

# CONDOMINIUM BYLAWS

## BAY VIEW PINES

### ARTICLE I

#### ASSOCIATION OF CO-OWNERS

- A. BAY VIEW PINES shall be administered by an Association of Co-Owners which shall be a non-profit corporation, hereinafter called the "Association" organized under the laws of the State of Michigan.
- B. The Association shall be organized to manage, maintain, and operate the Condominium in accordance with the Master Deed, these Bylaws, the Articles of Incorporation and Bylaws of the Association and the laws of the State of Michigan. The Association may provide for independent management of the Condominium Project.
- C. Membership in the Association and voting by the members of the Association shall be in accordance with the following provisions:
1. Each Co-Owner shall be a member of the Association and no other person or entity shall be entitled to membership.
  2. The share of a Co-Owner in the funds and assets of the Association cannot be assigned, pledged or transferred in any manner except as an appurtenance to his unit in the Condominium.
  3. Each Co-Owner shall be entitled to one vote for each Condominium unit owned when voting by number and one vote when voting by value (all units being assigned an equal percentage of value in Article V of the Master Deed).
  4. No Co-Owner, other than the Developer, shall be entitled to vote at any meeting of the Association until he has presented evidence of ownership of a unit in the Condominium Project to the Association. No Co-Owner, other than the Developer, shall be entitled to vote prior to the First Annual Meeting of Members held in accordance with Paragraph H of this Article I. The vote of each Co-Owner may only be cast by the individual representative designated by such Co-Owner in the notice required in Paragraph 5 below or by a proxy given by such individual representative. The Developer shall be entitled to vote each unit which it owns and with respect to which it is paying full monthly assessments. Notwithstanding anything herein to the contrary, a purchaser of a unit by means of a land contract shall be designated the owner of that unit and entitled to the vote for that unit.
  5. Each Co-Owner shall file a written notice with the Association, designating the individual representative who shall vote at meetings of the Association and receive all notices and other communications from the Association on behalf of such Co-Owner. Such notice shall state the name and address of each person, firm, corporation, partnership, association, trust or

other entity who is the Co-Owner. Such notice shall be signed and dated by the Co-Owner. The individual representative designated may be changed by the Co-Owner at any time by filing a new notice in the manner herein provided.

6. There shall be an annual meeting of the members of the Association commencing with the First Annual Meeting held as provided in Paragraph H of this Article I. Other meetings may be provided for in the Bylaws of the Association. Notice of the time, place and subject matter of all meetings shall be given to each Co-Owner by mailing the same to each individual representative designated by the respective Co-Owner at least ten (10) days prior to said meeting.
  7. The presence, in person or by proxy, of three fifths ( $3/5$ ) of the Co-Owners in number and in value shall constitute a quorum for holding a meeting of the members of the Association, except for voting on questions specifically required to require a greater quorum. The written vote of any person furnished at or prior to any duly called meeting, at which meeting said person is not otherwise present in person or by proxy shall be counted in determining the presence of a quorum with respect to the question upon which a vote is cast.
  8. Votes may be cast in person or by proxy or by writing, duly signed by the designated voting representative not present at a given meeting in person or by proxy. Proxies and any written vote must be filed with the secretary of the Association at or before the appointed time of each meeting of the members of the Association. Cumulative voting shall not be permitted.
  9. A majority, except where otherwise provided herein, shall consist of more than fifty (50%) per cent in value of those qualified to vote and present in person or by proxy (or written vote, if applicable) at a given meeting of the members of the Association. Whenever provided specifically herein, a majority may be required to exceed the simple majority herein above 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.
- D. The Association shall keep detailed books of account showing all expenditures and receipts of administration which shall specify the maintenance and repair expenses of the common elements, if any, and any other expenses incurred by or on behalf of the Association and the Co-Owners. Such accounts and all other Association records shall be open for inspection by the Co-Owners and their mortgagees during reasonable working hours. The Association shall prepare and distribute to each Co-Owner at least once a year a financial statement, the contents of which shall be defined by the Association. The books of account shall be audited at least annually by qualified independent auditors; provided, however, that such auditors need not be certified public accountants, nor does such audit need to be a certified audit. Any institutional holder of a first mortgage lien on any lien in the Condominium shall be entitled to receive a copy of such annual audited financial statement within ninety (90) days following the end of the Association's fiscal year upon request therefor. The costs of any such audit and any accounting expenses shall be expenses of administration. The Association also shall maintain on file current copies of the Master Deed for the Project, any amendments thereto and all other Condominium Documents, and shall permit all Co-Owners,

prospective purchasers and prospective mortgagees interested in the Project, to inspect the same during reasonable hours.

