benefit to the Association, its successors and assigns, and any persons acquiring or owning an interest in the said real property, their grantees, successors, heirs, executors, administrators and assigns. In furtherance of the establishment of said Condominium Project, it is provided as follows:

ARTICLE I TITLE AND NATURE

The Condominium Project shall be known as Heritage Place Condominium, Macomb County Condominium Subdivision Plan No. 181. The Condominium Project is established in accordance with the Act. The buildings and Units contained in the Condominium, including the number, boundaries, dimensions, and area of each Unit therein are set forth completely in the Condominium Subdivision Plan, attached as Exhibit "B" to the Consolidated Master Deed recorded on November 15, 1991, in Liber 5249, Pages 829 through 879, Macomb County Records, as they have been amended from time to time, which Subdivision Plans are hereby incorporated by reference.

The Condominium shall consist of 264 units. Each building contains individual Units created for residential purposes and each Unit is capable of individual utilization on account of having its own entrance from and exit to a Common Element of the Condominium Project. Each Co-owner in the Condominium Project shall have an exclusive right to their Unit and shall have undivided and inseparable rights to share with other Co-owners and Common Elements of the Condominium Project as are designated by the Master Deed.

ARTICLE II LEGAL DESCRIPTION

The land which is submitted to the Condominium Project established by this Master Deed is particularly described as follows:

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Part of the Northeast ¼ of Section 25, Town 3 North, Range 12 East, Shelby Township, Macomb County, Michigan, more particularly described as:

Commencing at the Northeast corner of said Section 25; thence South 89°56'50" West along the North Section line 665.81 feet to the point of beginning; thence South 01°32'26" West 968.00 feet; thence South 47°17'41" East 172.52 feet; thence South 88°27'59" East 535.81 feet to a point on the East section line; thence South 01°32'01" West along the East Section line 645.00 feet; thence North 88°27'59" West 570.86 feet; thence South 46°32'01" West 317.42 feet; thence North 88°27'59" West 312.50 feet; thence North 43°27'34" West 307.91 feet; thence North 01°32'26" East 1715 feet to a point on the North section line; thence North 89°56'50" East along the North Section line 660.00 feet to the point of beginning.

Contains 38.805 acres of land and subject to the rights of the public in Hayes Road and Twenty-Two Mile Road, and easements of record.

ARTICLE III DEFINITIONS

Certain terms are utilized not only in this Master Deed and Exhibits "A" and "B", but are or may be used in various other instruments such as, by way of example and not limitation, the Articles of Incorporation, and rules and regulations of the Heritage Place Condominium Association, a Michigan non-profit corporation, and deeds, mortgages, liens, land contracts, easements, and other instruments affecting the establishment of, or transfer of, interest in Heritage Place Condominium, as a Condominium.

Wherever used in such documents or any other pertinent instruments, the terms set forth below shall be defined as follows:

SECTION 1. ACT. The "Act" means the Michigan Condominium Act, being Act 59 of the Public Acts of 1978, as amended.

SECTION 2. ASSOCIATION. "Association" means Heritage Place Condominium Association, which is the non-profit corporation organized under Michigan Law of which all Co-owners shall be members, which corporation shall administer, operate, manage, and maintain the Condominium. Any action required of or permitted to the Association shall be exercisable exclusively by its Board of Directors unless specifically reserved to its members by the Condominium Documents or the laws of the State of Michigan.

SECTION 3. BALLOT. "Ballot" means an instrument in writing or electronic form that is designed to record the vote or votes of members under Section 408 (MCL 450.2408) or Section 409 (MCL 450.2409) of the Michigan Nonprofit Corporation Act or at a meeting of the members.

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SECTION 4. BOARD OF DIRECTORS. “Board of Directors” or “Board” means the Board of Directors of the Heritage Place Condominium Association.

SECTION 5. BYLAWS. “Condominium Bylaws” or “Bylaws” means the Exhibit “A” attached hereto, being the Bylaws setting forth the substantive rights and obligations of the Co-owners and required by Section 3(8) of the Act to be recorded as part of the Master Deed. The attached Amended and Restated Condominium Bylaws shall replace and supersede any and all previous versions of the Condominium Bylaws and all amendments made thereto, including, but not limited to, the Condominium Bylaws that were recorded on November 15, 1991, in Liber 5249, Pages 829 through 879, Macomb County Records, Macomb County Records. These Condominium Bylaws shall also constitute the corporate bylaws of the Association as provided for under the Michigan Nonprofit Corporation Act.

SECTION 6. COMMON ELEMENTS “Common Elements,” where used without modification, means both the General and Limited Common Elements described in Article IV hereof.

SECTION 7. CONDOMINIUM DOCUMENTS. “Condominium Documents” means and includes this Master Deed and Exhibits “A” and “B” hereto, the Articles of Incorporation, and rules and regulations, if any, of the Association.

SECTION 8. CONDOMINIUM PREMISES. “Condominium Premises” means and includes the land described in Article II above, all improvements and structures thereon, and all easements, rights, and appurtenances (common lands/elements over which co-owners have common rights) belonging to Heritage Place Condominium, as described above.

SECTION 9. CONDOMINIUM PROJECT, CONDOMINIUM, HERITAGE PLACE, OR PROJECT. “Condominium Project,” “Condominium,” “Heritage Place,” or “Project” each mean Heritage Place Condominium as a condominium project established in conformity with the Act.

SECTION 10. CONDOMINIUM SUBDIVISION PLAN. “Condominium Subdivision Plan” means Exhibit “B” drawings that were recorded on November 15, 1991, in Liber 5249, Pages 829 through 879, Macomb County Records,

SECTION 11. CO-OWNER OR OWNER. “Co-owner” means a person, firm, corporation, partnership, association, trust, or other legal entity or any combination thereof who or which own one (1) or more Units in the Condominium Project.

The term “Owner,” wherever used, shall be synonymous with the term “Co-owner.” Both Land Contract vendees and vendors shall be considered Co-owners, and shall be jointly and severally liable for all obligations and responsibilities of a Co-owner under the Condominium Documents and the Act.

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SECTION 12. DEFAULT OR CO-OWNER FAULT. “Default” or “Co-owner Fault” means any action or any refusal or failure to act (including, without limitation, intentional acts, negligence, gross negligence, misuse, omissions, neglect, misfeasance, or malfeasance) which renders a Co-owner, tenant or non-Co-owner occupant in default of, or in noncompliance with, or in breach of the Condominium Documents or any legal duty otherwise owed by the person to the Association or to other Co-owners.

SECTION 13. DEVELOPER. “Developer” shall mean the original developer, Lombardo Enterprises, Inc., of the Condominium Project.

SECTION 14. EASEMENT. An “easement” means any interest in real estate which gives one person the right to use another person’s land for a specified purpose. As used in the Condominium Documents, the term shall also have such further meaning as provided by the Condominium Documents themselves, Michigan common law, and the Act.

SECTION 15. ELECTRONIC TRANSMISSION OR ELECTRONICALLY TRANSMITTED. “Electronic Transmission” or “electronically transmitted” means any form of communication that meets all of the following:

- (a) It does not directly involve the physical transmission of paper.
- (b) It creates a record that may be retained and retrieved by the recipient.
- (c) It may be directly reproduced in paper form by the recipient through an automated process.

SECTION 16. GENERAL COMMON ELEMENTS. “General Common Elements” means the Common Elements other than the Limited Common Elements.

SECTION 17. GOOD STANDING. A Co-owner in “Good Standing” means a Unit owner whose assessment and all other payment or performance obligations to the Association as determined by the Board of Directors are not in arrears and who is not otherwise in default of the Condominium Documents.

A Co-owner who is not in Good Standing as that term is defined in the Condominium Documents shall be considered to be in default.

SECTION 18. INDEMNIFY. To “Indemnify” shall mean to insure or contract a person against future loss or damage; to give security for the reimbursement of a person in case of an anticipated loss falling upon them; to make good, reimburse or compensate for past loss or damage; to contractually shift the liability for a loss from one person who is held legally responsible for that loss to another person.

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SECTION 19. LIMITED COMMON ELEMENT. “Limited Common Elements” means a portion of the Common Elements reserved for the exclusive use of less than all of the Co-owners and, usually, for the use of the Co-owner whose Unit is adjacent to said Limited Common Elements.

SECTION 20. MAINTENANCE. “Maintenance” refers to regular cleaning and upkeep of an element in order to keep said element in good condition.

SECTION 21. MASTER DEED. “Master Deed,” wherever used in the Condominium Documents, shall mean this Amended and Restated Master Deed which describes Heritage Place Condominium as a completed Condominium Project and which is intended to supersede and replace the Consolidated Master Deed recorded on November 15, 1991, in Liber 5249, Pages 829 through 879, Macomb County Records (except for the Exhibit “B” Condominium Subdivision Plans that were attached to the Consolidated Master Deed, which shall remain in full force and effect).

SECTION 22. MORTGAGEE. “Mortgagee” means the named mortgagee or owner of any mortgage on all or any portion of the Condominium or Condominium Unit.

SECTION 23. NON-CO-OWNER OCCUPANT. “Non-Co-owner Occupant” means any person, including a family member of the Owner, who occupies or resides in any Unit but is not the owner of the Unit, whether such occupancy is pursuant to a lease, rental agreement, or any other type of occupancy agreement, formal or informal, and regardless of whether the agreement is in writing.

If a Unit is owned by a legal entity and not by a person, then a shareholder, director, partner, present beneficiary of a trust, or member (as applicable) of the entity that owns the Unit shall not be considered a “Non-Co-owner Occupant” if they occupy or reside in the Unit owned by the entity.

SECTION 24. PERCENTAGE OF VALUE. “Percentage of Value” means the percentage assigned to each Condominium Unit as reflected in Article V of this Master Deed.

SECTION 25. PLURALITY. “Plurality” in regard to the election of Directors means that the persons who receive the most votes out of all the persons who were candidates in the election are elected to the Board regardless of whether a majority of all of the Units in the Condominium voted in favor of such persons.

SECTION 26. POINT OF ENTRY. “Point of Entry” means the point at which a Common Element crosses the boundary of and enters into a Co-owner’s Unit becoming visible within the unit.

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SECTION 27. PROPER PURPOSE. “Proper Purpose” means a purpose that is reasonably related to a person’s interest as a member of the Association, as that term is further defined in the common law of Michigan and the Nonprofit Corporation Act.

SECTION 28. PROXY. A “proxy” is a written document which authorizes one Co-owner to exercise voting rights on behalf of another Co-owner. A proxy may only be granted and exercised in compliance with MCL 450.2421 and all other relevant provisions of the Nonprofit Corporation Act as well as the applicable provisions regarding voting by proxy as are stated in the Condominium Bylaws.

The Board of Directors may adopt or designate a specific form of written proxy to be used by any Co-owners who wish to grant a proxy to another Co-owner for voting purposes, in which event such written form shall be the only form that Co-owners may utilize in voting by proxy.

SECTION 29. QUORUM. The term, “Quorum” means the minimum number of members who must be present at the meeting of a deliberate assembly for business to be validly transacted.

Quorum for Board meetings is addressed in the Condominium Bylaws, Article XI, Section 13.

Quorum for Association meetings is addressed in the Condominium Bylaws, Article X, Section 5.

SECTION 30. RECORD. “Record” means to record as provided by Michigan law relating to the recording of deeds or other evidences of title or any interest in a Unit or the Condominium subject to applicable provisions of the Condominium Act.

SECTION 31. RECORD DATE. The “record date” is the date used for the purpose of determining which Members are entitled to vote at a meeting of the Members and to cast a ballot in any matter voted on by the Members by written ballot without a meeting.

Unless the Board adopts a different record date, the record date for any meeting shall be the close of business of the day before the date on which notice for the meeting is given by the Association to the Members.

The record date for any meeting shall apply to any adjournment of the meeting as well, unless the Board establishes a new record date under MCL 450.2412 of the Nonprofit Corporation Act for the adjourned meeting.

For any matter voted on by written ballot without a meeting (as might be permitted by the Condominium Documents), the record date for determining which Members are entitled to receive and cast a ballot shall be the close of business of the day before the day on which the Association provides the written ballot to the Members, unless the Board adopts a different record date.

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SECTION 32. REPAIR. “Repair” means the act of mending or correcting a defect or malfunction in regard to an element.

SECTION 33. REPLACEMENT. “Replacement” means the act of completely removing and replacing a defective or malfunctioning element.

SECTION 34. RESIDENT OWNER. The term “Resident Owner” means a Co-owner who maintains a Unit within the Condominium as their primary residence.

SECTION 35. RIGHT TO INSPECT. “Right to Inspect” means the right to look at, copy and make extracts from the records of a corporation and, if reasonable, the right to require the corporation to supply copies made by photographic, xerographic, or other means as permitted by Statute or as provided for in the Condominium Documents.

To cover the costs of labor (including without intent of limitation, gathering, compiling and making available such records or monitoring such examination and inspections) and material, the corporation may require a Co-owner to pay a reasonable charge for copies of the documents provided to the Co-owner.

SECTION 36. TENANT OR LESSEE. A “Tenant” or “Lessee” is any Non-Co-owner Occupant who is occupying or residing in any Unit, regardless of whether the Tenant or Lessee has executed a written lease or rental agreement with the Co-owner of the Unit. This definition shall not be construed to permit oral leases in any case where the Condominium Documents or the Act require a written lease.

These terms shall also include any Non-Co-owner Occupant who might be renting or leasing a Unit (as those terms are defined herein) even if the rental or lease agreement is not directly with a Co-owner of the Unit but with a third party that was permitted or authorized to lease or rent the Unit by the Co-owner.

SECTION 37. TOWNSHIP. “Township” shall mean the Township of Shelby located in Macomb County, Michigan.

SECTION 38. UNIT OR CONDOMINIUM UNIT. “Unit”, or “Condominium Unit” each mean the enclosed space constituting a single complete residential Unit in Heritage Place Condominium as such space may be described in Article V, Section 1 hereof and on Exhibit “B” to the Master Deed, and shall have the same meaning as the term “Condominium Unit” as defined in the Act.

SECTION 39. VOLUNTEER. “Volunteer” means an individual who performs services for a corporation who does not receive compensation or any other type of consideration for the services other than reimbursement for expenses actually incurred.

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

ARTICLE IV COMMON ELEMENTS

The Common Elements of the Project shown on Condominium Subdivision Plans, Exhibit "B", and the respective responsibilities of the Association and Co-owner for maintenance, decoration, repair, or replacement thereof, as determined by a contractor (in regard to whether repair or replacement is required), are as follows:

SECTION 1. GENERAL COMMON ELEMENTS. The General Common Elements are:

(a) **LAND.** The land described in Article II hereof, including driveways, roads, sidewalks, and parking spaces not identified as Limited Common Elements, if any.

Although the Exhibit B Condominium Subdivision Plan depicts a tennis court on a certain portion of the General Common Elements, no tennis court was ever constructed in this area or anywhere else in the Condominium. The Board of Directors may authorize the construction of such other structures and improvements in the specific area in which the tennis court was to be located, provided that any such structure or improvement shall be for the benefit of all Co-owners. The Board of Directors may only fund such an addition to the Common Elements in full compliance with the provisions that govern additional and special assessments for additions to the Common Elements as set forth in Article II of the Condominium Bylaws.

(b) **ELECTRICAL.** The electrical wiring network throughout the Condominium Project, including that contained within Unit walls, up to the point of connection with, but not including, electrical fixtures, plugs, and switches within any Unit.

(c) **GAS.** The gas line network throughout the Condominium Project, including that contained within Unit walls, up to the point of connection with gas fixtures within any Unit.

(d) **TELEPHONE.** The telephone system and wiring network throughout the Condominium Project, up to the point of entry to each Unit.

(e) **WATER.** The water distribution system throughout the Condominium Project, up to the point of connection with plumbing fixtures within any Unit, and also including any irrigation system fixtures, connections or controls, whether located inside or outside any Unit or Limited Common Elements.

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(f) **SANITARY SEWER.** The sanitary sewer system throughout the Condominium Project, up to the point of connection with plumbing fixtures within any Unit.

(g) **STORM SEWER.** The storm sewer system throughout the Condominium Project.

(h) **TELECOMMUNICATIONS.** The telecommunications and cable television systems throughout the Condominium Project, up to the point of entry to each Unit.

(i) **CONSTRUCTION.** The foundations, supporting columns, basement walls, crawl spaces, Unit perimeter walls (but not including windows and doors therein), roofs, ceiling and floor construction, and chimneys.

(j) **OTHER.** Such other elements of the Project, not herein designated as General or Limited Common Elements, which are not enclosed within the boundaries of a Unit, and which are intended for common use or necessary to the existence, upkeep, and safety of the Project.

Some or all of the utility lines, systems (including mains and service leads) and equipment described above may be owned by the local public authority or by the company that is providing the pertinent service. Accordingly, such utility lines, systems and equipment shall be General Common Elements only to the extent of the Co-owners' interest therein, if any, and the Association makes no warranty whatsoever with respect to the nature or extent of such interest, if any.

SECTION 2. LIMITED COMMON ELEMENTS. The Limited Common Elements shall be subject to the exclusive use and enjoyment of the owner of the Unit to which the Limited Common Elements are appurtenant. The Limited Common Elements are:

(a) **GARAGES.** Each garage, including the garage door, garage floor slab, and the garage door opener (including all springs, tracks, wires, remotes and related hardware) shall be a Limited Common Element to the Unit to which the number of the garage corresponds, as shown on Exhibit "B."

(b) **PORCHES AND ATRIUMS.** Each individual porch and atrium, if any, in the Condominium Project is restricted in use to the Co-owner of the Unit which opens into such porch or atrium as shown on Exhibit "B" hereto.

(c) **PATIOS AND DECKS.** Each individual patio and deck, if any, in the Condominium Project is restricted in use to the Co-owner of the Unit which opens into such patio or deck as shown on Exhibit "B."

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(d) **ATTIC.** Any attic storage space within the Condominium Project is restricted to the exclusive use of the Co-owner of the Unit through which access to that attic storage is obtained.

(e) **WINDOWS AND ENTRY DOORS.** Windows (including the glass and frames thereof) and entry doors (including the front entry door and the door inside the garage) shall be Limited Common Elements to the Unit which they service.

(f) **SKYLIGHTS.** Skylights (including the space illuminated by them) shall be subject to the exclusive use and enjoyment of the Co-owner of the Unit immediately below such skylight.

(g) **INTERIOR SURFACES.** The interior surfaces of all walls, ceilings, and floors contained within a Unit shall be subject to the exclusive use and enjoyment of the Co-owner of such Unit.

(h) **FIREPLACE.** The fireplace, fireplace combustion chamber and gas insert, if any, is restricted in use to the Co-owner of the Unit which such item services.

(i) **OTHER ELEMENTS.** Such other elements of the Condominium Project, if any, designated on the Condominium Subdivision Plan as Limited Common Elements.

SECTION 3. RESPONSIBILITIES. The respective responsibilities of the Association and the Co-owners for the maintenance, decoration, repair, and replacement of the Units and Common Elements of the Condominium Project are as follows:

(a) **CO-OWNER RESPONSIBILITIES.** Each Co-owner shall be responsible for the duty and cost of decorating, maintaining, repairing and replacing the following items, regardless of whether or not some items or portions thereof might be designated as part of the General Common Elements or Limited Common Elements:

(i) **GARAGE DOOR, GARAGE DOOR OPENERS, GARAGE FLOOR SLABS, STEPS, AND DRYWALL.** The Co-owner is responsible for maintenance, repair and replacement of their garage door opener, remote and related hardware.

The Association shall be responsible for maintenance, repair and replacement of all garage doors, include all parts, springs, tracks, and seals, unless any such item became damaged through the negligence of the Co-owner, in which case the Co-owner shall be responsible. Notwithstanding the Association's general duty to maintain the garage doors and their related parts stated in the foregoing sentence, the Co-owner shall be responsible for lubricating the wheels, springs and any other moving parts of their garage door and related equipment as part of the routine maintenance of such items.

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The Co-owner shall be responsible for decorating and maintaining their garage floor slab and steps. The Association shall be responsible for the repair and replacement of any and all garage floor slabs and steps unless such items were damaged through the negligence of the Co-owner, in which case the Co-owner of the Unit served by such items shall be responsible for such replacement.

The Co-owner is responsible for decorating and maintaining all wall and ceiling drywall within their garage. The Association shall be responsible for the repair and replacement of all wall and ceiling drywall within a garage unless it was damaged through the negligence of the Co-owner, in which case the Co-owner shall be responsible for such drywall repair and replacement.

(ii) **AIR-CONDITIONER COMPRESSORS.** The costs of maintenance, repair and replacement of each air-conditioner compressor and refrigerant line set, if any, shall be borne by the Co-owner of the Unit to which such air-conditioner compressor is appurtenant, including maintenance of perimeter around the pad on which the air conditioning unit is located, as well as any and all other related hardware or equipment.

(iii) **WINDOWS; ENTRY DOORS; STORM DOORS; INTERIOR DOORS.** The costs of maintenance, repair and replacement of all windows, including glass, framing, screens, caulking, tint referred to in Section 2 (e) above, shall be borne by the Co-owner of the Unit to which such Limited Common Elements are appurtenant. This includes all basement and egress windows within the Co-owner's Unit, but not the skylight, which shall be the Association's duty to repair and replace.

The style and color of each window and of the exterior Unit front entry and storm door described herein shall be subject to the prior written approval of the Board of Directors of the Association, pursuant to the provisions of Article VI, Section 2 of the Condominium Bylaws.

The Co-owner shall be responsible for the maintenance (including painting), repair and replacement of their Unit entry doors (including the front door and the door within the garage) and for the maintenance of their deadbolts, locking mechanism, handles and knobs on both sides of doors, as well as for their storm doors (including glass), storm door screens and closers, all related locks and hardware for storm doors, and for all interior doors and related hardware within the individual Unit.

The Board of Directors may consider alteration and modification requests in regard to Co-owner's windows, entry doors, storm doors, storm door glass, and their maintenance, repair and replacement. The Board of Directors may take into consideration the styles, colors and materials to be used in repair and replacement of said items to consider the entire aesthetics of the community.

(iv) **INTERIOR SURFACES.** The costs of maintenance and decoration (but not repair or replacement, except in cases of Co-owner fault which shall be

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determined by the contractor involved in repair or replacement) of all surfaces referred to in Section 2(g) above, including drywall, shall be borne by the Co-owner of each Unit to which such Limited Common Elements are appurtenant. The Co-owner's duty to maintain their interior surfaces hereunder includes the painting of all such surfaces. Any determination made that the Co-owner is at fault shall be subject to the Co-owner's right to have a hearing with the Board of Directors regarding that determination.

(v) **FIREPLACES.** The costs of maintenance, and repair and replacement of the fireplace, fireplace combustion chamber and gas insert, and the metal shield on the top of the chimney, if any, referred to in Section 2 (h) above shall be borne by the Co-owner of each Unit to which such Limited Common Elements are appurtenant.

(vi) **PORCHES AND ATRIUMS.** The costs of maintenance, repair and replacement (including snow removal) of each porch and atrium referred to in Section 2 (b) above shall be the responsibility of the Association.

The Board of Directors may consider alteration and modification requests in regard to Co-owner's porch and atrium repair, maintenance and removal. The Board of Directors may take into consideration the styles, colors and materials to be used in repair and replacement of said items to consider the entire aesthetics of the community.

(vii) **PATIOS AND DECKS.** The costs of maintenance, decoration, repair and replacement (including snow removal) of each patio and deck referred to in Section 2(c) above shall be borne by the Co-owner of the Unit to which it relates.

The Board of Directors may adopt rules, regulations and policies governing the standards applicable to Co-owner patio and deck repair, maintenance and removal. Such standards may include (but may not be limited to) the acceptable styles, colors and materials that may be used for patio and deck maintenance, repair or replacement within the Condominium Project.