- E. The affairs of the Association shall be governed by a Board of Directors, all of whom shall serve without compensation and who must be members of the Association, except for the first Board of Directors designated in the Articles of Incorporation of the Association and any successors thereto elected by the Developer prior to the First Annual Meeting.
- F. The Association Bylaws shall provide the designation, number, terms of office, qualifications, manner of election, duties, removal and replacement of the officers of the Association and may contain any other provisions pertinent to officers of the Association in furtherance of the provisions and purposes of the Condominium Documents and not inconsistent therewith.
- G. Every director and every officer of the corporation shall be indemnified by the corporation against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him in connection with any proceeding to which he may be a party, or in which he may become involved, by reason of his being or having been a director or officer when expenses are incurred, except in such cases wherein the director or officer is adjudged guilty of willful or wanton misconduct or gross negligence in the performance of his duties; provided that, in the event of any claim for reimbursement or indemnification hereunder based upon a settlement by the director or officer seeking reimbursement or indemnification, the indemnification herein shall apply only if the Board of Directors (with the directors seeking reimbursement abstaining) approves such settlement and reimbursement as being in the best interest of the corporation. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such director or officer may be entitled. At least ten (10) days prior to payment of any indemnification which it has approved, the Board of Directors shall notify all Co-Owners thereof.
- H. The First Annual Meeting of the members of the Association may be convened by the Board of Directors and may be called at any time after conveyance of legal or equitable title to a unit to a non-developer Co-Owner but in no event later than one hundred twenty (120) days after such event. The date, time and place of such First Annual Meeting shall be set by the Board of Directors, and at least ten (10) days written notice thereof shall be given to each Co-Owner. Thereafter, an annual meeting shall be held each year on such date as is specified in the Association Bylaws. The Board of Directors shall establish an Advisory Committee of non-developer members upon the passage of: (a) one hundred twenty (120) days after legal or equitable title to two (2) condominium units has been conveyed to non-developer Co-Owners; or (b) one (1) year after the first conveyance of legal or equitable title to a condominium unit to a non-developer Co-Owner, whichever first occurs. The Advisory Committee shall meet with the Board of Directors to facilitate communication with the non-developer members and to aid in transferring control from the Developer to non-developer members. The Advisory Committee shall be composed of not less than one (1) nor more than three (3) non-developer members, who shall be appointed by the Board of Directors in any manner it selects, and who shall serve at the pleasure of the Board of Directors. The Advisory Committee shall automatically dissolve after a majority of the Board of Directors is comprised of non-developer Co-Owners. The Advisory Committee shall meet at least quarterly with the Board of Directors.

Reasonable notice of such meetings shall be provided to all members of the Committee, and such meetings may be open or closed, in the discretion of the Board of Directors.

- I. Not later than one hundred and twenty (120) days after the conveyance of legal or equitable title to non-Developer co-owners of twenty-five percent (25%) of the units that may be created, at least one (1) Director and at least one-fourth (1/4) of the Board of Directors of the Association shall be elected by non-Developer co-owners. Not later than one hundred and twenty (120) days after the conveyance of legal or equitable title to non-Developer co-owners of fifty percent (50%) of the units that may be created, at least one-third (1/3) of the Board of Directors shall be elected by non-Developer co-owners. Not later than one hundred and twenty (120) days after the conveyance of legal or equitable title to non-Developer co-owners of seventy-five percent (75%) of the units, the non-Developer co-owners shall elect all Directors on the Board except that the Developer may designate at least one (1) Director as long as the Developer owns or offers for sale at least ten percent (10%) of the units in the Project or as long as ten percent (10%) of the units that may be created remain unbuilt.