(viii) **HVAC DUCTS, ELECTRICAL WIRING, WATER LINES, DRAIN LINES, AND GAS LINES.** The Co-owner shall be responsible for maintaining, repairing and replacing all cooling and heating duct work that is visible or exposed within any part of the Unit.

The Association shall be responsible for maintaining, repairing and replacing all electrical, water, drain and gas lines and wiring located inside the walls (both perimeter and interior), ceiling and floor of a Unit. The Co-owner shall be responsible for maintaining, repairing and replacing all such lines and wiring which are located within the boundaries of their Unit, but only to the extent that such lines and wiring serve only the Unit in which the items are located. To the extent that any such lines or wiring located within a specific Unit provide service to multiple Units, the Association shall be responsible for maintaining, repairing and replacing such items.

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The Co-owner shall be responsible for maintaining, repairing and replacing all electrical outlets, switches, and boxes within their Unit.

(ix) **APPLIANCES.** Co-owners are responsible for all appliances and equipment within the Unit and supporting hardware, including, but not limited to, microwaves, furnaces, smoke detectors, carbon monoxide detectors, fire extinguishers, humidifiers, air cleaners, garbage disposals, dishwashers, ranges, oven vent fans and related duct work, bathroom exhaust fans (including installation and/or re-routing as required), laundry room exhaust fans and all related duct work (including installation and/or re-routing as required), clothes washers, clothes dryers, appliance vent covers, vent filters, all exterior and interior vent covers, water filters and hot water heaters, if any. The Board of Directors, at their discretion, may adopt reasonable rules and regulations regarding the acceptable characteristics (e.g., color, materials, style, etc.) of all exterior vent covers.

(x) **DRYER VENTS.** The Co-owner is responsible for cleaning all dryer vents and related dryer ductwork. If the Co-owner fails to maintain, repair or replace their dryer vent or any related ductwork, the Association shall have the right to maintain, repair and replace the dryer vent or related ductwork and may assess any and all costs and expenses incurred in performing such work to the Co-owner of the Unit in accordance with Article II, Section 3, and all other relevant provisions of the Condominium Bylaws.

The Board may adopt reasonable rules and regulations regarding the Co-owner's duty to regularly inspect, maintain, repair and replace their dryer vents and related ductwork, as well as regarding the Association's rights relating thereto under this paragraph and other relevant provisions of the Condominium Documents.

(xi) **ELECTRICAL.** All electrical fixtures and appliances within the individual Unit, including, but not limited to wires, outlets, switches, circuit breakers and fixtures, from and including the breaker box servicing the Unit, all doorbell components (inside and out of Unit), and antenna outlets. The Co-owners are responsible for replacing the bulbs in all exterior light fixtures, wherever located.

The Board may adopt reasonable rules and regulations regarding the acceptable types of lighting fixtures on or appurtenant to decks and regarding all light bulbs in any exterior light fixtures, wherever located.

(xii) **PLUMBING.** All plumbing fixtures, including commodes, tubs, jet tubs, and motors, shower pans, shower stalls, shower enclosures, tub and shower caulking, faucets, water shut-off valves, rings, seals and washers, and all traps and connecting drain pipes within the Unit. For purposes of this paragraph, "shut-off valves" shall mean such valves which shut off water service only to the Co-owner's Unit and which are located inside of that Co-owner's Unit.

The Association shall be responsible for maintaining, repairing and

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replacing any and all water line shut-off valves which are located inside any Unit walls, ceiling, or floor, as well as for any shut-off valve which controls water flow to more than one Unit regardless of where such valve might be located.

(xiii) **KITCHEN AND BATHROOMS.** All interior non-Common Element fixtures, equipment and trim located within any kitchen or bathroom, including, but not limited to, any and all kitchen and bathroom cabinets, counters, sinks, mirrors, interior trim, closet doors, laundry tubs, tile and wood (either floor or wall) and all related hardware.

(xiv) **IMPROVEMENTS, DECORATIONS AND TRIM.** All improvements and decorations including, but not limited to, paint, wallpaper, window treatments, paneling, carpeting, linoleum, tile, finished floors and other floor coverings and trim.

(xv) **ATTIC INSULATION.** All attic insulation.

(xvi) **WATER SPIGOTS.** All water spigots located on the exterior of the Common Elements appurtenant to the Co-owner's Unit as well as inside the Co-owner's garage.

(xvii) **FIRE SAFETY.** Co-owners shall maintain a properly functioning fire extinguisher and carbon monoxide detector in their Unit at all times. Co-owners are responsible for testing all smoke detectors within their Unit on a regular basis and for replacing all batteries in the smoke detectors.

(xviii) **SKYLIGHTS.** The Association is responsible for the maintenance, repair and replacement of all skylights except for any tint, blinds, covers or shades and hardware associated with the Skylight, which shall be the Co-owner's responsibility.

(xix) **DECKS.** The costs of maintenance, decoration, repair and replacement (including snow removal) of each deck referred to in Section 2(c) above shall be borne by the Co-owner of the Unit which it serves.

(xx) **EGRESS WINDOWS.** The costs of maintenance, decoration, repair and replacement of each Egress Window shall be borne by the Co-owner of the Unit which it serves.

(xxi) **SUMP PUMPS.** The costs of maintenance, repair and replacement of the sump pumps is the responsibility of the Association. The Co-owner of the Unit which the sump pump serves shall be responsible to maintain all utilities of sump pump operation and to report any problem with the sump pump to the Association. Any Co-owner whose Unit houses a sump pump shall have an amount deducted from the amount of their Association fees as reimbursement for electricity use and billing. This amount will be determined annually by the Board of Directors as part of the annual budget.

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(xxii) **BASEMENT WINDOWS.** The costs of maintenance, decoration, repair and replacement of each basement window shall be the responsibility of the Co-owner of the Unit to which it relates regardless of construction materials or glass style used unless determination is made that said damage is the fault and, therefore, the responsibility of an Association contractor.

(xxiii) **LANDSCAPING.** No Co-owner shall perform ANY landscaping by removing, trimming, pruning or planting any trees, shrubs or flowers or placing any ornamental materials upon the Common Elements unless approved by the Association's Board of Directors in writing. NO CO-OWNER SHALL TAKE IT UPON THEMSELVES TO MOW THE GRASS OR OBSTRUCT THE HIRED CONTRACTORS FROM DOING THIS WORK OR ANY OTHER CONTRACTED WORK. NO CO-OWNER SHALL CLIMB UPON THE ROOF FOR ANY REASON. NO CO-OWNER SHALL UTILIZE A SNOWBLOWER ON THE PREMISES. Certain areas in the Condominium may be left in a natural state because of terrain characteristics and in order to enhance the natural beauty of the Project. The Association, shall not be required to landscape such areas nor to alter the natural characteristics thereof.

Notwithstanding the foregoing, a Co-owner may plant and remove shrubs and flowers in Board-approved beds at any time as long as the bed is contained within a hard border. No vegetable planting is allowed in the border beds at any time (this includes herbs and marijuana). Border bed shrubs must be maintained at a height lower than the windows and must be removed if they cause any damage to the foundation.

In the event of transfer of title, any plantings by the seller shall be removed and the area returned to the condition the area was in prior to that planting unless the buyer is made aware of and agrees to maintain such plantings. This agreement must be in writing and a copy must be provided to the Association prior to final closing of sales transaction.

(xxiv) **OTHER.** All other items not specifically enumerated above which may be located within the individual Co-owner's Unit.

(b) **CO-OWNER ADDITIONS, MODIFICATIONS.** Co-owner improvements, additions, or modifications, even though approved by the Association's Board of Directors or installed upon purchase, shall not be considered Limited or General Common Elements in any case, and shall be the complete responsibility of the Co-owner. Should the Association require access to any elements of the Condominium Project which require the moving or destruction of all or part of any such addition or modification, all costs, damages and expenses involved in providing access and restoring the addition or modification shall be borne by the Co-owner.

Further, if a basement is partially or fully "finished," the Association shall have no obligation to refinish, repair, replace or restore any such improvements or betterments in such basements, even in cases of damage caused by or from Association responsibility items or the exercise of the Association's responsibilities. In such cases, the Association's sole responsibility

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will be to correct the root problem that is its responsibility under the provisions of the Condominium Documents.

The Co-owner shall be responsible for uncovering the element needing repair to allow the Association access and shall provide such access and all restoration at the Co-owner's sole expense.

(c) CO-OWNER RESPONSIBILITY FOR REPAIRS AND FOR DAMAGES WHEN ASSOCIATION'S INSURANCE POLICY EXCLUDES COVERAGE; ASSOCIATION'S RIGHT TO ASSESS DEDUCTIBLE TO THE RESPONSIBLE CO-OWNER; ASSOCIATION'S REPAIR DUTIES WHEN DEDUCTIBLE EXCEEDS AMOUNT OF LOSS. Under the Bylaws, the Association has a duty to carry property insurance coverage for all Common Elements of the Condominium as well as for all interior walls, the pipes, wires and conduits contained in said walls, as well as for all interior fixtures, equipment, and trim which came furnished with the Unit as standard items.

(i) EXCLUSIONS. To the extent that the Association's property insurance coverage would otherwise apply to any loss but coverage is denied as a result of the application of an exclusion contained in the Association's policy (such as, by way of illustration and not limitation, an exclusion for mold or the owner's failure to provide heat to the Unit), in such cases the Association shall only be responsible for the duty of repairing the Common Elements as set forth in Article IV of this Master Deed. The Co-owner of the Unit that was damaged in such case shall have the duty to repair any and all damaged Limited Common Element and non-Common Element items in accordance with Article IV, Section 3(a) and (b) above regarding such duties. The Association may assess any costs, damages, or expenses incurred in repairing the Common Elements in such cases to the Owner of the Unit from which cause of the loss or damage originated, regardless of whether that Owner's negligence, actions or inactions caused the loss.

(ii) DEDUCTIBLES. In those instances where sufficient insurance proceeds are unavailable for the complete repair of any damage to Common Elements or Non-Common Elements as a result of the application of a deductible under the Association's insurance policy, the Association may assess the deductible amount to the Co-owner in accordance with the relevant provisions of Article IV of the Condominium Bylaws. The Association may incur such costs and charge and collect them from the responsible Co-owner in the same manner as an assessment in accordance with Article II of the Condominium Bylaws.

(iii) TOTAL LOSS LESS THAN DEDUCTIBLE. In those instances where insurance proceeds are completely unavailable for the repair of any damage to Common Elements or Non-Common Elements as a result of the total amount of the loss being less than the deductible under the Association's insurance policy, the Association shall have the right and duty to repair or replace the damaged Common Elements and Non-Common Elements but may assess all costs and expenses incurred to the responsible Co-owner in the same manner as it may assess a deductible to a Co-owner under Article IV of the Condominium Bylaws.

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(d) **REPAIR TO ASSOCIATION SPECIFICATIONS.** All maintenance, repair, and replacement obligations of the Co-owners as described above and as further provided in the Condominium Bylaws shall be performed (to the extent provided by the Condominium Documents) subject to the Board of Directors' mandatory prior review and approval with respect to color, style, timing, material and appearance.

In the event of failure by a Co-owner to follow such specifications and approval requirements, the Co-owner shall be assessed for, and shall be responsible for, all costs of correction and for bringing the altered element into conformity with these requirements, including but not limited to, possible complete removal and replacement.

Any and all such maintenance, repair and replacement performed or arranged by the Co-owner must satisfy all applicable Township codes and ordinances. The Co-owner is responsible for obtaining any permits or approvals that might be required by the Township for any such work. Upon request, the Co-owner shall provide copies of any and all permits and/or approvals obtained from the Township to the Board of Directors.

(e) **ASSOCIATION RESPONSIBILITIES.** Except as otherwise specifically provided elsewhere in this Master Deed or in the Condominium Bylaws, the Association shall be responsible for the cost and duty of maintenance, decoration, repair and replacement of all General Common Elements.

In addition, the Association shall also be responsible for the costs and duties of maintaining, decorating, repairing and replacing all Limited Common Elements other than those specifically assigned to the Co-owner under Article IV, Section 3 (a) of this Master Deed or the Condominium Bylaws.

The Association shall not be obligated to reimburse any Co-owner for repairs that the Co-owner makes or contracts for without first obtaining the express written approval of the Board of Directors for the contracts and/or repairs. The Association shall only be responsible for payments to contractors for work that has been expressly authorized in writing by the Board of Directors or by the Association's property management company.

SECTION 4. UNUSUAL EXPENSES. Any other unusual common expenses benefiting less than all of the Condominium Units, or any expenses incurred as a result of the conduct of less than all of those entitled to occupy the Condominium Project, or by their licensees or invitees, shall be specifically assessed against the Condominium Unit or Condominium Units involved in accordance with Section 69 of the Michigan Condominium Act.

SECTION 5. USE OF UNITS AND COMMON ELEMENTS. No Co-owner shall use their Unit or the Common Elements in any manner inconsistent with the purposes of the Condominium or in any manner which will interfere with or impair the rights of any other Co-owner in the quiet, peaceful use and enjoyment of their Unit or the Common Elements.

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SECTION 6. UTILITY EXPENSES. All charges and expenses for gas, water, sewer, and electricity service to the Units shall be individually metered to each Unit and shall be payable as the sole obligation of the Co-owner of each Unit.

All charges and expenses for any gas, water, sewer and electricity which serve any of the General Common Elements of the Project shall be invoiced and paid by the Association as an expense of administration.

**ARTICLE V
UNIT DESCRIPTION AND PERCENTAGE OF VALUE**

SECTION 1. DESCRIPTION OF UNITS. Each Unit in the Condominium Project is described in this paragraph with reference to the Subdivision and Site Plan of the Heritage Place Condominium as prepared by Robert Shanayda, Registered Land Surveyor, as Exhibit "B" to the Master Deed.

Each Unit shall include:

(a) with respect to each Unit basement, all that space contained within the unpainted surfaces of the basement floor and walls and the uncovered underside of the first-floor joists, and

(b) with respect to the floors of the Units other than basements, all that space contained within the interior finished unpainted walls and ceilings and from the finished sub-floor all as shown on the floor plans and sections in Exhibit "B" and delineated with heavy outlines. The dimensions shown on basement and foundation plans on Exhibit "B" have been physically measured by Robert Shanayda. Building elevations are shown in detail in architectural plans and specifications on file with the Shelby Township Building Department

SECTION 2. PERCENTAGE OF VALUE. The percentage of value assigned to each Unit is set forth below. The percentages of value were computed on the basis of the relative sizes of the Units with the resulting percentages reasonably adjusted to total one hundred percent (100%). The percentage of value assigned to each Unit shall be determinative of such Co-owner's respective share of the Common Elements of the Condominium Project, the proportionate share of each respective Co-owner in the proceeds and expenses of the administration, and the value of such Co-owner's vote at meeting of the Association of Co-owners. Set forth below are:

(a) Each Unit number as it appears on the Condominium Subdivision Plan.

(b) The percentage of value assigned to each Unit.

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Unit Number	Percentage of Value Assigned	Unit Number	Percentage of Value Assigned
1.	.36928	43.	.38251
2.	.36928	44.	.38251
3.	.38251	45.	.36928
4.	.38251	46.	.36928
5.	.36928	47.	.38251
6.	.36928	48.	.38251
7.	.38251	49.	.36928
8.	.38251	50.	.36928
9.	.36928	51.	.38251
10.	.36928	52.	.38251
11.	.38251	53.	.36928
12.	.38251	54.	.36928
13.	.36928	55.	.38251
14.	.36928	56.	.38251
15.	.38251	57.	.36928
16.	.38251	58.	.36928
17.	.36928	59.	.38251
18.	.36928	60.	.38251
19.	.38251	61.	.36928
20.	.38251	62.	.36928
21.	.36928	63.	.38251
22.	.36928	64.	.38251
23.	.38251	65.	.36928
24.	.38251	66.	.36928
25.	.36928	67.	.38251
26.	.36928	68.	.38251
27.	.38251	69.	.36928
28.	.38251	70.	.36928
29.	.36928	71.	.38251
30.	.36928	72.	.38251
31.	.38251	73.	.36928
32.	.38251	74.	.36928
33.	.36928	75.	.38251
34.	.36928	76.	.38251
35.	.38251	77.	.36928
36.	.38251	78.	.36928
37.	.36928	79.	.38251
38.	.36928	80.	.38251
39.	.38251	81.	.36928
40.	.38251	82.	.36928
41.	.36928	83.	.38251
42.	.36928	84.	.38251

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85.	.36928	129.	.36928
86.	.36928	130.	.36928
87.	.38251	131.	.38251
88.	.38251	132.	.38251
89.	.36928	133.	.36928
90.	.36928	134.	.36928
91.	.38251	135.	.38251
92.	.38251	136.	.38251
93.	.36928	137.	.36928
94.	.36928	138.	.36928
95.	.38251	139.	.38251
96.	.38251	140.	.38251
97.	.36928	141.	.36928
98.	.36928	142.	.36928
99.	.38251	143.	.38251
100.	.38251	144.	.38251
101.	.36928	145.	.36928
102.	.36928	146.	.36928
103.	.38251	147.	.38251
104.	.38251	148.	.38251
105.	.36928	149.	.36928
106.	.36928	150.	.36928
107.	.38251	151.	.38251
108.	.38251	152.	.38251
109.	.36928	153.	.36928
110.	.36928	154.	.36928
111.	.38251	155.	.38251
112.	.38251	156.	.38251
113.	.36928	157.	.36928
114.	.36928	158.	.36928
115.	.38251	159.	.38251
116.	.38251	160.	.38251
117.	.36928	161.	.36928
118.	.36928	162.	.36928
119.	.38251	163.	.38251
120.	.38251	164.	.38251
121.	.36928	165.	.36928
122.	.36928	166.	.36928
123.	.38251	167.	.38251
124.	.38251	168.	.38251
125.	.36928	169.	.36928
126.	.36928	170.	.36928
127.	.38251	171.	.38251
128.	.38251	172.	.38251

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173.	.39813	217.	.36928
174.	.45397	218.	.36928
175.	.45397	219.	.38251
176.	.39813	220.	.38251
177.	.36928	221.	.36928
178.	.36928	222.	.36928
179.	.38251	223.	.38251
180.	.38251	224.	.38251
181.	.36928	225.	.36928
182.	.36928	226.	.36928
183.	.38251	227.	.38251
184.	.38251	228.	.38251
185.	.36928	229.	.36928
186.	.36928	230.	.36928
187.	.38251	231.	.38251
188.	.38251	232.	.38251
189.	.36928	233.	.36928
190.	.36928	234.	.36928
191.	.38251	235.	.38251
192.	.38251	236.	.38251
193.	.39813	237.	.36928
194.	.63530	238.	.36928
195.	.63530	239.	.38251
196.	.39813	240.	.38251
197.	.36928	241.	.36928
198.	.36928	242.	.36928
199.	.38251	243.	.38251
200.	.38251	244.	.38251
201.	.36928	245.	.36928
202.	.36928	246.	.36928
203.	.38251	247.	.38251
204.	.38251	248.	.38251
205.	.36928	249.	.36928
206.	.36928	250.	.36928
207.	.38251	251.	.38251
208.	.38251	252.	.38251
209.	.36928	253.	.36928
210.	.36928	254.	.36928
211.	.38251	255.	.38251
212.	.38251	256.	.38251
213.	.36928	257.	.36928
214.	.36928	258.	.36928
215.	.38251	259.	.38251
216.	.38251	260.	.38251

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261.	.36928	263.	.38251
262.	.36928	264.	.38251

**ARTICLE VI
EASEMENTS**

SECTION 1. EASEMENT FOR MAINTENANCE OF ENCROACHMENTS AND UTILITIES. In the event any portion of a Unit or Common Element encroaches upon another Unit or Common Element due to shifting, settling, or moving of a building or due to survey errors or construction deviations, reciprocal easements shall exist for the maintenance of such encroachment for so long as such encroachment exists, and for maintenance thereof after rebuilding in the event of any destruction.

There shall be easements too, through and over those portions of the land, structures, buildings, improvements, and walls (including interior Unit walls) contained therein for the continuing installation, maintenance, servicing and repair of all utilities and Common Elements in the Condominium, including, but not limited to, lighting, heating, power, sewer, water and communications, including telephone and cable television lines.

There shall exist easements of support with respect to any Unit interior wall which supports a Common Element.

SECTION 2. GRANT OF EASEMENTS BY ASSOCIATION. The Association, acting through its lawfully constituted Board of Directors, shall be empowered and may grant such easements, licenses, rights-of-entry, and rights-of-way over, under, through and across, the Condominium Premises for utility, roadway, construction, access or safety purposes, or other lawful purposes as may be necessary, convenient or desirable for the benefit of the Condominium. No easements created under the Condominium Documents may be modified, nor may any of the obligations with respect thereto be varied, without the consent of each person benefitted or burdened thereby.

SECTION 3. ASSOCIATION'S EASEMENTS FOR MAINTENANCE, REPAIR, AND REPLACEMENT. The Association, and all public or private utilities shall have such easements as may be necessary over, under, across and through the Condominium Premises, including all Units and Common Elements as may be necessary to fulfill any responsibilities of inspection, maintenance, repair, decoration, replacement or upkeep which they, or any of them, are required or permitted to perform under the Condominium Documents or by law or to respond to any emergency or common need of the Condominium Project.

While it is intended that each Co-owner shall be solely and primarily responsible for the performance and costs of all maintenance, repair, replacement and decoration of their Unit and Limited Common Elements (as such duties are more specifically set forth in Article IV, Section 3 of this Master Deed), it is nevertheless a matter of concern that a Co-owner may fail to properly

maintain their Unit interior and/or Limited Common Elements appurtenant thereto in a proper manner and in accordance with the standards set forth in this Master Deed, the Condominium Bylaws and any Rules and Regulations promulgated by the Association's Board of Directors. In the event a Co-owner fails to properly maintain, decorate, repair, replace or otherwise keep their Unit or any Limited Common Elements, improvements or appurtenances located therein, the Association shall have the right, and all necessary easements in furtherance thereof (but not the obligation), to take whatever action or actions it deems desirable and/or necessary to so maintain, decorate, repair and/or replace the Unit, its appurtenances or any of its Limited Common Elements, all at the expense of the Co-owner. These easements may include, without any implication of limitation, the right of the Association to obtain access during reasonable hours and upon reasonable notice to shut off water valves, sprinkler meters, sprinkler controls and valves, and other Common Elements located within any Unit or its appurtenant Limited Common Elements.

No Co-owner shall, in any way, restrict access to any of the common utilities, utility distribution systems, or any other Common Elements that must be accessible to service any Units. Should access to any of these facilities be required, the Association may remove any coverings or attachments that restrict such access. The Association shall not be liable to the owner of any Unit or any other person, in trespass or in any other form of action, for the exercise of rights pursuant to the provisions of this Section or any other provisions of the Condominium Documents which grant such easements, rights of entry or other means of access. Failure of the Association to take any such action shall not be deemed a waiver of the Association's right to take any such action at a future time.

All costs incurred by the Association in performing any responsibilities which are required, in the first instance to be borne by any Co-owner, shall be assessed against such Co-owner and shall be due and payable with their monthly installment of the annual assessment next falling due; further, the lien for nonpayment shall attach as in all cases of regular assessments and such assessments may be enforced by the use of all means available to the Association under the Condominium Documents and by law for the collection of regular assessments, including, without limitation, legal action and foreclosure of the lien securing payment and the imposition of fines as provided for in Article II of the Bylaws (Exhibit "A" hereto) and the Act.

SECTION 4. TELECOMMUNICATION AGREEMENTS. The Association, acting through its duly constituted Board of Directors, shall have the power to grant such easements, licenses and other rights of entry, use and access, and to enter into any contract or agreement, including wiring agreements, right-of-way agreements, access agreements and multi-unit agreements, and, to the extent allowed by law, contracts for sharing of any installation or periodic subscriber service fees as may be necessary, convenient or desirable to provide for telecommunications, videotext, broad band cable, satellite dish, earth antenna and similar services (collectively, "Telecommunications") to the Condominium Project or any Unit therein.

Notwithstanding the foregoing, in no event shall the Board of Directors enter into any contract or agreement or grant any easement, license or right of entry or do any other act or thing which will violate any provision of any federal, state or local law or ordinance. Any and all sums

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paid by any Telecommunications or other company or entity in connection with such service, including fees, if any, for the privilege of installing same or sharing periodic subscriber service fees, shall be receipts affecting the administration of the Condominium Project within the meaning of the Act and shall be paid over to and shall be the property of the Association.

SECTION 5. EXISTING EASEMENTS OF RECORD; RESERVED EASEMENTS.

The Condominium is subject to all easements of record and all easements as are depicted in the Condominium Subdivision Plan, Exhibit "B" to the Master Deed. The Association reserves all easements granted by the Act without restriction of any kind. The maintenance of all easements relating to the Common Elements shall be the responsibility and expense of the Association.

SECTION 6. TERMINATION OF EASEMENTS. The Association reserves the right to terminate and revoke any utility or other easement granted in this Master Deed at such time as the particular easement has become unnecessary. No easement for a utility may be terminated or revoked unless and until all units served by it are adequately served by an appropriate substitute or replacement utility on a shared maintenance basis. Any termination or revocation of any such easement shall be effected by the recordation of an appropriate amendment to this Master Deed in accordance with the requirements of the Act.

**ARTICLE VII
AMENDMENT**

This Master Deed may be amended as provided by the Act in the following manner:

SECTION 1. CO-OWNER APPROVAL. Whenever a proposed amendment to this Master Deed would materially alter or affect the rights of the Co-owners, such an amendment shall require the affirmative vote of those Co-owners who represent sixty-six and two-thirds percent (66 2/3%) of the Units in the Condominium that are entitled to vote as of the record date for such vote. Amendments to this Master Deed shall be further governed by the rules and procedures set forth in Article XV of the Condominium Bylaws regarding "Amendments."

For purposes of this Article, a "material" amendment is an amendment to the Condominium Documents that in any way alters or changes a Co-owner's legal rights or obligations under the Condominium Documents, or which give the Documents a different legal effect in regard to Co-owners.

SECTION 2. BOARD'S POWER TO ENACT NON-MATERIAL AMENDMENTS FOR SPECIFIC PURPOSES. The Association may (acting through a majority of its Board of Directors and without the consent of any Co-owner or any other person) amend this Master Deed, the Bylaws attached as Exhibit "A" hereto, and the plans attached as Exhibit "B" to the Master Deed as long as the amendments do not materially affect any rights of the Co-owners in the Condominium or impair the security of any mortgage holder, but only if the amendments serve at least one of the following specific purposes:

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(a) to correct survey errors, typographical errors, or any other types of errors in the Condominium Documents;

(b) to maintain the Condominium Document in compliance with the Act (including the recording of easements affecting the Project);

(c) to facilitate conventional mortgage loan financing or refinancing for existing or prospective Co-owners;

(d) to enable the purchase of such mortgage loans by the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association, and/or any other agency of the Federal government or the State of Michigan; or

(e) to reflect and permit changes in technology related to building materials or standards which otherwise would not noticeably alter the appearance, color or style of Condominium Units, improvements or the Common Elements.

SECTION 3. COSTS OF AMENDING. A person causing or requesting an amendment to the Condominium Documents shall be responsible for the costs and expenses of the amendment, except for amendments based on a vote of the prescribed majority of Co-owners and mortgagees, the costs of which are administration expenses. The Co-owners and mortgagees of record shall be notified of proposed amendments under this provision at least ten (10) days before the amendment is recorded.

SECTION 4. MODIFICATION OF UNITS, COMMON ELEMENTS, AND PERCENTAGE OF VALUE; TERMINATION. Notwithstanding any other provision of this Article VII, the method or formula used to determine the percentages of value assigned to any Unit in the Condominium, as described in Article V hereof, shall not be modified without the consent of each affected Co-owner and mortgagee, except as permitted by the provisions of the Michigan Condominium Act, as amended.

A Co-owner's Condominium Unit dimensions or appurtenant Limited Common Elements may not be modified without the Co-owner's consent.

The Condominium may be terminated only in accordance with Sections 50 and 51 of the Act.

SECTION 5. MORTGAGEE CONSENT. Whenever a proposed amendment requires a vote of the first mortgagees under Section 90a (9) of the Act, such amendment shall require the consent of not less than two-thirds (2/3) of all first mortgagees of record. A mortgagee shall have one vote for each mortgage held. Mortgagee approval shall be solicited and tabulated in accordance with Section 90a of the Act.

*HERITAGE PLACE CONDOMINIUM
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Whenever any other provision of the Condominium Documents might require a mortgagee vote on any issue, the procedures and rules for mortgagee voting set forth in Section 90a (9) shall apply regardless of whether or not the issue being voted upon is a proposed amendment to the Condominium Documents.

HERITAGE PLACE CONDOMINIUM ASSOCIATION, a Michigan Nonprofit Corporation

By: Mary Ellen McVeigh
MARY ELLEN MCVEIGH, President

STATE OF MICHIGAN)
) ss.
COUNTY OF MACOMB)

The foregoing Amended and Restated Master Deed of Heritage Place Condominium was acknowledged before me, a notary public, on the 19th day of January, 2023, by MARY ELLEN MCVEIGH, known to me to be the President of Heritage Place Condominium Association, a Michigan non-profit corporation, who acknowledged and certified that the foregoing amendment was duly approved by the affirmative vote of 66 and 2/3% of the Co-owners of the Association and first mortgagees, and that she has executed this Amended and Restated Master Deed of Heritage Place Condominium as her own free act and deed on behalf of the Association.

Stacia A. Miller
Stacia A. Miller, Notary Public
Macomb County, Michigan
My Commission Expires: 10/13/2024

Drafted by and when recorded return to:
Stacia A. Miller (P-81599)
Davis Miller Law, PLLC
PO Box 636
108 S. Main St.
Capac, MI 48014
810-310-0800

STACIA A. MILLER
Notary Public, State of Michigan
County of Macomb
My Commission Expires Oct. 13, 2024
Acting in the County of _____

*HERITAGE PLACE CONDOMINIUM
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HERITAGE PLACE

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HERITAGE PLACE CONDOMINIUM
AMENDED AND RESTATED CONDOMINIUM BYLAWS
(EXHIBIT "A" TO THE MASTER DEED)

ARTICLE I
ASSOCIATION OF CO-OWNERS

SECTION 1. ASSOCIATION. Heritage Place Condominium, a residential condominium project located in the Township of Shelby, Macomb 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 Master Deed, these Bylaws, the Articles of Incorporation, and duly adopted Rules and Regulations of the Association, and the laws of the State of Michigan. These Bylaws shall constitute the Bylaws referred to in the Master Deed and required by Section 3(8) of Act No. 59 of the Michigan Public Acts of 1978, as amended (hereinafter the "Act") and the Michigan Nonprofit Corporation Act. 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.

SECTION 2. MEMBERSHIP; RESERVE FUNDS. Each Co-owner shall be entitled to membership and no other person or entity shall be entitled to membership. The share of a Co-owner in the funds and assets of the Association cannot be assigned, pledged or transferred in any manner except as an appurtenance to the Owner's Unit.

A Co-owner selling a Unit shall not be entitled to any refund whatsoever from the Association with respect to any reserve or other asset of the Association. Subject to the provisions of Article XIII of these Bylaws, 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, mortgagees and

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prospective mortgagees of Units in the Condominium Project. All Co-owners in the Condominium Project and all persons using or entering upon or acquiring any interest in any Unit or the Common Elements shall be subject to the provisions set forth in the Condominium Documents.

ARTICLE II **ASSESSMENTS**

SECTION 1. ASSESSMENTS FOR COMMON ELEMENTS. All costs incurred by the Association in satisfaction of any liability arising within, caused by, or in connection with the Common Elements or the administration of the Condominium Project shall constitute expenses of administration within the meaning of Public Act 59 of 1978, as amended, and all sums received as the proceeds of, or pursuant to, a policy of insurance carried by the Association securing the interest of the Co-owners against liabilities or losses arising within, caused by, or in connection with the Common Elements or the administration of the Condominium Project shall constitute receipts affecting the administration of the Condominium Project within the meaning of Section 54(4) of the Act.

SECTION 2. 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, insurance, and maintenance of the Condominium Project, including a reasonable allowance for contingencies and reserves.

(b) **BUDGET ADOPTION; ANNUAL ASSESSMENT.** Upon adoption of such an annual budget by the Board of Directors, copies of said budget shall be delivered to each Co-owner and the assessment for said year shall be established based upon said budget, although the failure to deliver a copy of the budget to each Co-owner shall not affect the liability of any Co-owner for any existing or future assessments. The annual assessments as so determined and levied shall constitute a lien against all Units as of the first day of the fiscal year to which the assessments relate.

(c) **RESERVE FUND.** An adequate reserve fund for maintenance, major repairs and replacement of those Common Elements that must be replaced on a periodic basis must be established in the budget and must be funded by regular monthly payments as set forth in Section 3 below rather than by special assessments. At a minimum, the reserve fund shall be equal to ten (10%) percent of the Association's current annual budget on a non-cumulative basis. Since the minimum standard required by this Section may prove to be inadequate for a particular project, the Board of Directors should carefully analyze their 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 and, in the event of such a determination, the Board of Directors shall be empowered to establish such greater or other reserves without Co-owner approval.

(d) **ADDITIONAL ASSESSMENTS.** Should the Board of Directors at any time determine, in its sole discretion that the assessments levied are or may prove to be insufficient:

- (i) to pay the costs of operation and management of the Condominium;
- (ii) to provide replacements of existing Common Elements; or
- (iii) in the event of emergencies; 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 necessary for such purposes, without the approval of the Co-owners.

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 of the members thereof, except in the event that the Association may voluntarily and conditionally assign the right to levy assessments to any lender in connection with any voluntary loan transaction entered into by the Association.

(e) **SPECIAL ASSESSMENTS.** Special assessments made by the Board of Directors from time to time and approved by the Co-owners to meet other needs or requirements of the Association, including, but not limited to, the following:

- (i) assessments for any **ADDITIONS** to the General Common Elements of a cost exceeding five thousand dollars (\$5,000.00) for the entire Condominium per year (\$18.94 per unit, per year);
- (ii) assessments to purchase a Unit upon foreclosure of the lien for assessments described in Section 5 hereof; or
- (iii) assessments for any other appropriate purpose not elsewhere herein described.

Special assessments referred to in this sub-paragraph (e) shall not be levied without the prior approval of those Co-owners who represent more than fifty-one (51%) percent of all of the Units in value and in number. The authority to levy assessments pursuant to this sub-paragraph is solely for the benefit of the Association and the members thereof and shall not be enforceable by any creditors of the Association or by the members, except in the event that the Association may voluntarily and conditionally assign the right to levy assessments to any lender in connection with any voluntary loan transaction entered into by the Association.

SECTION 3. APPORTIONMENT OF ASSESSMENTS; APPLICATION OF PAYMENTS; LIABILITY.

AMENDED AND RESTATED CONDOMINIUM BYLAWS – HERITAGE PLACE

(a) **APPORTIONMENT.** Unless otherwise provided herein or in the Master Deed, all assessments levied against the Co-owners to cover expenses of administration shall be apportioned among and paid by the Co-owners in accordance with the percentage of value allocated to each Unit in Article V of the Master Deed without increase or decrease for the existence of any right to the use of Limited Common Elements appurtenant to a Unit.

Any unusual expenses of administration that benefit less than all of the Condominium Units in the Condominium, or any expenses incurred as a result of the conduct of less than all those entitled to occupy the Condominium Project or by their licensees or invitees, may be specifically assessed against the Condominium Unit or Units so benefitted, or the conduct of whose occupants (or licensees or invitees thereof) resulted in such expenses, and may be allocated to such Condominium Unit or Units in the proportion that the percentage of value of all Condominium Units so specifically benefitted or responsible for such expenses.

Annual assessments as determined in accordance with Article II, Section 2 (a) and (b) above shall be payable by Co-owners in twelve (12) equal monthly installments, commencing with acceptance of a deed to a Unit or with acquisition of fee simple title to a Unit by any other means.

(b) **PENALTIES FOR DEFAULT.** The payment of an assessment shall be in default if such assessment, or any part thereof, is not paid to the Association in full on or before the due date for such payment and, if a delinquency occurs, the Board of Directors may accelerate the due date of the balance of the unpaid annual assessment. A late charge shall be assessed for any assessment in default paid more than ten (10) days after its due date. The late charge shall be in the amount of Twenty-Five Dollars (\$25.00) per month, or such other amount as may be determined by the Board of Directors from time to time. In the event the Board establishes a new late charge amount, it shall give written notice to all members thirty (30) days before a new late charge rate shall become applicable. Such late charge shall not be deemed to be a penalty or interest upon the funds due to the Association but is intended to constitute a reasonable estimate of the administrative costs and other damages incurred by the Association in connection with the late payment of assessments. Assessments in default shall bear interest at the rate of seven (7%) percent per annum until paid in full.

(c) **APPLICATION OF PAYMENTS.** All payments on delinquent accounts shall be applied in the following order of priority:

- (i) non-sufficient funds check charges;
- (ii) interest;
- (iii) fines;
- (iv) miscellaneous (such as expense charge-backs);
- (v) attorney fees and costs;

- (vi) late charges;
- (vii) additional assessments;
- (viii) special assessments; and
- (ix) lastly, to any unpaid installments of the annual assessment in order of their due dates, earliest to latest.

(d) **LIABILITY**. Each Co-owner (whether one or more persons) shall be, and remain, personally liable for the payment of all assessments and other amounts (including late charges, fines and costs of collection and enforcement of payment) pertinent to their Unit that may be levied while such Co-owner is the owner of the Unit.

For any Unit that is subject to a land contract, the seller and purchaser shall be jointly and severally liable for all amounts assessed to the Unit's account up to and including the date on which the land contract seller actually recovers possession of the Unit from the purchaser following the extinguishment of all of the purchaser's rights in the Unit under the land contract in the event of a purchaser's default under the contract.

Section 4. WAIVER OF USE OR ABANDONMENT OF UNIT. No Co-owner may exempt themselves from liability for their contribution toward the expenses of administration by waiver of the use or enjoyment of any of the Common Elements or by the abandonment of their Unit.

Section 5. ENFORCEMENT.

(a) **REMEDIES – GENERALLY**. The Association may enforce collection of delinquent assessments by a suit at law for a money judgment or by foreclosure of the statutory lien that secures payment of assessments, or both, in accordance with the Act. Pursuant to Section 139 of the Act, no Co-owner may assert in an answer or set-off to a complaint brought by the Association for nonpayment of assessments the fact that the Association or its agents have not provided services or management to the Co-owner.

(b) **RIGHT TO ACCELERATE**. In the event of default by any Co-owner in the payment of any installment of the annual assessment levied against the Co-owner's Unit and any portion of any additional or special assessment levied against the Co-owner's Unit, or any other obligation of a Co-owner that, according to these Bylaws, may be assessed to and collected from the responsible Co-owner in the manner provided in Article II hereof, the Association shall have the right to declare all unpaid installments of the annual assessment for the applicable fiscal year (and for any future fiscal year in which said delinquency continues), and/or all unpaid portions or installments of the additional or special assessment, if applicable, immediately due and payable.

(c) **PENALTIES FOR CO-OWNER NOT IN GOOD STANDING**. A Co-

AMENDED AND RESTATED CONDOMINIUM BYLAWS – HERITAGE PLACE

owner who is not in Good Standing shall not be entitled to do any of the following:

- (i) Serve on any Committees;
- (ii) Act as an inspector of any elections;
- (iii) Continue serving on the Board of Directors (if already elected or appointed before the delinquency or default arose);
- (iv) Vote at any Association or Board meeting;
- (v) Sign any petitions;
- (vi) Run for election or be nominated to serve on the Board of Directors;
- (viii) Be appointed as a Director to fill a vacancy on the Board;
- (ix) Be appointed as an officer of the Association (or continue to serve as an officer, if already appointed before the delinquency or default rose).

The Association also may discontinue the furnishing of any services to a Co-owner in default upon 7 days' written notice to such Co-owner of its intention to do so, including (but not limited to) access to the Association's website.

Provided, however, this provision shall not operate to deprive any Co-owner of ingress or egress to and from the Co-owner's Unit.

In a judicial foreclosure action, a receiver may be appointed to collect a reasonable rental for the Unit from the Co-owner thereof or any person claiming under such Co-owner as provided by the Act. All of these remedies shall be cumulative and not alternative.

(d) 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 the Association the unqualified right to elect to foreclose such lien 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, they were notified of the provisions of this Section. The Association acting on behalf of all Co-owners may bid in at the foreclosure sale, and acquire, hold, lease, mortgage or convey the Condominium

Unit.

(e) **NOTICE OF ACTION.** Notwithstanding the foregoing, neither a judicial foreclosure action nor a suit at law for a money judgment shall be commenced, nor shall any notice of foreclosure by advertisement be published, until the expiration of ten (10) days after mailing, by first class mail, postage prepaid, addressed to the delinquent Co-owner(s) at their last known address of 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, attorney fees and future assessments);
- (iv) the legal description of the subject Unit(s); and
- (v) the name(s) of the Co-owner(s) of record.

The affidavit may contain other information that the Association of Co-owners considers appropriate as per the Michigan Condominium Act including but not limited to the amount of any unpaid interest, costs, attorney fees, future assessments, court costs and/or unpaid monetary fines.

Such affidavit shall be recorded in the Office of the Register of Deeds in Macomb County prior to the 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 them that they may request a judicial hearing by bringing suit against the Association.

(d) **EXPENSES OF COLLECTION.** The expenses incurred in collecting unpaid assessments, including interest, any prelitigation attorney's fees and costs, actual attorneys' fees (not limited to statutory fees) and costs, 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 the Unit.

SECTION 6. LIABILITY OF MORTGAGE. Notwithstanding any other provisions of

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the Condominium Documents, the holder of any first mortgage covering any Unit in the Condominium which acquires title to the Unit as a result of foreclosure, or any purchaser at a foreclosure sale of the first mortgage, shall take the property free of any claims for unpaid assessments or charges against the mortgaged Unit which accrued prior to the acquisition of title by such holder or purchaser.

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. CONSTRUCTION LIEN. A construction lien (mechanic's lien) otherwise arising under Act No. 497 of the Michigan Public Acts of 1980, as amended, shall be subject to Section 132 of the Act.

SECTION 10. STATEMENT AS TO UNPAID ASSESSMENTS. Pursuant to the Act, the purchaser of any Condominium Unit may request a statement from the Association as to the outstanding amount of any unpaid Association assessments, interest, late charges, fines, costs and attorney fees thereon and related collection costs. Upon written request to the Association, the Association shall provide a written statement of such unpaid assessments, fines, late charges, and related collection costs 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 such Unit, shall render any unpaid assessments together with interest, costs, and attorney fees incurred in the collection thereof, and the lien securing same, fully enforceable against such Purchaser and the Unit itself, to the extent provided by the Act. The Association may charge such reasonable amounts for preparation of such a statement as it may from time to time determine.

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 Co-owners, and the Association, upon the election and written consent of the parties, and upon written notice to the Association, shall be submitted to arbitration. The parties shall accept the arbitrator's decision as final and binding. The Commercial Arbitration Rules of the American Arbitration Association, as amended, shall be applicable to any such arbitration proceeding. A judgment may be entered upon such award in a court of competent jurisdiction.

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The arbitrator may require a reasonable deposit to ensure payment of costs, which shall be split equally between the parties. Such deposit shall be placed in escrow in the nature of the arbiter as trustee in the name of the matter at issue.

The prevailing party at arbitration shall be entitled to an award of their attorney's fees and costs incurred in the proceeding as part of the arbitration award. The arbitration costs shall be borne by the losing party to the 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 or the Association shall be precluded from petitioning the courts to resolve any 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. GENERAL INSURANCE RESPONSIBILITY OF THE ASSOCIATION. The Association shall carry property insurance, general liability insurance, officers and directors liability insurance, worker's compensation insurance (if applicable), employee dishonesty/crime insurance (or fidelity bonds) and such other insurance as the Board of Directors may determine to be appropriate with respect to the ownership, use and maintenance of the Common Elements of the Condominium Project, and the administration of Condominium affairs.

SECTION 2. SPECIFIC INSURANCE RESPONSIBILITIES OF THE ASSOCIATION. The Association shall purchase, for the benefit of the Association, the Co-owners and their mortgagees, as their interests may appear, and provision shall be made for the issuance of Certificates of Insurance with mortgagee endorsements to the mortgagees of Co-owners.

Such insurance shall be carried and administered in accordance with the following provisions:

(a) **PROPERTY COVERAGE.** All General Common Elements of the Condominium shall be insured by the Association under a Special Form insurance policy or policies covering all risks of immediate and direct physical loss or damage to property which are commonly insured by condominium associations. Such coverage shall include all perils typically covered by a Special Form insurance policy, including (but not necessarily limited to) vandalism, fire, theft, malicious mischief, host liability, and any other cause of loss deemed advisable by the Board of Directors of the Association, in an amount equal to the maximum insurable replacement value, including code reconstruction, if applicable, as determined annually by the Board of

Directors of the Association in consultation with the Association's insurance carrier and/or its representatives in light of commonly employed methods for the reasonable determination of replacement costs. Such coverage shall be effected upon a Blanket Amount basis including an Agreed Value clause for the entire Condominium General Common Elements with appropriate inflation riders in order that no co-insurance provisions shall be invoked by the insurance carrier in a manner that will cause loss payments to be reduced below the actual amount of any loss (except in the unlikely event of total project destruction if the insurance proceeds failed, for some reason, to be equal to the total cost of replacement).

The Association's coverage shall also include interior walls ("white box", identified as drywall and primer only) within any Unit and the pipes, wires, conduits and ducts, which are not herein identified as Co-owner responsibility, contained therein, and shall further include all fixtures, equipment, and trim which were furnished within the Co-owner's Unit as standard items by the Developer in accordance with the plans and specifications thereof as are on file with the Township of Shelby (or such replacements thereof as do not exceed the cost of such standard items).

All information in the Association's records regarding insurance coverage shall be made available to all Co-owners upon request and reasonable notice during normal business hours so that the Co-owners shall be able to judge the adequacy of such coverage. Upon re-evaluation and effectuation of coverage, the Association shall notify all the Co-owners of the nature and extent of all changes in coverages.

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

(b) GENERAL LIABILITY INSURANCE. General liability insurance shall be carried in such limits as the Board of Directors may from time to time determine to be appropriate. The general liability insurance shall cover: (1) the Association; (2) each Co-owner (and the Co-owners collectively, as a group) with respect to liability arising out of their interest in the Common Elements or membership in the Association (3) any person or organization while acting as a managing agent for the Association.

Such liability insurance shall be carried in a minimum amount of not less than \$1,000,000 per occurrence, and shall include medical payments coverage.

(c) OFFICERS AND DIRECTORS LIABILITY INSURANCE. Officers and directors liability insurance shall be carried in such limits as the Board of Directors may from time to time determine to be appropriate. The liability insurance shall cover any persons who now are, or shall become, duly elected or appointed as directors or officers of the Association, or as members of any committee of the Association, as well as any other non-director or non-officer volunteer Co-owner who is serving the Association or acting on its behalf.

Such insurance shall cover any liability asserted against the person and incurred by

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the person in that capacity or arising out of the person's status as such, whether or not the corporation has the power to indemnify the person against liability under Sections 561 through 565 of the Nonprofit Corporation Act. The policy may also have to be endorsed to include "prior acts" coverage for persons who had been duly elected or appointed directors or officers of the Association, if it is determined that previous expiring policies do not cover claims for wrongful acts reported after the expiration or termination date of those expiring policies.

(d) **PREMIUM EXPENSE.** All premiums upon insurance purchased by the Association pursuant to these Bylaws shall be expenses of the Association.

(e) **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 Article V of these Bylaws requires the repair or reconstruction of the Condominium, any insurance proceeds received by the Association as a result of any loss requiring repair or reconstruction shall be applied for such purpose. Notwithstanding any other provisions in these Bylaws (including, but not limited to, provisions as to the parties who may have priority to insurance proceeds), hazard insurance proceeds shall never be used for any purpose other than for repair, replacement or reconstruction of the Project unless all of the institutional holders of first mortgages on Units in the Project, and all Co-owners in the Condominium have given their prior written approval.

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

The Association's deductible expense incurred on any casualty loss shall be assessed to the Co-owner in the event that the Co-owner or the Co-owner's family member, unit occupant, tenant, guest, licensee or invitee's intentional conduct, negligence, or failure to comply with the Condominium Documents was a cause of the loss as determined by the insurance company and/or the insurance company's investigator.

In the event that a casualty loss results from the failure, breakdown or malfunction of any appliance within a Unit, the Association may assess its deductible incurred on any such loss to the Co-owner of the Unit where the appliance was located. A casualty loss is a loss that occurs as a result of an unforeseen, catastrophic event.

SECTION 3. INSURANCE RESPONSIBILITIES OF THE CO-OWNERS.

(a) **GENERALLY.** Each Co-owner shall obtain their own special form HO-6 Condominium Homeowner insurance coverage at their own expense upon their Unit and Limited Common Elements. Proof of such insurance coverage shall be provided to the Association annually upon renewal.

If the Co-owner is leasing their Unit, then the Co-owner shall obtain such other coverages or policies as might be available for leased Units. The Co-owner's coverage shall include all causes of loss normally covered by a Special Form Homeowners Insurance Policy, including, but not limited to, fire, theft, vandalism, host liability, and malicious mischief. Upon the Board's request, each Co-owner shall provide written verification of their insurance coverage for their Unit and Limited Common Elements to the Association annually.

It shall be each Co-owner's sole responsibility to determine by personal investigation the nature and extent of insurance coverage needed to protect his Unit and Limited Common Elements as required by the Condominium Documents. In the event of the failure of a Co-owner to obtain insurance, the Association may obtain such insurance on behalf of such Co-owner and the premiums therefor shall constitute a lien on the Co-owner's Unit which may be collected from the Co-owner in the same manner that Association assessments may be collected in accordance with Article II hereof.

Each Co-owner may also obtain property insurance coverage at their own expense upon their Limited Common Elements and the equipment, fixtures and trim located within their Unit which were furnished by the Developer as standard items; however, such coverage will be considered to be excess or secondary insurance, as the Association's property insurance will be primary for such standard items.

The Co-owner shall be solely responsible for investigating and identifying the need for any additional coverages besides those listed herein as the Co-owner might require.

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

(b) SPECIFIC INSURANCE DUTIES OF THE CO-OWNER. Each Co-owner shall have the sole responsibility for insuring the following items:

(i) PERSONAL PROPERTY. All personal property located within their Unit and Limited Common Elements or elsewhere in the Condominium.

(ii) LIABILITY. The Co-owner's personal liability for occurrences within their Unit or upon the Limited Common Elements appurtenant to their Unit.

(iii) UPGRADES, BETTERMENTS AND IMPROVEMENTS. Each Co-owner shall be solely responsible for insuring all betterments, improvements, and additions to their Condominium Unit and appurtenant Limited Common Elements regardless of whether such items were installed by the Developer at the original Co-owner's request or by the Co-owner.

(iv) ALTERNATIVE LIVING EXPENSES. Each Co-owner shall be solely responsible for insuring additional or alternative living expenses in the event of fire or other casualty.

(v) **LOSS ASSESSMENT AND DEDUCTIBLES.** The Co-owner's coverage shall include a "loss assessment" and deductible endorsements which shall cover any property damage, expense, loss or deductible incurred by the Co-owner or assessed to the Co-owner by the Association for which there may be no coverage or inadequate coverage under the Association's insurance policy.

(vi) **RENTAL COVERAGES.** It shall be the responsibility of each Co-owner to require any tenant or non-Co-owner occupant to maintain renters' insurance, and under no circumstances shall the Association be liable to any renters or non-Co-owner occupants for damages to their personal property inside the Unit.

SECTION 4. 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 their true and lawful attorney-in-fact to act in connection with all matters concerning insurance pertinent to the Condominium Project, the Co-owner's Unit and the Common Elements appurtenant thereto.

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. This Power of Attorney shall not be affected by disability of the Co-owner.

SECTION 5. WAIVERS OF SUBROGATION. The Association and all Co-owners shall only obtain insurance policies under which the insurer waives any and all right of subrogation as to any and all claims against any Co-owner or the Association.

SECTION 6. INDEMNIFICATION. Each Co-owner shall indemnify and hold harmless every other Co-owner and the Association for all damages, costs and expenses (including, but not limited to, attorney's fees) which such other Co-owners or the Association may suffer as a result of defending any claim arising out of an occurrence within an individual Co-owner's Unit or Limited Common Elements for which the Co-owner is required to carry insurance pursuant to this Article, and the Co-owner shall carry insurance to secure this indemnity if so required by the Board of Directors. This Section shall not be construed to give any insurer a right of subrogation or other right or claim against a Co-owner or the Association.

ARTICLE V
RECONSTRUCTION, REPLACEMENT, OR REPAIR AFTER CASUALTY LOSS
AND EMINENT DOMAIN

The provisions of this Article V relating to the rights and duties of the Association and Co-

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owner to reconstruct, repair and replace the Condominium Units and Common Elements shall only apply to damage that results from a casualty loss or other insurable event affecting the Condominium or any part thereof.

For all other types of damage or deterioration to the Condominium, the relative duties of maintenance, decoration, repair, and replacement of the Association and the Co-owner shall be governed by Article IV of the Master Deed.

This Article is expressly subject to Article IV of the Master Deed which sets forth the relative duties of the Association and the Co-owner to maintain, decorate, repair, and replace the Condominium Units and Common Elements.

SECTION 1. DETERMINATION AND RESPONSIBILITY FOR RECONSTRUCTION, REPLACEMENT, OR REPAIR. If any part of the Condominium property shall be partially or completely destroyed, the determination of whether or not it shall be reconstructed, replaced or repaired shall be made in the following manner:

(a) **PARTIAL DAMAGE – ONE OR MORE UNITS TENANTABLE.** In the event the damaged property is a Common Element or a Unit, the property shall be rebuilt, replaced, or repaired if any Unit in the Condominium is tenantable, unless it is determined by the affirmative vote of those Co-owners who represent more than eighty (80%) percent of the Units in the Condominium and fifty-one (51%) percent of the eligible holders of first mortgages that the Condominium Units that the Condominium shall be terminated.

(b) **TOTAL DESTRUCTION – NO UNIT TENANTABLE.** In the event the Condominium is so damaged that no Unit is tenantable, the damaged property shall not be replaced, repaired, or rebuilt, and the Condominium shall be terminated unless those Co-owners who represent eighty (80%) percent or more of the Units in the Condominium in value and in number and fifty-one (51%) percent of the eligible holders of first mortgages on any Unit agree to reconstruction by vote or in writing within ninety (90) days after the destruction.

SECTION 2. REPAIR IN ACCORDANCE WITH MASTER DEED. Any such reconstruction, repair, or replacement shall be substantially in accordance with the Master Deed and the plans and specifications for the Condominium to a condition as comparable as possible to the condition existing prior to damage unless sixty-six and two-thirds (66 2/3%) percent of the eligible Co-owners and fifty-one (51%) percent of the eligible holders of first mortgages shall consent to do otherwise.

SECTION 3. CO-OWNER'S AND THE ASSOCIATION'S RESPONSIBILITIES FOR THE DUTY AND COST OF RECONSTRUCTION, REPLACEMENT AND REPAIR OF ITEMS AFTER A CASUALTY LOSS. If the damage is only to a part of a Unit, Common Element or non-Common Element item within a Unit that is the responsibility of the Co-owner to reconstruct, replace or repair under the Master Deed or this Article, then it shall be the responsibility of the Co-owner to reconstruct, replace or repair the damaged item. In all other cases, the responsibility for reconstruction, replacement or repair shall be that of the Association.

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Subject to the Association's reconstruction, repair and replacement duties as they are stated in the Master Deed and in Section 4 of this Article V, after a casualty loss, each Co-owner shall be responsible for the duty and cost of reconstruction, repair, and replacement of the various items pertaining to their Unit as they are listed in Sections 3 (a) through (k) below of this Article V, regardless of whether the item in question constitutes part of the Co-owner's Unit, the Common Elements, non-Common Elements, or personal property (except to the extent that any of Sections 3 (a) through (k) below specifically and expressly assign, in part or in whole, any such duties and costs to the Association):

(a) **APPLIANCES.** Co-owners are responsible for all appliances and equipment within the Unit and supporting hardware, including, but not limited to, microwaves, furnaces, smoke detectors, carbon monoxide detectors, fire extinguishers, humidifiers, air cleaners, garbage disposals, dishwashers, ranges, oven vent fans and related duct work, bathroom exhaust fans (including installation and/or re-routing as required) and related ductwork for such fans, laundry room exhaust fans and all related duct work (including installation and/or re-routing as required), clothes washers, clothes dryers, appliance vent covers, vent filters, all exterior and interior vent covers, water filters and hot water heaters, if any. The Board of Directors, at their discretion, may adopt reasonable rules and regulations regarding the acceptable characteristics (e.g., color, materials, style, etc.) of all exterior vent covers.

(b) **WINDOWS; ENTRY DOORS; STORM DOORS; INTERIOR DOORS.** The Co-owner shall be responsible for replacing and repairing all windows serving their Unit, including all window glass, framing, screens, caulking, and tint. This includes all basement and egress windows within the Co-owner's Unit, but not the skylight, which shall be the Association's duty to repair and replace.

The style and color of each window and of the exterior Unit front entry door and storm door described herein shall be subject to the prior written approval of the Board of Directors of the Association, pursuant to the provisions of Article VI, Section 2 of the Condominium Bylaws.

The Co-owner shall be responsible for the painting, repair and replacement of their Unit entry doors (including the front door and the door within the garage). The Co-owner shall also be responsible for repairing and replacing their entry door's deadbolts, locking mechanism, handles and knobs on both sides of the door, as well as reconstructing, repairing and replacing their storm doors, storm door glass, storm door screens and closers, all related locks and hardware for storm doors, and all interior doors and related hardware within the individual Unit.

The Board of Directors may adopt rules, regulations and policies governing the standards applicable to Co-owner's windows (including glass), entry doors, storm doors (including glass), and their reconstruction, repair and replacement. Such standards may include (but may not be limited to) the acceptable styles, colors and materials that may be used for Co-owner reconstruction, repair and replacement of said items.

(c) GARAGE DOORS; GARAGE DOOR OPENERS; GARAGE FLOOR SLABS AND STEPS; GARAGE DRYWALL. The Co-owner is responsible for repair and replacement of their garage door opener, remotes and related hardware.

The Association shall be responsible for the reconstruction, repair, and replacement of all garage doors, including the repair and replacement of all related parts, springs, tracks, and seals, unless any such item became damaged through the negligence of the Co-owner, in which case the Co-owner shall be responsible.

The Co-owner shall be responsible for repairing their garage floor slab and steps. The Association shall be responsible for the replacement of any and all garage floor slabs and steps, unless such items were damaged through the negligence of the Co-owner, in which case the Co-owner of the Unit served by such items shall be responsible for such replacement.

The Association shall be responsible for the reconstruction, repair and replacement of all wall and ceiling drywall within any garage, unless such items was damaged through the negligence of the Co-owner, in which case the Co-owner shall be responsible for such garage drywall reconstruction, repair and replacement.

(d) ELECTRICAL. All electrical fixtures and appliances within the individual Unit, including, but not limited to, outlets, switches, circuit breakers and fixtures, from and including the breaker box servicing the Unit, and all doorbell components (inside and out of Unit).

(e) PLUMBING FIXTURES. All plumbing fixtures, including commodes, tubs, jet tubs and motors, shower pans, shower stalls, shower enclosures, tub and shower caulking, faucets, water shut-off valves, rings, seals and washers, water supply lines, and all traps and connecting drain pipes located within the boundaries of the Unit. For purposes of this paragraph "water shut-off valves" shall only mean such valves which may be located within the Co-owner's own Unit (if any) and which serve only that Co-owner's Unit and not any other Unit in the Condominium.

(f) KITCHENS & BATHROOMS. All interior non-Common Element fixtures, equipment and trim located within any kitchen or bathroom, including, but not limited to, any and all kitchen and bathroom cabinets, counters, sinks, mirrors, interior trim, closet doors, laundry tubs, tile and wood (either floor or wall) and all related hardware.

(g) IMPROVEMENTS & DECORATIONS. All improvements and decorations including, but not limited to, paint, wallpaper, window treatments, paneling, carpeting, linoleum, tile, finished floors and other floor coverings and trim.

(h) ATTIC INSULATION. All attic insulation.

(i) HVAC DUCTS; ELECTRICAL WIRING; WATER LINES; DRAIN LINES; AND GAS LINES. The Co-owner shall be responsible for repairing and replacing all cooling and heating duct work within any of the walls or ceiling of their Unit.

The Association shall be responsible for repairing and replacing all electrical, water, drain and gas lines and wiring located inside the walls (both perimeter and interior), ceiling and floor of a Unit. The Co-owner shall be responsible for repairing and replacing all such lines and wiring which are located within the boundaries of their Unit, but only to the extent that such lines and wiring serve only the Unit in which the items are located. To the extent that any such lines or wiring located within a specific Unit provide service to multiple Units, the Association shall be responsible for repairing and replacing such items.

The Co-owner shall be responsible for repairing and replacing all electrical outlets, switches, and boxes within their Unit.

(j) **INTERIOR SURFACES; DRYWALL.** Co-owners shall be responsible for the maintenance only of their interior surfaces (including wall and ceiling drywall), which maintenance shall include the painting of such surfaces (as well as all repainting of such surfaces after the repair or replacement of any drywall damage); the Association shall be responsible for the repair and replacement of all such surfaces, including the repair and replacement of all drywall, unless they became damaged through the fault of the Co-owner, in which case the Co-owner shall be responsible for such repair and replacement.

(k) **OTHER.** All other items not specifically enumerated above which may be located within the boundaries of the individual Unit's perimeter walls.

In the event such damage may be covered by any insurance, the Co-owner shall cooperate with the Association and join in any application for a claim under any such insurance policy. If the damage could be covered by any insurance policy held by the Co-owner, including, but not limited to, contents insurance, the Co-owner shall timely file a claim with his insurance company simultaneous with or prior to the Association's application for a claim under its insurance policy.

SECTION 4. ASSOCIATION'S REPAIR AND RECONSTRUCTION DUTIES FOR COMMON ELEMENTS AND FOR INTERIOR ITEMS COVERED BY ASSOCIATION'S INSURANCE AFTER A CASUALTY LOSS.

(a) **COMMON ELEMENTS – ASSOCIATION'S RESPONSIBILITIES.** Subject to the Association's and the Co-owner's relative duties of reconstruction, repair and replacement after a casualty loss as they are set forth in Sections 3 (a) through (k) above, after a casualty loss the Association shall be responsible for the duty and cost of reconstruction, repair and replacement of the Common Elements as set forth in Article IV of the Condominium's Master Deed.

The Association shall not be responsible for the duty or cost of repairing, replacing or reconstructing any non-Common Elements within or which serve a Co-owner's Unit except as such duties or costs might be specifically and expressly provided either in the Condominium's Master Deed, or in the Condominium Bylaws, Article IV, Section 2 (a) or in Article V, Section 3 (a) – (k) above or in Section 4 (b) below.

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In no event shall the Association be responsible for any damage to the contents of a Condominium Unit or to any personal property of a Co-owner.

(b) ASSOCIATION'S RESPONSIBILITY FOR ITEMS COVERED BY THE ASSOCIATION'S INSURANCE. In the event that damage to any interior walls, pipes, wires, conduits, ducts within a Unit, to any Limited Common Elements appurtenant to a Unit, or to any non-Common Element fixtures, equipment and trim which were furnished by the Developer as standard items within the Unit (including, but not limited to, the interior items listed in Section 3 (a) – (k) above) is covered by insurance held by the Association pursuant to its duty to insure the Condominium as set forth in Article IV, then the reconstruction, repair and replacement of such items shall be the responsibility of the Association in accordance with this Section 4 of Article V; provided, however, that any portion of the Association's expenses incurred for such reconstruction, replacement or repair but not recovered from the Association's insurance policy proceeds, whether because of the application of an insurance deductible or for any other reason, may be allocated to the appropriate Co-owner pursuant to Article IV, Section 2 (f) of these Bylaws and Article IV, Section 3 (c) of the Master Deed.

In the event such damage may be covered by any insurance, the Co-owner shall cooperate with the Association and join in any application for a claim under any such insurance policy. If the damage could be covered by any insurance policy held by the Co-owner, including, but not limited to, contents insurance, the Co-owner shall timely file a claim with his insurance company simultaneous with or prior to the Association's application for a claim under its insurance policy.

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

Immediately after a casualty causing damage to property for which the Association has the responsibility of reconstruction, repair, or replacement under this Section 4, the Association shall obtain reliable and detailed estimates of the cost to replace the damaged property in a condition as good as that existing before the damage. If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction or repair required to be performed by the Association, or if at any time during such reconstruction, repair or replacement, or upon completion of such reconstruction, repair, or replacement, the funds for the payment of the costs thereof are insufficient, assessments shall be made against all of the Co-owners for the cost of reconstruction, replacement, or repair of the damaged property in sufficient amounts to provide funds to pay the estimated or actual cost of repair, subject to any provisions in the Master Deed or these Bylaws that might expressly provide otherwise or which might permit assessment of such costs to less than all of the Co-owners. This provision shall not be construed to require replacement of mature trees and vegetation with equivalent trees or vegetation.

SECTION 5. TIMELY RECONSTRUCTION, REPLACEMENT, AND REPAIR.
The Association or Co-owner responsible for the reconstruction, repair, or replacement shall

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proceed with such reconstruction, repair, or replacement of the damaged property without delay, and shall complete all such work within a reasonable time after the occurrence of the damage, but in no event shall such work be completed any later than six (6) months from the date on which the damage occurred.

SECTION 6. EMINENT DOMAIN. Section 133 of the Act and the following provisions shall control upon any taking by eminent domain:

(a) **TAKING OF ENTIRE UNIT.** In the event of any taking of an entire Unit 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.

If a Co-owner's entire Unit is taken by eminent domain, such Co-owner and their mortgagee shall, after acceptance of the condemnation award therefore, be divested of all interest in the Condominium Project. The undivided interests in the Common Elements appertaining to the Unit shall thenceforth appertain to the remaining Condominium Units, being allocated to them in proportion to their respective undivided interests in the Common Elements. The Court shall enter a decree reflecting the reallocation of undivided interests produced thereby, and the award shall include, without limitation, just compensation to the Co-owner of the Condominium Unit taken for their undivided interest in the Common Elements as well as for the Condominium Unit.

(b) **TAKING OF COMMON ELEMENTS; BOARD'S POWER TO NEGOTIATE SETTLEMENT; REPAIR AFTER A TAKINGS.** If there is any taking of any portion of the Condominium's Common Elements, 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.

The Association, acting through its Board of Directors, may negotiate on behalf of all Co-owners for any taking of the Common Elements. Any negotiated settlement approved by more than sixty-six and two-thirds (66 2/3%) percent of the Co-owners shall be binding on all Co-owners.

The affirmative vote of more than sixty-six and two-thirds (66 2/3%) percent of all 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.

Any restoration or repair of the Condominium after a partial taking shall be substantially in accordance with the Master Deed and original plans and specifications for the Condominium unless fifty-one (51%) percent of the eligible holders of first mortgages on any Condominium Units consent to do otherwise.

(c) **CONTINUATION OF CONDOMINIUM AFTER A PARTIAL TAKING OF A UNIT.** In the event the Condominium Project continues after portions of a Unit are taken by eminent domain, then the court shall determine the fair market value of the portions of the Unit not taken. The undivided interest for each Condominium Unit in the Common

Elements appertaining to the Units shall be reduced in proportion to the diminution in the fair market value of the Condominium Unit resulting from the taking. The portions of undivided interest in the Common Elements thereby divested from the Co-owners of a Condominium Unit shall be reallocated among the other Units in the Condominium Project in proportion to their respective undivided interests in the Common Elements.

A Condominium Unit partially taken shall receive the reallocation in proportion to its undivided interests as reduced by the Court. The court shall enter a decree reflecting the reallocation of undivided interests produced thereby, and the award shall include just compensation to the Co-owner of the Condominium Unit partially taken for that portion of the undivided interest in the Common Elements divested from the Co-owner and not revested in the Co-owner, as well as for that portion of the Condominium Unit taken by eminent domain.

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 Co-owner, but only with the prior approval of fifty-one (51%) percent of the votes of eligible holders of first mortgage liens on individual Units in the Condominium.

In the event of a substantial taking in condemnation of the Condominium, any election to terminate the Condominium must be approved by the affirmative vote of eighty (80%) percent or more of the Co-owners plus fifty-one (51%) percent of the eligible holders of first mortgages on any Condominium Units.

(d) IMPRACTICALITY OF USE OF PORTION OF UNIT NOT TAKEN BY EMINENT DOMAIN. If the taking of a portion of a Condominium Unit makes it impractical to use the remaining portion of that Condominium Unit for a lawful purpose permitted by the Condominium Documents, then the entire undivided interest in the Common Elements appertaining to that Condominium Unit shall thenceforth appertain to the remaining Condominium Units, being allocated to them in proportion to their respective undivided interests in the Common Elements. The remaining portion of that Condominium Unit shall thenceforth be a Common Element.

The court shall enter an order reflecting the reallocation of undivided interests produced thereby, and the award shall include just compensation to the Co-owner of the Condominium Unit for the Co-owner's entire undivided interest in the Common Elements and for the entire Condominium Unit.

(e) NOTIFICATION OF MORTGAGEES. In the event any Unit 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 holder of a first mortgage lien on any of the Units in the Condominium.

SECTION 7. MORTGAGES HELD BY FHLMC; OTHER INSTITUTIONAL HOLDERS. In the event any mortgage in the Condominium is held by the Federal Home Loan

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Mortgage Corporation (“FHLMC”) or by the Federal National Mortgage Association (“FNMA”), then upon request therefor by FHLMC or FNMA the Association shall give written notice at such address as it may, from time to time, direct of any loss to or taking of the Common Elements of the Condominium if the loss or taking exceeds Ten Thousand (\$10,000.00) Dollars in amount or damage to a Condominium Unit covered by a mortgage purchased in whole or in part by FHLMC or FNMA exceeds One Thousand (\$1,000.00) Dollars. The Association shall provide such other reasonable notice as may be required, from time to time, by other institutional holders of mortgages upon Units.

SECTION 8. PRIORITY OF MORTGAGEE INTERESTS. Nothing contained in the Condominium Documents shall be construed to give a Co-owner, or any other party, priority over any rights of first mortgagees of Condominium Units pursuant to their mortgages in the case of a distribution to Co-owners of insurance proceeds or condemnation awards for losses to or a taking of Condominium Units and/or Common Elements.

ARTICLE 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; PROHIBITED USES; PERMITTED HOME OFFICES AND OCCUPATIONS; MAXIMUM OCCUPANCY LIMIT.

(a) **RESIDENTIAL USE.** Subject to the provisions contained in this Section regarding permitted home offices and home occupations, no Unit in the Condominium shall be used for other than private residential purposes and the Common Elements shall be used only for purposes consistent with those set forth in this Section 1.

(b) **PROHIBITED USES.** In any event, no Unit shall be used for any commercial, manufacturing, industrial or business purposes that create any nuisances or liability exposures, such as, but not limited to, customer/client/patient visits, noise, traffic or parking congestion, odors, vibrations or anything else that might detract from the peaceful and residential character of the Condominium. Timesharing and interval ownership are prohibited.

No Unit shall be used in any manner in violation of applicable zoning or other ordinances of the Township of Shelby. Any use, leasing or occupancy of a Unit in conjunction with a Co-owner’s or Tenant’s utilization of “Airbnb,” “VRBO,” “Flipkey,” or any other similar service or company is expressly prohibited.

Uses of Units that are prohibited and which do not qualify as an acceptable home office or home occupation include (but are not necessarily limited to) the following: barber shop, styling salon, beauty parlor, tea room, day care center, adult care facility, rooming house, “halfway” house, rehabilitation facility, and animal hospital or any other form of animal care, treatment (such as dog grooming) or breeding.

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The provisions of this Section shall not be construed to prohibit a Co-owner from maintaining a personal professional library or from keeping personal, professional, or business records in his Unit, or handling personal business or professional telephone calls in that Co-owner's Unit.

(c) **HOME OFFICES.** To be permitted as a "home occupation" or "home office," there must be:

(i) no sign or display that indicates from the exterior that the Unit is being utilized for any purpose other than that of a residential dwelling;

(ii) no goods or commodities kept for viewing or sale in the Unit or within the Project;

(iii) no mechanical or electrical equipment used in conjunction with the home office or occupation other than personal computers or other standard office equipment;

(iv) no employees or other persons performing any work in the Unit who are not also Co-owners, tenants and/or non-Co-owner occupants of record with the Association who are using the Unit as their primary residence; and

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

(d) **MAXIMUM OCCUPANCY LIMITATION.** The maximum number of persons occupying or residing in a Unit at any given time shall not exceed the maximum limits on occupancy as might be set forth in the International Property Maintenance Code, or in such other codes or ordinances as might be adopted by the Township of Shelby, as they may be amended from time to time.

SECTION 2. ALTERATIONS AND MODIFICATIONS OF UNITS AND COMMON ELEMENTS.

(a) **NO EXTERIOR ALTERATIONS/MODIFICATIONS WITHOUT BOARD APPROVAL.** No Co-owner shall make alterations in exterior appearance (including but not limited to the construction, remodeling or modification of a deck or patio, or by affixing any item to the exterior of any building, whether by nails, screws or other means), or make structural modifications to their Unit (including interior walls through or in which there exist easements for support or utilities), or make changes in any of the Common Elements, Limited or General, without the express written approval of the Board of Directors, including (but not by way of limitation) exterior painting or the erection of antennas, lights, aerials, awnings, doors, windows, shutters or other exterior attachments or modifications, nor shall any Co-owner damage or make modifications or attachments to Common Element walls between Units which in any way impairs sound conditioning provisions. No ornaments or other items of personal property of any kind may

be hung or attached to the gutters or exteriors of any building. The Board of Directors may approve only such modifications as do not impair the soundness, safety, utility or appearance of the Condominium.

(b) **FLAGS.** The Association may also limit the size of any flags located on a Unit or on the premises in any manner consistent with the Act. Notwithstanding this restriction, Co-owners may display the American Flag as permitted by the Michigan Condominium Act, provided the size of said flag does not exceed 3' x 5'.

(c) **SATELLITE DISHES AND ANTENNAS.** Over-the-air reception devices, including but not limited to satellite dish antennas, shall not be attached or installed upon any General Common Element roof; such devices shall not be attached or installed upon any other General Common Element without the advance written permission of the Board of Directors. Over-the-air reception devices such as satellite dish antennas may be installed within Units or Limited Common Elements in accordance with the rules and regulations of the Federal Communications Commission. No attachment, appliance or other item may be installed which is designed to kill or repel insects or other animals by light or humanly audible sound.

(d) **RIGHTS OF THE DISABLED.** The foregoing is subject to the applicable provisions of the Michigan Condominium Act governing improvements or modifications if the purpose of the improvement or modification is to facilitate access to or movement within the Unit for persons with disabilities under the circumstances provided for in the Act at MCL 559.147 (a), as amended from time to time.

SECTION 3. 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, nor shall any unreasonably noisy activity be carried on in any Unit or on the Common Elements. For purposes of this paragraph, an "unlawful" activity is any activity that is in violation of any federal, state, local law or ordinance.

No Co-owner shall do or permit anything to be done or keep or permit to be kept in his Unit or on the Common Elements anything that will increase the rate of insurance on 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, whether approved by the Association or not.

Activities which are deemed offensive and are expressly prohibited include, but are not limited to, the following: any activity involving the use of firearms, fireworks, air rifles, pellet guns, BB guns, bows and arrows, or other similar dangerous weapons, projectiles or devices.

No Co-owner shall use or permit to be brought into the buildings in the Condominium any explosives or other articles deemed to be extra-hazardous to life, limb, or property, without in each case obtaining the written consent of the Association's Board of Directors.

No garage sales, moving sales, estate sales or any other type of sale shall be permitted without the prior written approval of the Board of Directors. The Board may adopt reasonable rules and regulations regarding the Co-owner's holding of open houses in connection with a proposed sale of a Unit.

No manufacturing, growing, cultivating or otherwise producing of marijuana or marijuana products is permitted.

SECTION 4. ANIMALS AND PETS.

(a) **GENERALLY.** No animals, except one dog or one cat, shall be maintained or kept by any Co-owner on the Condominium Premises or in their Unit. Owners shall fully comply with all relevant government ordinances, rules and regulations regarding such animals. All farm animals, snakes, and exotic animals are expressly prohibited. Notwithstanding the foregoing, an Owner or occupant may keep as pets small domesticated animals that are constantly caged, such as rabbits, birds and fish. No animal may be kept or bred for any commercial purpose.

(b) **CONTROL OF ANIMALS.** Animals shall have such care and restraint so as not to be obnoxious or offensive on account of noise, odor or unsanitary conditions. No animal that creates noise and can be heard on any frequent or continuing basis shall be kept in any Unit or on the Common Elements. No animal may be permitted to run loose at any time upon the Common Elements, and any animal shall at all times be leashed and attended by some responsible person while on the Common Elements, Limited or General.

(c) **FERAL AND SAVAGE ANIMALS; CO-OWNER LIABILITY.** Stray and wild or feral animals (including, but not limited to, squirrels, pigeons, geese, feral cats and dogs, chipmunks, skunks, deer and raccoons) shall not be fed or housed by Co-owners, nor shall Co-owners allow any condition to exist within their Unit or the Common Elements, Limited or General, appurtenant to their Units, which may attract stray or wild/feral animals.

No savage or dangerous animal shall be kept or brought onto the Condominium Premises, and any Co-owner who causes any animal to be brought or kept upon the premises of the Condominium shall indemnify and hold harmless the Association for any loss, damage or liability (including attorney's fees and costs) which the Association may sustain as the result of the presence of such animal on the premises, whether or not the Association has given its permission therefore, and the Association may assess and collect from the responsible Co-owner such losses and/or damages in the manner provided in Article II hereof.

(d) **CO-OWNER RESPONSIBILITIES AND REGISTRATION.** Each Co-owner shall be responsible for collection and disposition of all fecal matter deposited by any pet maintained by such Co-owner. The Association may charge all Co-owners maintaining animals a reasonable additional assessment to be collected in the manner provided in Article II of these Bylaws in the event that the Association determines such assessment necessary to defray the maintenance cost to the Association of accommodating animals within the Condominium. The

Association shall have the right to require that any pets be registered with it and may adopt such additional reasonable rules and regulations with respect to animals as it may deem proper.

(e) **ENFORCEMENT.** The Association may, after notice and hearing, and without liability to the owner thereof, utilize any and all available legal remedies to seek the removal of any animal or pet from the Condominium that it determines to be in violation of the restrictions imposed by this Section.

The Association may also assess fines for violations of the restrictions imposed by this Section in accordance with these Bylaws and any duly adopted rules and regulations of the Association.

SECTION 5. AESTHETICS. The Common Elements shall not be used for storage of supplies, materials, personal property or trash or refuse of any kind, except as provided in duly adopted rules and regulations of the Association. Trash receptacles shall be maintained in areas designated therefor at all times and shall not be permitted to remain elsewhere on the Common Elements except for such short periods or time as may be reasonably necessary to permit periodic collection of trash. Trash receptacles and refuse shall not be placed on the Common Elements for pick up earlier than 5:00 p.m. on the day before the scheduled trash collection day. The Common Elements shall not be used in any way for the drying, shaking, or airing of clothing or other fabrics.

Any window blinds, drapes or treatments which are visible from a Unit's exterior must be aesthetical pleasing, neutral in color, and reasonably compatible with the overall appearance and aesthetic standards of the Condominium as determined according to the business judgment of the Board of Directors.

In general, no activity shall be carried on nor condition maintained by a Co-owner either in their Unit or upon the Common Elements, which spoils the appearance of the Condominium.

SECTION 6. USE OF COMMON ELEMENTS. Sidewalks, yards, landscaped areas, driveways, roads, parking areas, and porches shall not be obstructed in any way nor shall they be used for purposes other than for which they are reasonably and obviously intended. No bicycles, vehicles, chairs or benches may be left unattended on or about the Common Elements.

SECTION 7. VEHICLES AND PARKING.

(a) **GENERALLY.** Subject to sub-Sections (b) through (f) below, all use of motorized vehicles anywhere on the Condominium Premises other than passenger cars, vans, sport utility vehicles, pickup trucks, motorcycles, and authorized maintenance vehicles is absolutely prohibited.

No motor vehicle shall be used on the Common Elements in any way that is unreasonably noisy or a nuisance to any Co-owner or resident.

(b) **RECREATIONAL VEHICLES.** No mopeds, go-carts, motorcycles, house trailers, recreational vehicles, or similar vehicles, such as club wagons, boat trailers, boats, camping vehicles, camping trailers, mobile homes, dune buggies, motor homes, all-terrain vehicles or trailers for such vehicles, snowmobiles or snowmobile trailers may be parked or stored upon the premises of the Condominium except within the Co-owner's garage with the door closed.

The Board of Directors shall have discretion to issue rules and regulations which provide for the temporary presence or operation of the above enumerated recreational vehicles upon the Condominium Premises for proper purposes, such as for the loading and unloading of said vehicles or for visitors or guests who might bring such vehicles to the Condominium. In such cases, the presence of said vehicles shall not be allowed for more than 48 hours on the Condominium Premises, unless housed in a Unit's garage with the door closed.

The Association shall not be responsible for any damages, costs, or other liability arising from any failure to approve the parking of such vehicles or to designate an area therefore beyond the existing provisions of the Condominium's Master Deed and Bylaws.

(c) **PARKING.** Each Co-owner shall park their passenger automobile, van, sport utility vehicle or pickup truck in the Co-owner's garage overnight. Each Co-owner may park one additional vehicle in their court for overflow purposes.

If a Co-owner has more than two vehicles for their Unit, any such additional vehicles shall be parked on Heritage Drive for overnight purposes.

(d) **REGISTRATION.** Co-owners shall, if the Association shall require, register with the Association all vehicles maintained on the Condominium Premises.

(e) **COMMERCIAL VEHICLES.** Commercial vehicles and trucks shall not be parked in or about the Condominium unless while making deliveries or pick-ups in the normal course of business. For purposes of this Section, the term "commercial vehicle" means any vehicle that has any one of the following characteristics:

- (i) more than two axles;
- (ii) gross vehicle weight rating in excess of 10,000 pounds;
- (iii) visibly equipped with or carrying equipment or materials used in a business;
- (iv) carrying a sign advertising or identifying a business;
- (v) any vehicle which has a commercial license plate

(f) **NONOPERATIONAL VEHICLES.** Nonoperational vehicles and vehicles with expired license plates shall not be parked or stored on the Condominium Premises

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without the written permission of the Board of Directors. Vehicles which detract from the appearance of the Condominium shall not be parked or stored on the Condominium Premises. Non-emergency maintenance or repair of motor vehicles shall only be performed in the Owner's garage unless the Board of Directors gives the Owner prior written approval to perform the repairs on the vehicle elsewhere on the Condominium Premises.

(g) **TOWING.** The Association may cause vehicles parked or stored in violation of this Section or of any applicable rules and regulations of the Association to be removed from the Condominium Premises and the cost of such removal may be assessed to, and collected from, the Co-owner of the Unit responsible for the presence of the vehicle in the manner provided in Article II hereof.

Before towing any vehicle, the Association or its agents shall first cause the vehicle to be stickered to provide notice to the vehicle's owner that the Association or its agents may tow the vehicle if it is not moved from its current location within twenty-four (24) hours.

The Board of Directors may make further reasonable rules and regulations governing the parking and towing of vehicles in the Condominium consistent with the provisions hereof.

SECTION 8. SIGNS; ADVERTISING. No 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 without the advance written permission of the Association's Board of Directors. This prohibition includes, but is not limited to, "Open," "For Rent," and political signs.

Notwithstanding the foregoing prohibitions, a Co-owner may place one "For Sale" sign in their window without Board approval. Such sign shall not to exceed six (6) square feet in size.

The Board may adopt rules and regulations regarding the acceptable display of "Open House" signs.

SECTION 9. RULES AND REGULATIONS. Reasonable regulations consistent with the Act, the Master Deed and these Bylaws, concerning the use of the Common Elements or the rights and responsibilities of the Co-owners and the Association with respect to the Condominium or the manner of operation of the Association may be made and amended from time to time by the Board of Directors of the Association. Copies of all such regulations and amendments thereto shall be furnished to all Co-owners and shall become effective thirty (30) days after mailing or delivery thereof to the designated voting representative of each Co-owner. Any such regulation or amendment may be revoked at any time by the affirmative vote of more than fifty (50%) percent of all Co-owners in number and in value.

SECTION 10. RIGHT OF ACCESS OF ASSOCIATION. The Association or its duly authorized agents shall have access to each Unit and its Limited Common Elements from time to time, during reasonable working hours, upon notice to the Co-owner thereof, as may be necessary for the maintenance, repair or replacement of any of the Common Elements. The Association or

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its agents shall also have access to each Unit and any Limited Common Elements appurtenant thereto at all times without notice as may be necessary to make emergency repairs to prevent damage to the Common Elements or to another Unit.

It shall be the responsibility of each Co-owner to provide the Association means of access to their Unit and its Limited Common Elements during any period of absence and, in the event of the failure of such Co-owner to provide means of access, the Association may gain access in such manner as may be reasonable under the circumstances. The Association shall not be liable to such Co-owner for any necessary damage to their Unit and any Limited Common Elements caused thereby or for repair or replacement of any doors or windows damaged in gaining such access.

No Co-owner shall in any way restrict access to any plumbing, water line, water line valves, water meter, sprinkler system valves or any other element that must be accessible to service the Common Elements or any element which affects an Association responsibility in any way. Should access to any facilities of any sort be required, the Association may remove any coverings or attachments of any nature that restrict such access and will have no responsibility for repairing, replacing or reinstalling any materials, whether or not installation thereof has been approved hereunder, that are damaged in the course of gaining such access, nor shall the Association be responsible for monetary damages of any sort arising out of actions taken to gain necessary access.

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

SECTION 11. LANDSCAPING AND DECORATION OF COMMON ELEMENTS; CO-OWNER DUTY TO MAINTAIN; CO-OWNER LIABILITY FOR LANDSCAPING ALTERATIONS; EXTERIOR LIGHTING.

(a) LANDSCAPING AND DECORATION OF COMMON ELEMENTS.

No Co-owner shall perform ANY landscaping by removing, trimming, pruning or planting any trees, shrubs or flowers or placing any ornamental materials upon the Common Elements unless approved by the Association's Board of Directors in writing. NO CO-OWNER SHALL TAKE IT UPON THEMSELVES TO MOW THE GRASS OR OBSTRUCT THE HIRED CONTRACTORS FROM DOING THIS WORK OR ANY OTHER CONTRACTED WORK. NO CO-OWNER SHALL CLIMB UPON THE ROOF FOR ANY REASON. NO CO-OWNER SHALL UTILIZE A SNOWBLOWER ON THE PREMISES. Certain areas in the Condominium may be left in a natural state because of terrain characteristics and in order to enhance the natural beauty of the Project. The Association, shall not be required to landscape such areas nor to alter

the natural characteristics thereof.

Notwithstanding the foregoing, a Co-owner may plant and remove shrubs and flowers in Board-approved beds at any time as long as the bed is contained within a hard border. No vegetable planting is allowed in the border beds at any time (this includes herbs and marijuana). Border bed shrubs must be maintained at a height lower than the windows and must be removed if they cause any damage to the foundation.

In the event of transfer of title, any plantings by the seller shall be removed and the area returned to the condition the area was in prior to that planting unless the buyer is made aware of and agrees to maintain such plantings. This agreement must be in writing and a copy must be provided to the Association prior to final closing of sales transaction.

Certain areas in the Condominium may be left in a natural state because of terrain characteristics and in order to enhance the natural beauty of the Project. The Association shall not be required to landscape such areas nor to alter the natural characteristics thereof.

(b) CO-OWNER DUTY TO MAINTAIN LANDSCAPING ALTERATIONS. Any landscaping performed by the Co-owner and any such trees, shrubs, or flowers planted or other landscaping items installed by the Co-owner, if and when approved, shall be the responsibility of the Co-owner to maintain. The Co-owner's duty to maintain such landscaping shall pass to all subsequent Owners of the Unit, and the Consent to Alteration/Modification Agreement executed by the Board and the Co-owner for the landscaping shall state this requirement. In the event that such Co-owner fails to adequately maintain such landscaping to the satisfaction of the Association, the Association shall have the right to perform such maintenance and assess and collect from the Co-owner the cost thereof in the manner provided in Article II.

(c) CO-OWNER LIABILITY FOR LANDSCAPING ALTERATIONS. Co-owners may not install any landscaping that might adversely affect drainage on the Common Elements. The Co-owner shall also be liable for any damages to the Common Elements arising from the performance of such landscaping or the planting of such trees, shrubs, or flowers, or the continued maintenance thereof.

(d) ASSOCIATION'S RIGHT TO ACCESS COMMON ELEMENTS. Should access to any Common Elements of any sort be required, or should any materials specified in this Section interfere with maintenance or services provided by the Association, the Association may remove any obstructions of any nature that restrict such access and/or services and will have no responsibility for repairing, replacing or reinstalling any materials, whether or not installation thereof has been approved hereunder, that are damaged in the course of gaining such access and/or performance of such services, nor shall the Association be responsible for monetary damages of any sort arising out of any such actions.

(e) HOLIDAY AND EXTERIOR LIGHTING. Holiday lighting and other decorating of the Common Elements shall only be allowed in strict conformance with any Rules

and Regulations promulgated by the Association. No spotlights, floodlights or similar type high-intensity lighting shall be placed on the Common Elements or utilized in any Unit which in any way allows light to be reflected upon or into any other Unit or the improvements thereon or upon any Common Elements. Other types of low-intensity lighting which do not disturb other Co-owners or other occupants of the Condominium may be permitted by the Board of Directors in its sole discretion.

SECTION 12. CO-OWNER MAINTENANCE. Each Co-owner shall maintain their Unit and any Limited Common Elements for which they have maintenance responsibility in a safe, clean and sanitary condition.

Each Co-owner shall have the following duties and shall be fully liable for any and all expenses or damages which may result from any failure to perform any of these duties:

(a) maintain their Unit and any Limited Common Elements appurtenant thereto in a safe, clean and sanitary condition, including but not limited to caulking tubs and shower enclosures, grouting all tile work, replacing any leaking fixture and appliance.

(b) use due care to avoid damaging any of the Common Elements contents and improvements including, but not limited to, the telephone, water, gas, plumbing, electrical or other utility conduits and systems and any other elements in any Unit which are appurtenant to or which may affect any other Unit.

(c) maintain heat of at least fifty (50) degrees Fahrenheit inside their Unit so as to prevent pipes from freezing.

(d) winterize (close water valves, shut off ice-makers) their Unit and all water spigots on the Unit's exterior during all periods of absence when freezing temperatures may reasonably be anticipated.

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

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

(g) adequately insure their Unit in accordance with Article IV.

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 them, or their 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

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Association is excluded by virtue of a deductible provision, in which case the responsible Co-owner shall bear the Association's deductible in accordance with Article IV, Section 2 (f) of these Bylaws and the Master Deed Article IV, Section 3 (c)). Any such costs or damages to the Association may be assessed to and collected from the responsible Co-owner in the manner provided in Article II hereof.

SECTION 13. DRONES. For the safety and privacy of all owners and occupants in the Condominium and to protect improvements at the Project, no drones, unmanned aerial vehicles (UAV), or similar remote or radio-controlled aerial devices shall be allowed or flown anywhere in the Project, whether inside or outside a building, except as might be expressly permitted or required by any federal or state law. Any such devices found unattended on the Common Elements may be confiscated by the Association and deemed abandoned by the owner, in which event the Association and its agents shall have absolutely no liability whatsoever to the owner of the drone, vehicle or device for such confiscation. Notwithstanding the foregoing, drones that are used or operated by contractors for maintenance purposes on the Common Elements are permitted.

SECTION 14. ELECTRIC VEHICLE CHARGING STATIONS. The Board may promulgate, adopt and enforce Rules providing for reasonable restrictions on the installation and use of electric vehicle charging stations ("EVCS") on the Common Elements. Such Rules are permitted provided they do not significantly increase the cost of the station or significantly decrease the efficiency or specified performance. Further, such Rules may restrict installation in the Common Elements and may require that the Association be indemnified for any loss or damage caused by installation, maintenance, or use of an EVCS.

As a pre-requisite to the installation of an electric vehicle charging station, the Co-owner must provide an engineer's opinion that the electric service for the Condominium is robust enough to withstand the additional demand for charging electric vehicles, not just for the Co-owner, but for other Co-owners of the Condominium who might make a similar request in the future.

Any Owner whose application for the installation of an EVCS has been approved, must:

- (a) comply with the Association's architectural standards for the installation of the charging station,
- (b) engage a licensed and insured contractor to install the charging station,
- (c) meet all applicable health and safety standards, building codes and other requirements imposed by state and local authorities, as well as all other applicable zoning, land use or other ordinances, or land use permits,
- (d) within fourteen (14) days provide a certificate of insurance that names the Association as an additional insured under the Owner's insurance policy in an amount that is acceptable to the Board, and
- (e) pay for the costs to install the station and for the electricity usage associated

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with the charging station.

SECTION 15. ANTI-HARASSMENT POLICY. Co-owners, tenants, occupants, licensees, invitees, and guests of the Condominium and their family members shall not engage in any abusive, threatening, profane or harassing behavior, either verbal or physical, or any other form of intimidation or aggression directed at the Board of Directors or at any other Co-owner, tenant, occupant, licensee, invitee, family member or guest of the Condominium, nor shall they engage in any such behavior directed toward the Association's property manager, its agents or employees, or at any other vendor or contractor of the Association.

The Association may impose fines against a Co-owner for any violation of this Section in accordance with Article XIX, Section 1 (d) of these Bylaws, in addition to pursuing any further remedies that might be available to it under the Condominium Documents or other applicable law.

SECTION 16. LIMITATION ON NUMBER OF UNITS A CO-OWNER MAY OWN. Subject to the exception of mortgage lenders that acquire title to Units via foreclosure, no Co-owner may own more than one (1) Unit within the Condominium, regardless of whether the Co-owner is an individual or a legal entity. An individual may not circumvent this restriction by acquiring title or beneficial ownership to multiple Units in the Condominium through the use of a separate legal entity or entities. Any individual who has any interest (ownership or otherwise) in any legal entity or entities that own Units in the Condominium shall be deemed to be the "Co-owner" of any and all of such entity-owned Units for purposes of this Section 16.

Any Co-owner who owns more than one Unit in the Condominium at the time of the recording of these Bylaws is exempt from this restriction insofar as such currently owned Units are concerned; however, any such Co-owner may not acquire title to any additional or different Units at the Condominium beyond those already owned at the time of the recording of these amendments if doing so would result in the Co-owner owning more than one Unit in the Condominium.

SECTION 17. ASSESSMENT OF COSTS OF ENFORCEMENT. Any and all costs, damages, expenses and/or attorney fees incurred by the Association in enforcing any of the restrictions set forth in this Article VI and/or rules and regulations made by the Board of Directors of the Association under Article VI, Section 9 of these Bylaws (including any and all prelitigation attorney's fees, costs and expenses), and any expenses incurred as a result of the conduct of less than all those entitled to occupy the Condominium Project, or by their licensees or invitees, may be assessed to and collected from the responsible Co-owner in the manner provided in Article II hereof.

ARTICLE VII
LEASING AND NON-CO-OWNER OCCUPANCY OF UNITS

SECTION 1. DEFINITIONS.

- (a) **TENANT.** The term "Tenant" shall mean any Non-Co-owner Occupant

that occupies or resides within a Unit pursuant to a lease with a Co-owner, regardless of whether the lease is oral or in writing, in exchange for the payment of rent or any other valuable consideration.

“Tenant” shall also include any Non-Co-owner Occupant who might be leasing a Unit, even if the lease is not directly with a Co-owner of the Unit but with a third party that was permitted or authorized to lease the Unit by the Co-owner.

This definition of “Tenant” shall not be construed to permit an oral lease when these Bylaws or applicable law require a lease to be in writing, or to permit the leasing of Units through third parties when such leasing is otherwise prohibited by these Bylaws (such as, by way of example and not of limitation, leasing a Unit through a third party for Airbnb purposes).

(b) NON-CO-OWNER OCCUPANT. “Non-Co-owner Occupant” means any person who resides in or occupies a Unit for any period of time and who is not an Owner of the Unit in which they reside or occupy, regardless of whether the Occupant is related (by blood, marriage, or otherwise) to the Owner of the Unit. Unless otherwise specifically provided in the Condominium Documents, the term “Non-Co-Owner Occupant” is inclusive of the term “Tenant.”

If a Unit is owned by a legal entity (such as a corporation, partnership, trust or limited liability company) and not by an individual person, then a shareholder, director, partner, trustee, or member (as applicable) of the entity that owns the Unit shall not be considered a “Non-Co-owner Occupant” if they occupy or reside in the Unit owned by the entity, as long as that person owns at least fifty percent (50%) of the entity.

(c) LEASE. Unless otherwise specifically indicated elsewhere in the Condominium Documents, for all purposes the term “Lease” shall mean any occupancy agreement whereby a Unit is occupied by any Tenant in exchange for the payment of rent or any other valuable consideration, regardless of: (1) whether the lease is oral or in writing, (2) the duration of the arrangement or agreement, and (3) whether the Tenant is related (by blood, marriage or otherwise) to the Co-owner of the Unit.

This definition of “Lease” shall not be construed to permit an oral lease when these Bylaws or other applicable law require the lease to be in writing, or to permit the leasing of Units through third parties when such leasing is otherwise prohibited by these Bylaws (such as, by way of example and not of limitation, leasing a Unit through a third party for Airbnb purposes).

(d) RESIDENT. “Resident” means an Owner, Tenant, or any Non-Co-owner Occupant who resides within a Unit and utilizes the Unit as their primary residence.

An Owner, Tenant or Non-Co-owner Occupant must provide a Michigan driver’s license, voter’s registration, or other such documentation as evidence that the person currently resides in the Unit as their primary residence.

The Board shall have sole discretion to determine whether an Owner, Tenant or

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Non-Co-owner Occupant is a “Resident” of a Unit based on the documentation and evidence provided.

SECTION 2. GENERAL – RIGHT TO LEASE; 1 YEAR LEASE TERM; NO AIRBNB. Subject to the “Leasing Limit” defined herein, a Co-owner may enter into a lease of their Unit for the same purposes permitted under Section 1 of Article VI of these Bylaws, provided that written disclosure of such lease is submitted to the Board of Directors of the Association in the manner specified in Section 4 below.

No Co-owner shall lease less than an entire Unit in the Condominium, and no tenant shall be permitted to occupy except under a written lease, the term of which is at least one (1) year.

If the Association acquires title to any Unit (whether via foreclosure or otherwise) in relation to the Association’s effort to collect amounts owed on the Unit’s account, such a Unit shall be exempt from the one-year minimum initial lease term requirement for the duration of the Association’s ownership of the Unit.

All leases must be set forth in writing and shall be signed and dated by the Co-owner and their Tenant. No subleasing of a Unit shall be allowed. No rooms within a Condominium Unit may be leased, and no transient Tenants may be accommodated in any event. For purposes of these Bylaws, a “transient Tenant” is any Tenant who resides in a Condominium Unit for less than 30 days.

Any leasing of a Unit in conjunction with a Co-owner’s or Tenant’s utilization of “Airbnb,” “VRBO,” “Flipkey,” or any other similar service or company is expressly prohibited.

The Board may adopt further rules and regulations as might be relevant to the application, interpretation and/or enforcement of the provisions of this Article VII.

SECTION 3. LEASING PROCEDURES.

(a) REQUIREMENT TO SUBMIT LEASE FOR BOARD APPROVAL.

A Co-owner desiring to lease their Unit shall disclose that fact in writing to the Association’s Board of Directors at least ten (10) days **BEFORE** presenting a lease form to a potential Tenant of the Unit and, at the same time, shall supply the Association with a copy of the exact lease form for the Board to review for compliance with the Condominium Documents. The Board may require the Co-owner to provide additional informational forms relating to the lease as might be specified in the Board’s duly adopted rules and regulations regarding leasing.

All leases shall be deemed to incorporate all of the provisions of the Condominium Documents. Tenants and Non-Co-owner Occupants shall comply with all of the conditions of the Condominium Documents, and all leases shall so state.

(b) CO-OWNER’S DUTY TO PROVIDE CONTACT INFORMATION.

A Co-owner who leases their Unit shall make sure that all contact information provided to the

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Board about the Tenant, as well as about the Co-owner himself or herself, is current and remains up to date.

If a Co-owner is not personally available to manage and maintain their leased Unit and/or to communicate with the Board or the Association's property manager on an ongoing basis regarding the leased Unit, then the Co-owner shall provide the Board with the name, mailing address, email address and phone number of a person specifically designated by the Co-owner for the Board to contact on an ongoing basis regarding all matters pertaining to the leased Unit.

(c) CO-OWNER'S DUTY TO PROVIDE CONDOMINIUM DOCUMENTS TO TENANTS. A copy of the Condominium Documents including policies shall be provided by the Co-owner to the potential Tenant at least ten (10) days before presenting a lease form to the potential Tenant.

SECTION 4. REQUIREMENT FOR CO-OWNERS TO PROVIDE INFORMATION ABOUT NON-CO-OWNER OCCUPANTS (OTHER THAN TENANTS) SOLELY OCCUPYING A UNIT. If any owner intends to permit any Non-Co-owners to solely occupy their Unit but the Unit is not going to be leased for the payment of rent, the Co-owner shall nevertheless provide the following information in writing in the form of a statement of occupancy agreement to the Association at least ten (10) days prior to allowing any such Non-Co-owner Occupants to take sole occupancy in the Co-owner's Unit:

(a) The full name, address, and contact information of all Non-Co-owner Occupants that will be solely occupying the Unit; and

(b) A summary of the terms of the occupancy arrangement under which such occupants will solely occupy the Unit, including the expected duration of the occupancy (not less than one year), updated annually.

For purposes of this Section, a Non-Co-owner Occupant who does not pay rent is "solely" occupying a Unit if a Co-owner of the Unit is not residing or occupying the same Unit as their primary residence along with the Non-Co-owner Occupant.

The Board may require the Co-owner to provide additional informational forms relating to the Non-Co-owner Occupant's sole occupancy of their Unit as might be specified in the Board's duly adopted rules and regulations regarding such occupancies. Co-owners shall make sure that all contact information provided to the Board about the Non-Co-owner Occupant as well as about the Co-owner himself or herself is current and remains up to date.

SECTION 5. VIOLATION OF CONDOMINIUM DOCUMENTS BY TENANTS OR NON-CO-OWNER OCCUPANTS. 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) The Association shall notify the Co-owner by certified mail advising of the

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alleged violation by the Tenant or non-Co-owner Occupant.

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

(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 own behalf an action for eviction against the Tenant or Non-Co-owner Occupant and simultaneously for money damages in the same action against the Co-owner and Tenant or Non-Co-owner occupant for breach of the conditions of the Condominium Documents. The relief set forth in this subsection may be by summary proceedings. The Association may hold both the Tenant and/or Non-Co-owner Occupant and the Co-owner liable for any damages caused by the Co-owner or Tenant or Non-Co-owner Occupant in connection with the Condominium Unit or the Condominium and for actual legal fees incurred by the Association in connection with legal proceedings hereunder.

SECTION 6. ARREARAGE IN CONDOMINIUM ASSESSMENTS. 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 Condominium Unit under a lease 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 be a breach of the lease by the Tenant. The form of lease used by any Co-owner shall explicitly contain the foregoing provisions. Pursuant to the Michigan Condominium Act, if the Tenant, after being notified, fails or refuses to remit rent otherwise due the Co-owner to the Association of Co-owners, then the Association of Co-owners may do the following:

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

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

SECTION 7. EXEMPTIONS FOR GOVERNMENT MORTGAGE LENDING ENTITIES.

(a) **HUD, FANNIE MAE AND FREDDIE MAC.** Any mortgage lender who acquires title to a Unit via foreclosure or a deed in lieu shall be exempt from the restrictions against leasing contained in this Article VII to the extent that such an exemption would be required for these Bylaws to comply with the standards for mortgage lending, insuring and/or underwriting currently followed by the U.S. Department of Housing, the Federal Home Loan Mortgage Corporation, and/or the Federal National Mortgage Association.

(b) **VA MORTGAGES.** To the extent that any provision in these Bylaws regarding leasing is inconsistent with the requirements of guaranteed or direct loan programs of the United States Department of Veteran Affairs, as set forth in chapter 37 of title 38, United States

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Code, or part 36 of title 38, Code of Federal Regulations (“VA Mortgage Financing”), such provision shall not apply to any Unit that is:

- (i) encumbered by VA Mortgage Financing, or
- (ii) owned by the Department of Veterans Affairs, or
- (iii) owned by a Co-owner who is both eligible to obtain VA Mortgage Financing and who is in fact applying for such financing, but only to the extent that a waiver of the Bylaws’ leasing requirements is required for the Co-owner to obtain such financing.

SECTION 8. ESTABLISHMENT OF LEASING LIMIT (RENTAL CAP); TOTAL LEASED UNITS.

(a) **LEASING LIMIT.** No more than Twenty-six (26) Units in the Condominium may be leased simultaneously at any given time (the “Leasing Limit” for purposes of these Bylaws).

(b) **TOTAL LEASED UNITS – DEFINITION.** In determining whether the total number of leased Units within the Condominium (the “Total Leased Units”), exceeds the Leasing Limit at any given time, the following shall apply:

(i) **LEASED UNITS.** The Association shall include in the Total Leased Units all of those Units that are Exempt Units (as that term is defined later in Section 9 (a) and (b) below) as well as all other Units leased by Co-owners after the recording of these amendments.

(ii) **UNITS SOLELY OCCUPIED BY NON-OWNER OCCUPANTS WHO ARE NOT TENANTS.** Any Units which are solely occupied by Non-Co-Owner Occupants who are not Tenants also shall be included in the number of Total Leased Units.

Whether a Co-Owner is a “Resident” living with a Non-Co-Owner Occupant shall be determined by proofs provided that Co-Owner resides at the unit such as Michigan driver’s license, voter’s registration card or other identification showing that the deeded Co-owner resides at the Unit as set forth in Section 1(d) above.

(iii) **LEASED UNITS THAT ARE OWNED BY GOVERNMENT MORTGAGE LENDING ENTITIES.** Any Units being leased out by any bank or mortgage lender, the U.S. Department of Housing, the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, or the Department of Veterans Affairs who took title to the Units via foreclosure or a deed in lieu shall not be included in calculating the number of Total Leased Units under this Paragraph.

(iv) **LEASED UNITS OWNED BY THE ASSOCIATION.** Any Unit to which the Association acquired title (whether via foreclosure or otherwise) as a result of or in

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relation to the Association's effort to collect amounts owed on the Unit's account shall be exempt from the restrictions on leasing contained in Sections 8 through 12 herein, including (but not limited to) the Leasing Limit restriction. Such Units shall not be included in the number of Total Leased Units.

(v) UNITS OCCUPIED BY LAND CONTRACT PURCHASERS.

Any Unit that is solely occupied by a land contract purchaser also shall be included in the Total Leased Units under this sub-Section 8(b), unless the Owner and purchaser have obtained an exemption from the Board for a Bona Fide Land Contract under Section 12 herein.

If a Co-owner claims to be living together with a land contract purchaser of a Unit, the Co-owner must provide proof that he/she resides in the Unit such as a Michigan driver's license, voter registration card or other identification showing that the deeded Co-owner resides at the Unit as set forth in Section 1 (d) above. If the Co-owner cannot satisfy those requirements, the Unit shall be deemed to be solely occupied by the land contract purchaser.

(vi) UNITS LEASED UNDER A TEMPORARY "HARDSHIP EXEMPTION." Any Unit that is leased pursuant to a temporary "hardship exemption" granted to the Co-owner by the Board under Section 11 shall not be included in the Total Leased Units under this sub-Section 8(b).

SECTION 9. EXEMPT UNITS; "GRANDFATHERING"; EXEMPT TRANSFERS OF TITLE

(a) EXEMPT UNITS – DEFINITION. For all purposes of this Article VII, the term "Exempt Unit" shall mean a Unit that meet all of the following requirements:

(i) The Unit was leased pursuant to a lease that was in writing and signed by the Unit's Co-owner and their Tenant prior to the date of the recording of these amendments;

(ii) The lease was still in effect as of the recording date of these amendments and the Tenant was still occupying the Unit as of said date; and

(iii) A copy of the written lease was already in the Association's possession as of the recording date of these amendments.

(b) COMPLIANCE. If a copy of a Co-owner's written lease for their Unit existed but was not on file with the Association as of the date of the recording of these amendments, then the Co-owner may satisfy requirement (i) through (iii) above if they provide the Association with a written copy of the lease within thirty (30) calendar days of the date of the Association's mailing of these amended Bylaws to the Co-owners.

If a Co-owner's lease existed but was not in writing as of the date of the recording of these amendments, then in order to satisfy requirement (i) through (iii) above, the Co-owner

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and their Tenant must execute a written lease for the Unit and provide a copy of said lease to the Association within thirty (30) calendar days of the date of the Association's mailing of these amended Bylaws to the Co-owners.

If a Unit is solely occupied by Non-Co-owner Occupants who are not Tenants as of the date of the recording of these amendments, such occupancy arrangements shall not be affected by the Leasing Limit only if the Co-owner provides the Association with the information and statement of occupancy agreement that they are required to provide under Section 5 in writing within thirty (30) calendar days of the date of the Association's mailing of these amended Bylaws to the Co-owners. Upon providing such information to the Association in a timely fashion, such a Unit that was solely occupied by Non-Co-owner Occupants at the time of recording of the amendments shall be treated as being an Exempt Unit.

Any other leases or other occupancy arrangements that do not fully comply with the requirements of this Section 9 shall not constitute "Exempt Units" for purposes of these Bylaws and shall be fully subject to the Leasing Limit.

(c) "GRANDFATHERING": WRITTEN LEASES AND GENERAL EXEMPTION FOR EXEMPT UNITS.

(i) WRITTEN LEASES IN EFFECT AS OF DATE OF RENTAL RESTRICTION AMENDMENTS. As required by the Michigan Condominium Act, any written lease existing between a Co-owner and their Tenant as of the date of the recording of this amendment shall not be affected by this leasing limitation, provided that the lease, the Co-owner and their Tenant are otherwise in full compliance with all relevant provisions of these Bylaws and the Condominium Act.

Upon expiration of the written lease, the Co-owner, Tenant and their Unit shall be fully subject to the Leasing Limit and other related leasing restrictions contained in this Article VII unless the Co-owner's Unit satisfies the definition and requirements for an "Exempt Unit" set forth in Article VII, Section 9 above.

(ii) GENERAL EXEMPTION ("GRANDFATHERING") FOR EXEMPT UNITS UNTIL UNIT IS SOLD OR CONVEYED. Any Co-owner who owns an Exempt Unit as that term is defined above shall continue to have the right to lease the Co-owner's Exempt Unit regardless of any of the restrictions against leasing contained in Sections (8) through (12) herein (including, but not limited to, the Leasing Limit), until the Co-owner sells, conveys or otherwise becomes divested of title to said Unit, at which point the Unit shall become fully subject to all such leasing restrictions (subject to Section 9 (d) below regarding Exempt Transfers of Title). Any and all subsequent owners of the Unit shall have to follow the waitlist and other relevant procedures stated herein in order to lease the Unit.

An Exempt Unit is not subject to the time limits and other requirements for retaining the right to lease set forth in Section 10 below. An Exempt Unit retains the general exemption and right to continue leasing as stated herein until it is sold or conveyed to a new Co-

owner regardless of whether it is continually leased by the Co-owner up to the point of sale or conveyance of the Unit to a new Co-owner, and regardless of whether the Co-owner at some point resumes occupancy of the Exempt Unit for any period of time between, before or after periods of leasing the Unit prior to such Co-owner's ultimate sale or conveyance of the Unit to a new Co-owner.

(d) **EXEMPT TRANSFERS OF TITLE FOR EXEMPT UNITS.**

(i) **TRANSFERS TO IMMEDIATE FAMILY.** The addition of a Co-owner's spouse, son or daughter to the title the Co-owner's Exempt Unit as that term is defined above shall not be considered a sale, conveyance or divestiture of the Co-owner's title to the Unit for purposes of Section 9 (c) (2) above.

Notwithstanding any of the foregoing provisions in this Article, a transfer of title to a Unit that is solely between a Co-owner and their spouse, son and/or daughter (or any combination thereof) shall not result in the loss of a Co-owner's right to continue leasing out their Exempt Unit.

(ii) **TRANSFERS TO FAMILIAL LEGAL ENTITIES.** A Co-owner's transfer of ownership of their Exempt Unit to a separate legal entity shall not result in the loss of the Co-owner's right to continue leasing said Unit under Section 9 (c) (2) provided that the legal entity is not owned (in whole or in part) by anyone other than the transferring Co-owner and/or their spouse, sons and/or daughters (or any combination thereof).

If the transferee entity is a corporation, then all of the shareholders and directors of the entity must either be Co-owners of the Unit or the spouses, sons and/or daughters of Co-owners. If the transferee entity is a limited liability company, then all of the members of the company must be Co-owners of the Unit, or the spouses, sons and/or daughters of Co-owners. If the transferee entity is a partnership, then all of the partners of the partnership must be Co-owners of the Unit or the spouses, sons and/or daughters of Co-owners. If the entity is a trust, then all of the trustees and beneficiaries of the trust must be Co-owners of the Unit or the spouses, sons and/or daughters of the Co-owners.

(iii) **TESTAMENTARY TRANSFERS.** Any testamentary transfer of ownership of an Exempt Unit which takes effect upon the death of the transferring Co-owner by operation of law or via a legal instrument or devise (including, but not limited to, transfers via a Co-owner's will or trust) shall not result in the loss of the deceased Co-owner's exemption from the leasing restrictions granted under Section 9(c)(2)) above, provided that ownership to the Unit does not vest in anyone other than the deceased Co-owner's spouse, sons and/or daughters (or any combination thereof) as a result of such transfer.

SECTION 10. WAIT LIST – RULES AND PROCEDURE. For purposes of this Section, the term "lease" shall include not only renters but also any other Non-Co-owner Occupants solely occupying a Unit (whether or not they are paying rent or other consideration for such occupancy).

(a) **PROCEDURE.** The Board shall maintain a list of all of the approved leased Units in the Condominium, in addition to a waiting list of those Co-owners who, on a first-come, first-serve basis, wish to lease their Units or to permit non-Co-owner occupants to solely reside in their Units. In order to obtain a spot on the waiting list, a Co-owner must notify the Board of Directors of their desire to lease out or permit such occupancy of their Unit in a signed and dated writing, email, or letter.

Upon a Co-owner's written request, the Board or the Association's managing agent shall provide the following information contained in the waitlist to the Co-owner: the number of Total Leased Units in relation to the Leasing Limit, the number of available rental spots under the Leasing Limit at that time (if any), and the number of Co-owners currently on the waitlist (including the number of Co-owners that are ahead of the Co-owner on the waiting list as of the date on which the Co-owner requests the information).

In the event that any Co-owner applies for approval of a lease or occupancy that would result in the number of Total Leased Units in the Condominium exceeding the Leasing Limit, the Board shall disapprove the request unless it grants an exemption to the Co-owner pursuant to Sections 11 or 12 of this Article. Upon disapproving the request, the Board shall place the Co-owner's name on the waiting list.

(b) **TIME LIMIT FOR RETAINING RIGHT TO LEASE AFTER EXPIRATION OF CURRENT LEASE.** Any Co-owner who has an approved lease shall forfeit their right to lease to the next Co-owner on the waiting list if that Co-owner fails to execute a lease renewal or extension with the Co-owner's existing Tenant and provide the Board with a copy of said document at least 15 days prior to the expiration of the tenant's existing lease term, or (if the Co-owner does not choose to renew or extend the existing Tenant's lease) the Co-owner fails to execute a lease with a new Tenant within six (6) months from the expiration of the Co-owner's existing approved lease.

(c) **TIME LIMIT FOR LEASING FOR NEXT CO-OWNER ON WAITLIST.** The next Co-owner on the waiting list shall have the right to lease their Unit whenever the number of Total Leased Units in the Condominium is reduced below the Leasing Limit. If the next Co-owner on the waiting list does not wish to lease their Unit, or if they are unable to execute a lease with a Tenant within six (6) months from the date on which they received written notification from the Association that the lease allocation was available, then they shall forfeit their respective place on the waiting list.

(d) **WAITLIST SPOT NOT TRANSFERRED WITH UNIT.** In the event of any sale, conveyance or other transfer of a leased Unit, any and all of the Co-owner's existing rights to lease the Unit shall terminate and shall not be transferred with the Unit to the purchaser or grantee of said Unit (subject to the exemptions for certain transfers of title contained in Article VII, Section 9(d)). Such a purchaser or grantee of a Unit may not lease the Unit without fully complying with all of the other restrictions on leasing contained in this Article VII.

The sale or conveyance of a Unit shall result in the Unit losing its spot on the

waitlist, and the purchaser or grantee of any such Unit shall have to re-apply to obtain a place on the list.

(e) COORDINATION WITH HARDSHIPS AND BONA FIDE LAND CONTRACT EXEMPTIONS. If the Board grants the Co-owner a temporary hardship exemption to lease their Unit under Section 11 or a Bona Fide Land Contract exemption under Section 12 below, the Co-owner shall forfeit their spot on the waiting list in exchange for their receipt of the exemption.

SECTION 11. BOARD'S AUTHORITY TO ALLOW TEMPORARY LEASING FOR OBJECTIVELY VERIFIABLE HARDSHIPS. Even if a proposed lease or sole occupancy of a Unit by Non-Co-owner Occupants who are not Tenants would result in the number of Total Leased Units in the Condominium exceeding the Leasing Limit, or would otherwise violate any of the restrictions against leasing contained in this Article VII, the Board of Directors may approve the temporary leasing or sole occupancy by Non-Co-owner Occupants of the proposed Unit, and may grant such other temporary exemptions from the restrictions against leasing contained in this Article for a period not to exceed one (1) year as may be appropriate, if at least one of the following circumstances is documented in a written request submitted to the Board of Directors:

- (a) the Co-owner needs to relocate because of an involuntary job transfer where the location of the new employer is more than fifty (50) miles from their current place of employment;
- (b) the Co-owner has died, and the Co-owner's personal representative or trustee desires to lease the Unit during the administration of the estate or trust of the deceased Co-owner;
- (c) the Co-owner has been called to active duty in the armed forces of the United States;
- (d) the Co-owner has been transferred to a facility to receive extended medical care; or
- (e) any other objectively verifiable hardships.

Any written statements regarding the Co-owner's hardship provided by the Co-owner himself or herself must be the form of a notarized affidavit. The Co-owner shall also provide relevant documentation from independent parties, professionals and non-Co-owners to substantiate the hardship to the extent possible (as applicable).

The Board may adopt reasonable rules and regulations to further define "objectively verifiable hardships" within the parameters established in these Bylaws and the Condominium Documents. Such rules may further define the types of "objectively verifiable hardships" that will satisfy the requirements of this Section 11 and the procedures that the Board will employ in making

decisions on Co-owner requests for hardship exemptions.

A Co-owner may petition the Board in writing on a year-to-year basis for an extension of a one-year temporary exemption that the Board may have granted previously to the Co-owner. The Board may, in its sole discretion, grant the petition and approve the extension for additional one-year terms on an annual basis if the Co-owner continues to demonstrate an objectively verifiable hardship each year. In any event, no Co-owner may lease their Unit under a hardship exemption for more than three (3) consecutive years.

The Board's grant of a temporary hardship exemption to a Co-owner under this sub-Section does not provide the Co-owner with any waiting list rights for the Unit.

A Co-owner who is granted a hardship exemption shall provide the Board with the name, address and phone number of a person whom the Board may contact regarding all matters pertaining to the leased Unit in the event that the Co-owner is indisposed or otherwise not available to properly manage the leased Unit on an ongoing basis.

SECTION 12. BONA FIDE LAND CONTRACT EXEMPTION. In addition to being able to grant a one-year hardship exemption for the reasons outlined in Section 11 above, the Board may approve an exemption for a land contract that lasts longer than one year only if the land contract seller and purchaser provide the following documentation to the Board for its review and approval:

(a) A copy of the land contract fully executed and notarized by both the seller and the purchaser of the Unit;

(b) A copy of either a land contract memorandum or the land contract itself as recorded with the Register of Deeds; and

(c) Any other documentation which may prove the land contract to be bona fide in all respects, and not just an attempt by the Co-owner and the Unit Occupant to evade the rental restrictions contained in this Article VII.

The Board shall decide, in its sole discretion, whether the land contract in question is bona fide and therefore eligible for an exemption from the rental restrictions contained in this Article VII based on all of the documentation provided to the Board for its review by the seller and purchaser.

If the seller and purchaser do not provide to the Board, at a minimum, the documentation set forth in Section 12 (a) - (b) above, then they shall have no right to any exemption for their land contract under this Section 12.

A Unit subject to a land contract that has been approved for an exemption under this Section 12 shall not count towards the "Total Leased Units" under Section 8 (b).

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ARTICLE VIII
MORTGAGES

SECTION 1. CO-OWNER DUTY TO GIVE NOTICE. Any Co-owner who mortgages their Unit shall notify the Association of the name and address of the mortgagee, and the Association shall maintain such information in a book entitled “Mortgages of Units.”

SECTION 2. ASSOCIATION DUTIES TO GIVE NOTICE. The Association, upon receiving a written request, shall promptly issue notice to each holder, insurer or guarantor of a first mortgage upon the occurrence of any of the following:

(a) Any proposed amendment of the condominium documents effecting a change in (i) the boundaries of any unit or the exclusive easement rights appertaining thereto and/or (ii) interests in the general or limited common elements appertaining to any unit or the liability for common expenses appertaining thereto and/or the number of votes in the Association appertaining to any unit;

(b) The purposes to which any unit or the common elements are restricted;

(c) Any proposed termination of the condominium project;

(d) Any condemnation loss or any casualty loss which affects a material portion of the condominium or which affects any unit on which there is a first mortgage held, insured or guaranteed by such eligible holder;

(e) Any delinquency in the payment of assessments or charges owed by an owner of a unit subject to the mortgagee of such eligible holder, insurer or guarantor, where such delinquency has continued for sixty (60) days;

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

(g) The issuance of notice of an official meeting of the membership in which case each holder, insurer or guarantor of a first mortgage shall be allowed to designate a representative to attend such meeting.

(h) Any default by the co-owner of such condominium unit in the performance of his obligations under the Condominium documents which is not cured within sixty (60) days.

(i) The name and address of each company insuring the Condominium against fire, and other perils under the Special Form coverage provided by the Association under Article IV of these Bylaws, including the amounts of such coverage.

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ARTICLE IX
VOTING

SECTION 1. VOTE. Except as limited in these Bylaws, each Co-owner shall be entitled to one vote for each Condominium Unit owned when voting by number and one vote, the value of which shall equal the total of the percentages allocated to the Unit owned by such Co-owner as set forth in Article V of the Master Deed, when voting by value. Voting shall be by value except in those instances when voting is specifically required to be both in value and in number.

SECTION 2. ELIGIBILITY TO VOTE. No Co-owner, shall be entitled to vote at any meeting of the Association until they have presented evidence of ownership of a Unit in the Condominium Project to the Association. The vote of each Co-owner may only be cast by the individual representative designated by such Co-owner in the notice required in Section 3 of this Article or by a proxy given by such individual representative. A Co-owner must be in Good Standing in order to be eligible to vote. The right to vote includes the right to sign petitions, and the Co-owner must be in Good Standing at the time of presentation and signature of a petition in order to validly sign or circulate a petition.

SECTION 3. DESIGNATION OF VOTING REPRESENTATIVE. The Co-owner of a Unit 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. The individual designated as the voting representative under this Section must be one of the Co-owners of the Unit that is the subject of the written notice. If a Unit is owned by a corporation or other legal entity, then only the individuals for such entities who would be eligible to serve as Directors under Article XI, Section 1 of these Bylaws may be appointed to serve as voting representatives for such entity-owned Units under this Section 3.

Such notice shall state the name, address, and telephone number of the designated individual voting representative, as well as the name, address, and telephone number of each person, firm, corporation, partnership, association, trust, or other entity who is a Co-owner of the Unit that is the subject of the notice. The notice shall also state the total number of Units in the Condominium that are owned (in whole or in part) by each of the Co-owners of the Unit that is the subject of the notice.

Such written notice shall be signed and dated by the Co-owner of the Unit. If a Unit is owned by two persons or entities, then each Owner must sign the notice. If a Unit is owned by more than two Owners, then the signatures of a majority of the Owners of the Unit is required to designate the individual representative under this Section. The individual representative designated may be changed by the Co-owner(s) of the Unit at any time by filing a new notice in the manner herein provided.

SECTION 4. VOTING. Votes may be cast in person or by proxy or by a written absentee ballot (including ballots cast by e-mail) duly signed by the designated voting representative who

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is not present at a given meeting in person or by proxy. Proxies and any absentee ballots must be filed with the Secretary of the Association, or with such other person as the Association shall designate, at or before the appointed time of each meeting of the members of the Association. Such filings may be made by hand delivery, mail, fax, e-mail or by any method permitted by the Nonprofit Corporation Act, including all methods of electronic transmission or communication permitted by the Act. Only Members in Good Standing may vote a proxy for another Co-owner.

Any action which could be authorized at an annual or special meeting of the members, other than election or removal of directors, may be authorized without a meeting by the majority vote of the membership by written ballot in accordance with Section 408 of the Nonprofit Corporation Act. The ballot provided to the members shall set forth each proposed action, provide an opportunity for the members to vote for or against each proposed action, and shall specify a time by which the Association must receive a ballot in order to be counted as a vote of the member. The time specified shall not be less than 20 days or more than 90 days after the date the Association provides the ballot to the members. Notwithstanding the foregoing, voting for the election of the Directors at the Annual Meeting shall be conducted in person or by proxy only.

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

SECTION 5. MAJORITY; APPROVAL OF ACTIONS BY WRITTEN BALLOT.

A majority, except where otherwise provided herein, shall consist of more than fifty (50%) percent in value of those Co-owners who are in Good Standing and present in person or by proxy or by written absentee ballot, (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 of both number and value of 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.

For actions approved by written ballot without a meeting, an action is considered approved if the total number of members voting or the total number of votes cast in ballots received by the Association by the time specified in the ballots equals or exceeds the quorum required to be present at a meeting to take the action, and the number of favorable votes equals or exceeds the number of votes that would be required to approve the action at a meeting at which the number of votes cast by members present in person, by proxy or by written absentee ballot was the same as the number of votes cast by written ballot.

ARTICLE X
MEETINGS

SECTION 1. LOCATION; PROCEDURE. Meetings of the Association shall be held at such suitable place convenient to the Co-owners as may be designated by the Board of Directors. Voting shall be as provided in the Condominium Bylaws. Meetings of the Association shall be

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conducted in reasonable compliance with Roberts Rules of Order, when not otherwise in conflict with the Articles of Incorporation, these Bylaws, the Condominium Master Deed or the laws of the State of Michigan.

SECTION 2. ANNUAL MEETING; AGENDA; INFORMATIONAL MEETING.

Annual Meetings of members of the corporation shall be held during the month of May, or during such other month and at such date, time and place as the Board of Directors shall direct. At such meetings there shall be elected by ballot of the Co-owners a Board of Directors in accordance with the requirements of Article IX, Section 4 of these Bylaws. The Co-owners may also transact at annual meetings such other business of the Corporation as may properly come before them. At the Annual Meeting of members, the order of business shall be as follows:

- (a) Calling the meeting to order.
- (b) Proof of notice of the meeting.
- (c) Determination of Quorum.
- (d) Reading of minutes of the last previous Annual Meeting.
- (e) Reports from officers.
- (f) Reports from committees.
- (g) Election of directors.
- (h) Miscellaneous 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 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 Association 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. MEMBERSHIP MEETING NOTICES. It shall be the duty of the Secretary (or other Association officer in the Secretary's absence) to serve a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, upon each Co-owner of record, at least ten (10) calendar days but not more than sixty (60) calendar days prior to such meeting.

The mailing, postage prepaid, of a notice to the representative of each Co-owner at the

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address shown in the notice required to be filed with the Association by Article IX, Section 3 of the Condominium Bylaws shall be deemed notice served.

Each member shall be deemed to have consented to receiving notices electronically via email or text if they provide the Association with their email address or their phone number for texting purposes. 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. QUORUM. The presence in person or by proxy of twenty-five (25%) percent in number and in value 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 herein to require a greater quorum. The written ballot 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 ballot is cast.

SECTION 6. ADJOURNMENT FOR LACK OF QUORUM. If any meeting of Co-owners cannot be held because a quorum is not in attendance, the Co-owners who are present may adjourn the meeting to another date, time and place. If the Board of Directors does not announce the time and place for the adjourned meeting at the meeting at which the adjournment is taken, then the Association shall give proper notice of the time and place of the adjourned meeting to the Co-owners as required by these Bylaws and the Nonprofit Corporation Act.

SECTION 7. 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 is present either in person or by proxy or written ballot; and if, either before or after the meeting, each of the members not present in person or by proxy or written ballot signs a written waiver of notice, or a consent to the holding of such meeting, or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

SECTION 8. MINUTES; PRESUMPTION OF NOTICE. Minutes or a similar record of the proceedings of meetings of members, when signed by the President or Secretary, shall be presumed truthfully to evidence the matters set forth therein. 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.

The minutes taken at each meeting of the Co-owners shall record, at a minimum:

- (a) An explanation of each major matter discussed at the meeting;
- (b) Each issue on which a vote is taken;
- (c) The number of votes for and against any matter on which a vote is

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taken; and

- (d) The results of the election for Directors.

The Board of Directors shall distribute the unapproved minutes of previous year's Annual Meeting minutes to the membership at least sixty (60) days prior to the date of the current year's Annual Meeting.

ARTICLE XI BOARD OF DIRECTORS

SECTION 1. ELIGIBILITY. The affairs of the Association shall be governed by a Board of Directors, all of whom must be members of the Association or the legal spouse of a member.

In order to be nominated to run for election to the Board, a member must either be present in person at the Annual Meeting to accept their nomination, or else must provide written confirmation of their acceptance of the nomination to the Board by the commencement of the Annual Meeting.

No candidate for election or appointment to the Board of Directors shall be eligible to serve (or if already elected or appointed, to continue to serve) if they are not in Good Standing. A Director who is not in Good Standing may not vote on any matter. If an elected or appointed Director fails to meet the requirements to be in Good Standing and fails to cure the reason for not being in Good Standing within 90 days, the Director shall be deemed to have automatically resigned from the Board of Directors for the remainder of the Director's term at the expiration of that 90-day period and the vacancy shall be filled in accordance with Section 5 of this Article XI.

Only one person per Unit shall be eligible as a candidate notwithstanding the fact that the Unit is jointly owned by two or more persons and/or entities. All Directors shall be residents of the Condominium. Directors shall serve without compensation.

No legal entity (such as a corporation, partnership, trust or limited liability company) shall itself be eligible to serve as a Director. If a member is a corporation, then only a shareholder or a director thereof shall be qualified and eligible to serve as a Director. If a member is a limited liability company, then only a member of the company shall be qualified and eligible to serve as a Director. If a member is a Trust, then only a present beneficiary of the Trust shall be qualified and eligible to serve as a Director.

SECTION 2. SIZE; TERMS OF OFFICE. The Board of Directors shall be composed of five (5) persons who shall manage the affairs of the Association. Directors shall serve until their successors take office at the first meeting of the Board after the Annual Meeting at which their election took place.

The term of office for each Director shall be two (2) years. In order to create staggered

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terms of office for the Board of Directors, at the first annual meeting that occurs after the adoption of these Bylaws, all 5 seats on the Board of Directors shall be up for election. The three Directors who receive the most votes from the members shall be elected to serve two-year terms, and the two Directors who won election to the Board with the least number of votes shall be elected to serve one-year terms. At the second annual meeting that occurs after the adoption of these Bylaws, two Directors shall be elected to serve two-year terms. Thereafter all terms for Directors shall be two years in length.

SECTION 3. POWERS; DUTIES. The Board of Directors shall have all 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.

To the extent that the Condominium Documents or the Act vest a power in the Board of Directors, such a power shall be exclusively vested in the Board and may not be exercised or assumed by the Co-owners (unless the Condominium Documents, the Act or other applicable law expressly require that the Co-owners have a right to exercise or assume such a power).

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

In addition to the foregoing general duties imposed by these Bylaws, or any further duties which may be imposed by resolution of the members of the Association or which may be set forth in the Association Bylaws, 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; and to enforce assessments through liens and foreclosure proceedings where appropriate;
- (c) To carry insurance and collect and allocate the proceeds thereof in the manner set forth in Article IV of these Bylaws;
- (d) To restore, repair or rebuild the Condominium, or any portion thereof improvements after the occurrence of casualty and to negotiate on behalf of all of the members in connection with any taking of the Condominium or any portion thereof, by eminent domain;
- (e) To own, acquire, maintain and improve, and to buy, operate, manage, sell, convey, assign, transfer, mortgage or lease (as landlord or tenant) or otherwise deal in any real or personal property including but not limited to any Unit in the Condominium, General Common Elements, easements, rights-of-way, and licenses or any other real or personal property, whether

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or not contiguous to the Condominium, to benefit the Members of the Association, and to further any of the purposes of the Association;

(f) To borrow money and issue evidences of indebtedness in furtherance of any and 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 more than sixty (60%) percent of all of the members of the Association in number and in value;

(g) To make rules and regulations in accordance with Article VI, Section 9 of these Bylaws;

(h) 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;

(i) To make rules and regulations and/or to enter into agreements with institutional lenders, or both for the purpose of obtaining mortgage financing for members which is acceptable for purchase by the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association and/or any other agency of the Federal Government or the State of Michigan, the County of Macomb, the Township of Shelby, or any other agency or unit of government;

(j) To enforce the provisions of the Master Deed and Bylaws of the Condominium and of the Articles of Incorporation and such Bylaws, rules and regulations of the Association as may hereafter be adopted;

(k) To sue on behalf of the Association and to assert, defend or settle claims on behalf of the Members with respect to the Condominium and its Common Elements; provided, however, that the Board shall provide at least ten (10) days' written notice to all Co-owners regarding the filing of any suit or legal proceeding (except for any actions relating to either the collection of assessments or the enforcement of the Condominium Documents);

(l) To do anything required of or permitted to it as administrator of said Condominium by the Condominium Master Deed or Bylaws or the Michigan Condominium Act, as amended;

(m) In general, to enter into any kind of activity, to make and perform any contract and to execute all powers necessary, incidental or convenient to the administration, management, maintenance, repair, replacement and operation of the Condominium and to the accomplishment of any of the purposes thereof not forbidden, and with all the powers conferred upon non-profit corporations by the laws of the State of Michigan.

SECTION 4. MANAGEMENT AGENT. The Board of Directors may employ for the

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Association a professional management agent at reasonable compensation established by the Board to perform such duties and services as the Board shall authorize, including, but not limited to, the duties listed above, and the Board may delegate to such management agent any other duties or powers which are not by law or by the Condominium Documents required to be performed by or have the approval of the Board of Directors or the members of the Association. In no event shall the Board be authorized to enter into any contract with a professional management agent in which the maximum term is greater than three (3) years or which is not terminable by the Association upon sixty (60) days written notice thereof to the other party, with or without cause, and no such contract shall violate the provisions of Section 55 of the Act.

SECTION 5. 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. All resignations must be in writing, dated and signed by the Director who is resigning.

In the event that a Director resigns or is deemed to resign under any provisions of these Bylaws and there remains at least three (3) Directors on the Board after the resignation, the remaining Directors may choose in their discretion to either appoint a replacement Director under this Section 5, or they may leave the Director's seat vacant until the next Annual Meeting, at which point the seat shall be filled by the Annual Election of Directors by the Co-owners.

When a vacancy created by a Board member's resignation is filled at the next Annual Meeting, if the member who resigned (or was deemed to have resigned) would still have had one (1) year remaining on their two (2) year term had they not resigned, then the person elected to fill that vacancy shall serve out the remaining year of the term of the Director who had resigned. For purposes of this paragraph, the "person elected to fill the vacancy" shall be the person who won election to the Board at the Annual Meeting with the least number of votes out of all of the Directors who won a seat to the Board at that Meeting.

SECTION 6. RECALL. At any regular or special meeting of the Association duly called, any one or more of the Directors may be removed with or without cause by the affirmative vote of those Co-owners who represent more than fifty (50%) percent of all of the Units in the Condominium and a successor may then and there be elected to fill any vacancy thus created. Any Director whose removal has been proposed by the Co-owners shall be given an opportunity to be heard at the meeting.

Any Director who shall fail to attend any three (3) consecutive regular meetings of the Board without prior notification and valid reason, shall be deemed to have automatically resigned effective as of the adjournment of the third meeting missed. Upon such resignation, a successor may be appointed by the remaining members of the Board as if a vacancy had been created through resignation as provided in Section 5 above.

SECTION 7. FIRST MEETING OF THE BOARD. The first meeting of a newly

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elected Board of Directors shall be held at the next Regular meeting of the Board, but in no event shall the meeting be held more than ten (10) days from the date of election. Notice of the meeting shall be given to the Directors as prescribed in Section 8 of this Article XI. The purpose of this meeting shall be the election of officers and such other matters as might come before the Board at a Regular meeting. If the date, place, and time of the first Board meeting is set at the membership meeting at which the new Directors were elected and the majority of the Board is present at said meeting, then the Board need not provide any written notice for the first Board meeting.

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

SECTION 8. REGULAR BOARD MEETINGS. Regular monthly meetings of the Board of Directors shall be held at such times and places as shall be determined by a majority of the Directors. Notice of regular meetings of the Board of Directors shall be given to each Director, personally, by mail, fax, telephone, or email, at least ten (10) days prior to the date named for such meeting.

SECTION 9. SPECIAL BOARD MEETINGS. Special meetings of the Board of Directors may be called by the President on three (3) calendar days' notice to each Director, given personally, by mail, fax, telephone, or email, 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 any one Director.

SECTION 10. BOARD VOTING ON ACTIONS WITHOUT A MEETING. Directors may vote via email without a meeting only if all Directors concur in the action that is the subject of the vote. In such event, the vote shall have the same effect as if a meeting had been physically held. The emails containing the approvals of all of the Board members of the action or decision shall be added to the minutes at the next Board meeting.

SECTION 11. MEETINGS – REMOTE COMMUNICATION. Directors may also participate in Board meetings via telephone conference call, video/internet conferencing (e.g., Zoom, Skype, Facetime, etc.), or by any other means of remote communication by which all persons can communicate with each other. Participation in a Board meeting by such means shall constitute being present in person at the meeting for any and all purposes.

SECTION 12. WAIVER OF NOTICE. Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meetings of the Board shall be deemed a waiver of notice by them of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be

transacted at such meeting.

SECTION 13. VOTING AT BOARD MEETINGS; QUORUM. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors.

If, at any meeting of the Board of Directors, there be less than a quorum present, the majority of those present may adjourn the meeting to a subsequent time upon 24 hours' prior written notice delivered to all Directors not present. At any such adjourned meeting, any business that 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 14. FIDELITY BONDS; EMPLOYEE DISHONESTY INSURANCE. The Board of Directors shall require that all directors, officers, agents, and employees of the Association handling or responsible for Association funds shall be covered by adequate fidelity bonds and/or employee dishonesty insurance purchased by the Association. The premiums on such bonds and insurance shall be expenses of administration. Such bonds or insurance shall not be less than the amount of the reserve funds plus a sum equal to three month's aggregate assessments on all units.

SECTION 15. EXECUTIVE SESSIONS. The Board of Directors may, in its discretion, close a portion or all of any meeting of the Board of Directors to the members of the Association or may permit members of the Association to attend a portion or all of any meeting of the Board of Directors.

Any member of the Association shall have the right to inspect, and make copies of, the final, approved minutes of the executive session meetings of the Board of Directors; provided, however, that no member of the Association shall be entitled to review or copy any such minutes or portions of minutes which reference any of the following:

- (a) privileged communications between the Board of Directors and counsel for the Association, or any other matter to which a privilege against disclosure pertains under Michigan Statute, common law, the Michigan Rules of Evidence, or the Michigan Court Rules;
- (b) any unpaid amounts owed by a specific Owner to the Association, or the names and addresses of such Owners;
- (c) any information the disclosure of which would impair the lawful purposes of the Association;
- (d) any information the disclosure of which would impair the rights of privacy or free association of any Co-owner of the Association;

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(e) any information relating to a pending Bylaw violation enforcement matter against a Co-owner; or

(f) information the disclosure of which may compromise or adversely affect the Association in pending or threatened legal proceedings.

SECTION 16. CONFLICTS OF INTEREST. In the event any Director shall have any relationship or transactions with, or interest in, any person or entity with whom or which the Association may have any contractual dealings, such Director shall have an affirmative duty to disclose such relationship, transactions, or interest, in writing, to the Board of Directors at a Board meeting as soon as such contractual dealings are contemplated or initiated. The proposed contractual dealings must be fair to the Association at the time entered into, and the Director must disclose or make known to the Board all material facts of such relationships, transactions, and/or interests. If a Director has any such relationships, transactions, or interest, they shall recuse themselves from any vote taken by the Board to ratify or approve the contractual dealings.

SECTION 17. MEETING MINUTES. Minutes shall be taken at each meeting of the Board of Directors. Such minutes shall:

- (a) identify all persons present during the meeting and the time present if not present for the entire meeting;
- (b) record an explanation of the subject of each matter discussed;
- (c) state each issue on which a vote is taken;
- (d) record by name the vote of each Director on each vote taken;
- (e) record any dissenting votes; and
- (f) record any Director's recusal from voting on a matter.

Such minutes, which shall be presented for approval by members of the Board by no later than the next regular Board meeting.

The minutes for the executive session portion of Board meetings shall be kept separately from the minutes of the regular session of such meetings. Minutes of executive sessions of Board meetings may only be disclosed to the general membership in accordance with Section 15 of this Article, and Article XIII.

ARTICLE XII **OFFICERS**

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

(a) **PRESIDENT.** The President shall be the chief executive officer of the Association and shall preside at all meetings of the Association and of the Board of Directors. The President shall have all of the general powers and duties which are usually vested in the office of the President of an Association, including, but not limited to, the non-exclusive power to appoint committees from among the members of the Association to assist in the conduct of the affairs of the Association.

(b) **VICE PRESIDENT.** The Vice President shall take the place of the President and perform the duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other member of the Board to do so on an interim basis. The Vice President shall also perform such other duties as shall from time to time be determined 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; they shall have charge of such books, contracts, records, financial statements and papers as the Board of Directors may direct; and they shall, in general, perform all duties incident to the office of the Secretary. The Secretary, or, in the absence or disability of the Secretary, the Treasurer, shall sign the minutes upon approval.

(d) **TREASURER.** The Treasurer shall have responsibility for the Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. They shall be responsible for the deposit of all monies and other valuable effects in the name and to the credit of the Association, and in such depositories as may, from time to time, be designated by the Board of Directors. The Treasurer shall review and oversee payment of all invoices and shall review the monthly and annual financial statements of the Association. The Treasurer shall monitor the reserve funds of the Association and consult with the Board as necessary concerning such funds.

To the extent permitted by law and these Bylaws, the Treasurer's duties described herein may be delegated, in whole or in part, to a professional management agent to be performed on the Board's behalf and subject to its regular review pursuant to Article XI, Section 4 of these Bylaws. All decisions concerning reserve funds shall be made by the Board exclusively and shall not be delegated to any third party in any event.

All decisions concerning reserve funds shall be made by the Board exclusively and shall not be delegated to any third party in any event. Withdrawals from reserve funds shall be approved in advance by signature of at least one director if payable to the Association; if payable

to any other party the signature of at least two directors shall be required. Reserve funds shall be used only for such purposes as are permitted under Michigan law.

SECTION 2. ELECTION. After each annual meeting of the Association, the Board of Directors shall elect Officers at its first organizational meeting. Officers 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 from his or her officership either with or without cause, and their 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.

An officer who is removed from his or her officership shall remain on the Board as a Director at large unless otherwise removed from the Board by the Co-owners under Article XI, Section 6 of these Bylaws.

SECTION 4. MISCELLANEOUS DUTIES. The officers shall have such other duties, powers and responsibilities as shall, from time to time, be authorized by the Board of Directors.

ARTICLE XIII **RECORDS AND FINANCE**

SECTION 1. RECORDS. The Association shall keep detailed books of account showing all expenditures and receipts of administration, and 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, subject to the other provisions of this Article and the Condominium Documents generally.

SECTION 2. CO-OWNER'S RIGHT TO INSPECT. A member has the right to inspect the Association's books, records and financial statements in accordance with these Bylaws, as well as the rights and remedies afforded to members under the Michigan Condominium Act, MCL 559.157(1), the Nonprofit Corporations Act, MCL 450.2487, and any other applicable law. A member who is Director may examine any of the Association's books, records, contracts and financial statements for a purpose reasonably related to his position as Director.

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

- (a) the purpose of the inspection;

- (b) the records that the Co-owner desires to inspect; and
- (c) how the records sought are directly connected to the purpose of the inspection.

For the purposes of this Section, a “proper purpose” is defined as set forth in the Master Deed, Article III, Section 32 and under applicable common law.

A member’s right to inspect the Association’s books, records and financial statements under the Bylaws and all applicable laws shall be cumulative and not exclusive. A Co-owner may choose to exercise some or all of these legal rights in his or her discretion, and a Member’s failure to exercise these rights shall not constitute a waiver of any rights. The “right to inspect” under this Section and the Master Deed, includes the right of the Co-owner to make copies (including photographic copies of the documents inspected) and to make extracts from the records. The Association may assess the Co-owner a reasonable charge for the cost of any copies requested by the Co-owner.

SECTION 3. LIMITATIONS ON RIGHT TO INSPECT. Notwithstanding the foregoing, a Co-owner does not have the right to inspect, copy or make extracts of the books, records, and financial statements of the Association if the Board of Directors has made a good faith determination, in its sole discretion, that one or more of the following applies to the documents requested for inspection and copying by the Co-owner:

- (a) The documents contain privileged communications between the Board of Directors and counsel for the Association, or any other matter to which a privilege of disclosure pertains under Michigan Statute, common law, the Michigan Rules of Evidence, or the Michigan Court Rules;
- (b) The documents contain information regarding any unpaid amounts owed by a specific Co-owner to the Association;
- (c) Disclosure of the documents requested would impair the lawful purpose of the Association;
- (d) Disclosure of the documents would impair the rights of privacy or free association of any Co-owner of the Association; or
- (e) Disclosure of the documents may compromise or adversely affect the Association in any pending or threatened legal proceeding.

SECTION 4. FINANCIAL STATEMENTS. The Association shall prepare and distribute to each Co-owner at least annually a financial statement, the contents of which shall be defined by the Association. The financial statement shall be distributed to the Co-owners along with the Notice for the Annual Meeting each year.

The books of account shall be audited by a qualified independent certified public accountant annually. Pursuant to MCL 559.157(3), the Association may opt out of conducting a review or audit on an annual basis by an affirmative vote of a majority of the members.

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 audit and any accounting expenses shall be expenses of administration.

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

SECTION 5. 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. Absent such determination by the Board of Directors, the fiscal year of the Association shall be the calendar year. The commencement date of the fiscal year shall be subject to change by the directors for accounting reasons or other good cause.

SECTION 6. DEPOSITORIES. The funds of the Association shall be initially deposited in such credit unions, banks or with insured securities brokers or invested in federally insured securities as may be designated by the 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 banks or credit unions as are insured by an agency of the federal government and may also be invested in interest-bearing obligations of the United States Government or in such other depositories as may be adequately insured in the discretion of the Board of Directors.

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

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

SECTION 1. INDEMNIFICATION OF DIRECTORS, OFFICERS AND NON-DIRECTOR VOLUNTEERS – GENERALLY. The Association shall indemnify any person who was or is a party or is threatened to be made a party to a threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative and whether formal or informal, other than an action by or in the right of the Association, by reason of the fact that they are or were a Director, Officer, nondirector volunteer, agent or employee of the Association, against expenses, including attorneys' fees, judgments, penalties, fines and amounts

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paid in settlement actually and reasonably incurred by them in connection with the action, suit or proceeding, if the person acted in good faith and in a manner they reasonably believed to be in, or not opposed to, the best interests of the Association or its members, was not guilty of willful and wanton misconduct or gross negligence and, with respect to a criminal action or proceeding, if the person had no reasonable cause to believe their conduct was unlawful.

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

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

SECTION 2. INDEMNIFICATION OF DIRECTORS, OFFICERS AND NON-DIRECTOR VOLUNTEERS – DERIVATIVE ACTIONS IN THE RIGHT OF THE ASSOCIATION. The Association shall indemnify any person who was or is a party or is threatened to be made a party to a threatened, pending or completed action or suit in the right of the Association to procure a judgment in its favor by reason of the fact that he or she is or was a Director, Officer, non-director volunteer, agent or employee of the Association, against expenses, including attorneys' fees and amounts paid in settlement actually and reasonably incurred by them in connection with the action or suit, if the person acted in good faith and in a manner they reasonably believed to be in or not opposed to the best interests of the Association or its members and was not guilty of willful and wanton misconduct or gross negligence.

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

SECTION 3. DIRECTORS AND OFFICERS LIABILITY INSURANCE. The Association shall provide liability insurance for every Director, Office, employee, non-director volunteer or agent of the Association for the same purposes provided above in Sections 1 and 2 and in such amounts as may reasonably insure against the person and incurred by the person in that capacity or arising out of the person's status as such.

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

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

ARTICLE XV
AMENDMENTS

SECTION 1. PROPOSAL. Amendments to these Bylaws may only be proposed as follows:

(a) the Board of Directors of the Association acting upon the vote of the majority of the Directors; or

(b) In a written instrument signed by one third (1/3) or more in number and value of the Co-owners of the Condominium.

The Association shall be required to provide prior written notice to all of the Co-owners of the Condominium of the text of any and all proposed amendments to these Bylaws before a vote of the membership may be held on the amendments.

SECTION 2. MEMBERSHIP MEETINGS REGARDING AMENDMENTS, VOTING BY WRITTEN BALLOT.

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

(b) **COMMENCEMENT OF VOTING ON AMENDMENTS.** The actual vote on the amendments may (but need not) be commenced at this Informational Meeting after the conclusion of Membership discussion regarding the amendments. The Board shall have discretion to decide by majority vote of the Board whether or not to commence the vote on the amendments at that time. The Board may, in its discretion, choose to have more than one Informational Meeting with the Membership before deciding to commence any Co-owner voting on amendments.

Voting may only be commenced at an Informational meeting if the Notice for the meeting that was sent to the Membership stated that voting may be conducted on the amendments at the Meeting at the close of Co-owner discussion.

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The Board may also choose not to begin voting at the end of an Informational Meeting, but to begin the vote at a later date by written ballot, at another Membership meeting, polling place, or via any other voting method permitted by the Condominium Documents and the Nonprofit Corporation Act.

The Association may conduct a Co-owner vote on the proposed amendments solely by written ballot under Section 408 or by polling place under Section 409 of the Nonprofit Corporation Act and these Bylaws as long as at least one (1) prior meeting of the membership has been held to discuss and review the proposed amendments, as outlined herein.

(c) **CONTINUATION OF VOTING PERIOD.** If the Board votes to commence the Co-owner vote at an Informational Meeting, the vote need not be concluded at that particular Meeting if sufficient votes are not received from the Co-owners to decide the issue. The vote may be continued by written ballot or polling place to the fullest extent permitted by the Nonprofit Corporation Act and other applicable law. The vote may also be continued at subsequent regular meetings or at special meetings of the Membership called for such purposes.

Voting by written ballot and/or polling place also may be combined with voting conducted in person or by proxy or by written ballot at membership meetings on the same amendment proposals to the fullest extent permitted by the Nonprofit Corporation Act and any other applicable law.

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

(e) **RECORD DATE.** The record date for any vote conducted on amendments shall be as required by the Nonprofit Corporation Act, unless the Board specifically chooses a different record date than the Act's default provisions would provide.

The record date for a vote shall be provided to the Co-owners in writing as required by the Nonprofit Corporation Act. The record date for a vote on amendments must comply with the Nonprofit Corporation Act requirements, but the Board shall have the discretion to choose a record date to the fullest extent permitted by the Act, if it wishes to do so.

SECTION 3. CO-OWNER APPROVAL. Except as expressly limited in Section 5 of this Article, these Bylaws may be amended by the Association 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 in number and in value entitled to vote as of the record date of such vote.

The vote on the amendments may take place at any annual or special membership meeting

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duly called for such purpose, or via written ballot as permitted by these Bylaws and the Nonprofit Corporation Act.

For purposes of this Article, a “material” amendment is an amendment to the Condominium Bylaws that in any way alters or changes a Co-owner’s legal rights or obligations under the Condominium Bylaws, or which give the Bylaws a different legal effect in regard to Co-owners.

SECTION 4. MORTGAGEE APPROVAL. Whenever a proposed amendment would materially alter or change the rights of mortgagees (as defined in Section 90a(9) of the Act), such amendment shall require the consent of not less than two-thirds (2/3) of all mortgagees of record. A mortgagee shall have one vote for each mortgage held. Mortgagee approval shall be solicited in accordance with Section 90a of the Act.

Any other provision of the Condominium Documents which requires or permits a mortgagee vote on any issue (including non-amendment issues) shall be governed by the procedures and rules for mortgagee voting as are set forth in Section 90a of the Act.

SECTION 5. BOARD’S POWER TO ENACT NON-MATERIAL AMENDMENTS FOR SPECIFIC PURPOSES. The Association may (acting through a majority of its Board of Directors and without the consent of any Co-owner or any other person) amend these Bylaws as long as the amendments do not materially affect any rights of the Co-owners in the Condominium or impair the security of any mortgage holder, but only if the amendments serve at least one of the following specific purposes:

(a) to correct survey errors or any other types of errors in the Condominium Bylaws;

(b) to maintain the Condominium Bylaws in compliance with the Act;

(c) to facilitate conventional mortgage loan financing or refinancing for existing or prospective Co-owners;

(d) to enable the purchase of such mortgage loans by the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association, and/or any other agency of the Federal government or the State of Michigan; or

(e) to reflect and permit changes in technology related to building materials or standards which otherwise would not noticeably alter the appearance, color or style of Condominium Units, improvements, or the Common Elements.

SECTION 6. WHEN EFFECTIVE. For all amendments, Co-owners shall be notified of the proposed amendments not less than ten (10) days before the amendment is recorded with the Register of Deeds. Any amendment to these Bylaws shall become effective upon recording of

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such amendment in the Office of the Register of Deeds in Macomb County.

SECTION 7. COSTS OF AMENDMENT. Any person causing or requesting an amendment to these Condominium Bylaws shall be responsible for the costs and expenses of considering, adopting, preparing and recording such amendment; provided, however, that such costs and expenses relating to amendments adopted pursuant to Article XIV, Section 5 shall be expenses of administration.

SECTION 8. 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 of whether such persons actually receive a copy of the amendment.

ARTICLE XVI **COMPLIANCE**

The Association of Co-owners and all present or future Co-owners, tenants, future tenants, guests, licensees, invitees, land contract purchasers, non-Co-owner occupants or any other persons acquiring an interest in or using the facilities of the Condominium in any manner are subject to and shall comply with the Act, as amended, and with the Condominium Documents 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.

ARTICLE XVII **CAPTIONS, HEADINGS AND EXAMPLES**

The captions, Section headings, sub-headings and examples contained in these Condominium Bylaws are for convenient reference and illustrative purposes only, and shall not add to or detract from nor in any way expand or limit the content of the Articles and Sections set forth herein.

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

ARTICLE XIX **REMEDIES FOR DEFAULT**

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SECTION 1. RELIEF AVAILABLE. Any default by a Co-owner shall entitle the Association or another Co-owner or Co-owners to the following relief:

(a) **LEGAL ACTION.** Failure to comply with any of the terms or provisions of the Condominium Documents or the Act, including any of the rules and regulations promulgated by the Board of Directors of the Association hereunder, 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.

(b) **RECOVERY OF COSTS.** In the event of a default of the Condominium Documents by a Co-owner and/or non-Co-owner occupant, resident or guest, the Association shall be entitled to recover from the Co-owner and/or non-Co-owner occupant, resident or guest, the pre-litigation costs and attorney fees incurred in obtaining their compliance with the Condominium Documents.

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 fees (not limited to statutory fees), as may be determined by the Court.

The Association, if successful, shall also be entitled to recoup the costs and attorney's fees incurred in defending any claim, counterclaim, or other matter from the Co-owner asserting the claim, counterclaim, or other matter.

(c) **REMOVAL AND ABATEMENT.** The violation of any of the provisions of the Condominium Documents, including the rules and regulations promulgated by the Board of Directors of the Association, 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, where reasonably necessary, and summarily remove and abate, at the expense of the Co-owner in violation, any structure, thing or condition existing or maintained contrary to the provisions of the Condominium Documents; provided, however, that judicial proceedings shall be instituted before items of construction are altered or demolished pursuant to this subsection.

The Association shall have no liability to any Co-owner arising out of the exercise of its removal and abatement power authorized herein. The Association may assess to the Co-owner any and all expenses, attorney's fees and costs incurred arising out of or relating to the removal or abatement in the same manner as assessments under Article II of these Bylaws and Sections 1 (a) and (b) of this Article XIX.

(d) **ASSESSMENT OF FINES.** The violation of any of the provisions of the Condominium Documents, including by any Co-owner, non-Co-owner occupant, guest or tenant, in addition to the rights set forth above, shall be grounds for assessment by the Association, acting through its duly constituted Board of Directors, of monetary fines for such violations. Such Co-

owner shall be deemed responsible for such violations whether they occur as a result of his personal actions or the actions of his non-Co-owner occupants, family, guests, tenants, or any other person admitted through such Co-owner to the Condominium Premises.

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

(i) **PROCEDURES.** Upon any violation being alleged by the Association, a written notice shall be sent to the offending Co-owner describing the facts constituting the alleged violation and the specific restriction alleged to have been violated. The notice shall advise the Co-owner if the alleged violation is of the nature of a continuing violation or a Repeat Violation as such terms have been defined later herein, as applicable. The notice also shall give the Co-owner the opportunity to request a hearing on the alleged violation before the Board of Directors at the next regularly scheduled Board meeting, or at a Special Board Meeting held at the Board's earliest convenience, but in no event shall the hearing take place fewer than seven (7) days from the date of the notice. At the hearing, the Co-owner shall have the right to appear before the Board and offer evidence in defense of the alleged violation.

(ii) **HEARING AND DECISION.** At the hearing, the Co-owner shall have the right to appear before the Board and offer evidence in defense of the alleged violation.

Upon appearance by the Co-owner before the Board and presentation of evidence of defense; or, in the event of the Co-owner's default in failing to appear, the Board shall, by majority vote of a quorum of the Board, decide whether a violation has occurred. The Board shall issue a written notice of its determination within ten (10) days after the hearing and, upon finding that a violation has occurred, the Board of Directors may levy a fine in accordance with the following subsection.

Once a notice of violation letter has been sent to a Co-owner, the Co-owner's subsequent curing of the violation shall not, in and of itself, prohibit the Board from finding (whether via default or at a hearing with the Owner) that a violation nevertheless occurred prior to the Co-owner's cure efforts, or from assessing fines to the Co-owner as might otherwise be appropriate for Repeat and Continuing Violations hereunder.

(iii) **DEFAULT.** Failure to respond to the notice of violation within ten (10) days or to notify the Board within ten (10) days of a request to appear for a hearing or to appear for a hearing before the Board about the violation shall constitute a default. The Owner's default shall be noted in the minutes of the Board meeting at which the Owner was scheduled to appear. If the Owner does not respond to the notice or does not request a hearing, then the Owner's default shall be entered in the minutes at the first Board meeting that takes place after the notice of violation was sent.

(iv) **FINE SCHEDULE.** Upon a determination that a violation of any of the provisions of the Condominium Documents or the Rules or Regulations of the Board has

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occurred, the following fines may be levied (for other than Continuing Violations):

1 st Violation	Warning – No Fine Ten (10) days to remedy or request hearing
2 nd Violation	\$25.00 fine Three (3) days to remedy
3 rd Violation	\$50.00 fine Three (3) days to remedy
4 th & Subsequent Violation	\$100.00 fine and possible attorney involvement

Upon determination that a warning or fine shall be issued, the following schedule shall be adhered to:

1 st Violation	Ten (10) Days to Remedy or request hearing
2 nd Violation	May be issued on or after the 11 th day after issuance of 1 st Violation Three (3) days to remedy
3 rd Violation	May be issued on or after the 4 th day after issuance of 2 nd Violation Three (3) days to remedy
4 th & Subsequent	May be issued on or after the 4 th day after issuance of 3 rd Violation and any Subsequent Violations Possible attorney involvement

The fines levied pursuant to this Section shall be assessed against the Co-owner and shall be due and payable together with the regular Condominium assessment on the first day of the next following month. Failure to pay the fine will subject the Co-owner to all liabilities set forth in the Condominium Documents including, without limitation, those described in the Bylaws, Article II.

The Board of Directors, without the necessity of an amendment to these Bylaws, may make such changes in said fines or adopt alternative fines, including the indexing of such fines to the rate of inflation, in accordance with duly adopted Rules and Regulations promulgated in accordance with Article VI, Section 9 of these Bylaws.

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(v) **REPEAT VIOLATIONS – DEFINED; FINE AMOUNTS.** For purposes of this Article, the number of a violation (i.e., First, Second, Third, etc.) is determined with respect to the number of times that a Co-owner violates the same provision of the Condominium Documents after the date of recording of these amendments with the Register of Deeds, and for as long as that Co-owner may be an owner of a Unit or an occupant in the Project, and is not based upon time or violations of entirely different provisions of the Condominium Documents. Violations that are repeated more than once by the same Co-owner shall be known as “Repeat Violations” for purposes of this Article. The fine schedule applicable to repeat violations is set forth in sub-Section (d) (iv) above.

(vi) **CONTINUING VIOLATIONS.** For purposes of this Article, a “Continuing Violation” is any violation of the Condominium Documents which commences after the date of the recording of these amendments with the Register of Deeds and which persists or has persisted for more than one day and continued unabated for a period of time at least up until the date on which the notice of violation letter is sent to the Co-owner about the alleged violation.

For any violations that are in the nature of Continuing Violations, the Board may, in its discretion, levy a fine against the Co-owner in the amount of \$10.00 per day. Such fines shall accrue from the day after the date on which the Association mails written notice of the continuing violation to the offending Co-owner until such time as the violation is cured.

If the Continuing Violation is upheld at the Board hearing concerning the violation that takes place under Section 1 (d) (ii) of this Article, all fines levied against the Co-owner for the continuing violation shall then be added to the Co-owner’s account and shall be due and payable on the first day of the following month along with the co-owner’s assessment amount, and shall be collected from the Co-owner in the same manner as unpaid assessments pursuant to Article II hereof.

If the Continuing Violation is upheld at the Board hearing concerning the violation that takes place under Section 1(d)(ii), whether the Co-owner appears for the hearing or not, the Association may continue to fine the Co-owner for the continuing violation as set forth above without the need for any additional hearing.

SECTION 2. NONWAIVER 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, provisions, covenant or condition in the future.

SECTION 3. CUMULATIVE RIGHTS & REMEDIES. 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 aforesaid 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.

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SECTION 4. CO-OWNER'S RIGHT TO ENFORCE AGAINST THE ASSOCIATION, DIRECTORS, AND OFFICERS. A Co-owner may maintain an action against the Association and its Officers and Directors or against another Co-owner to compel such persons to enforce the terms and provisions of the Condominium Documents.

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

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

(b) The Co-owner may not recover any pre-litigation attorney's fees or costs;

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

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

(ii) A claim by the Co-owner to enforce a legal right that he or she has under the Michigan Condominium Act, the Nonprofit Corporation Act, or other applicable law; or

(iii) A claim by the Co-owner brought against the Association's Directors or Officers (including, but not limited to, tort claims) which arises out of or relates to any action or inaction taken by the Director or Officer while acting in their capacity as Directors or Officers of behalf of the Association.

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

ARTICLE XX
SEVERABILITY

In the event that any of the terms, provisions, or covenants of these Bylaws or the

AMENDED AND RESTATED CONDOMINIUM BYLAWS – HERITAGE PLACE

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 documents or the remaining portions of any terms, provisions or covenants held to be partially invalid or unenforceable.

ARTICLE XXI
CONFLICTS

In the event the Condominium Documents conflict with the provisions of the Act, the Act shall govern. In the event any provision of these Bylaws conflicts with any provision of the Master Deed, the Master Deed shall govern. In the event that any rules, regulations, or policies adopted by the Board shall conflict with the Bylaws or Master Deed, the Master Deed and Bylaws shall control over such rules, regulations and policies.

ARTICLE XXII
NONDISCRIMINATION POLICY AND FAIR HOUSING COMPLIANCE

The Association and its Board of Directors and Officers do not participate in or tolerate any conduct that might constitute discrimination based upon race, color, national origin, religion, sex, disability, sexual orientation, gender identity, familial status (including children under the ages of eighteen (18) living with parents or legal custodians), pregnant women, or disability.

The Association and its Board of Directors and Officers will not enforce any of the provisions in the Condominium Documents or take any other actions or fail to act in any manner that might constitute unlawful discrimination under the Fair Housing Act or any other applicable federal, state or local laws against such discriminatory conduct.

The Association makes reasonable accommodations in its policies and procedures and permits reasonable modifications of the Condominium premises where necessary or appropriate to comply with Fair Housing laws.