Notwithstanding the formula provided above, fifty-four (54) months after the first conveyance of legal or equitable title to a non-Developer co-owner of a Unit in the Project, if title to at least seventy-five percent (75%) of the units that may be created has not been conveyed, the non-Developer co-owners may elect the number of Members of the Board of Directors of the Association equal to the percentage of units they hold, and the Developer may elect the number of Members of the Board equal to the percentage of units that it owns and pays assessments for. This election may increase but not reduce the minimum election and designation rights otherwise established in these Bylaws. The application of this provision does not require a change in the size of the Board as stated in the Association Bylaws.

If the calculation of the percentage of Members of the Board that the non-Developer co-owners may elect or if the product of the number of Members of the Board multiplied by the percentage of units held by the non-Developer co-owners results in a right of non-Developer co-owners to elect a fractional number of Members of the Board, a fractional election right of zero point five (0.5) or more shall be rounded up to the nearest whole number, which shall be the number of Members of the Board that the non-Developer co-owners may elect. After applying this formula, the Developer may elect the remaining Members of the Board. The application of this provision shall not eliminate the right of the Developer to designate at least one (1) Member, as provided in these Bylaws.

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## ARTICLE II

### ASSESSMENTS

- A. 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.
- B. All costs incurred by the Association in satisfaction of any liability arising within, caused by, or connected with the common elements or the administration of the Condominium Project shall

constitute expenditures affecting the administration of the Project, and all sums received as the proceeds of, or pursuant to, a policy of insurance securing the interest of the Co-Owners against liabilities or losses arising within, caused by, or connected with the common elements or the administration of the Condominium Project shall constitute receipts affecting the administration of the Condominium Project.

C. Assessments shall be determined in accordance with the following provisions:

1. The Board of Directors of the Association may establish an annual budget in advance for each fiscal year and such budget shall project all expenses for the forthcoming year which may be required for the proper operation, management and maintenance of the Condominium Project, including a reasonable allowance for contingencies and reserves. If the project includes common elements, an adequate reserve fund for maintenance, repairs, and replacement of those common elements that must be replaced on a periodic basis shall be established in the budget and must be funded by regular payments as set forth in Paragraph D below rather than by special assessments. At a minimum, the reserve fund shall be equal to ten (10%) per cent of the Association's current annual budget on a noncumulative basis. The minimum standard required by this section may prove to be inadequate for a particular project. The Association of Co-Owners shall 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. Upon adoption of an annual budget by the Board of Directors, copies of said budget shall be mailed to each Co-Owner, although the delivery of a copy of the budget to each Co-Owner shall not affect the liability of any Co-Owner for any existing or future assessments. Should the Board of Directors at any time determine, in the sole discretion of the Board of Directors, that the assessments levied are or may prove to be insufficient:

- a. to provide for the costs of operation and management of the Condominium;
- b. to provide replacements of existing common elements, if any;
- c. to provide additions to any common element not exceeding \$1,000.00 annually; or
- d. to provide for the costs 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 to be necessary.

2. Special assessments, in addition to those required in (a) above may be made by the Board of Directors from time to time and approved by the Co-Owners. Special assessments referred to in this paragraph shall not be levied without the prior approval of more than sixty (60%) per cent of all Co-Owners in value and in number.

D. All assessments levied against the Co-Owners to cover expenses of administration shall be apportioned equally among each unit. Annual assessments as determined in accordance with Article

II, Paragraph C1 above, shall be payable by Co-Owners in equal quarterly installments, commencing with acquisition of legal or equitable title to a unit. 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. Assessments in default shall bear interest at the rate of seven (7%) per cent per annum until paid in full. Each Co-Owner (whether one or more persons) shall be and remain personally liable for the payment of all assessments pertinent to his unit which may be levied while such Co-Owner is the owner thereof.

- E. No Co-Owner may exempt himself from liability for his contribution toward the expenses of administration by waiver of the use or enjoyment of any of the common elements or by the abandonment of his unit.
  
- F. 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. Each Co-Owner, and every other person who, from time to time, has any interest in the Project, shall be deemed to have granted to the Association the unqualified right to elect to foreclose such lien either by judicial action or by advertisement, and further, 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. Notwithstanding anything to the contrary, neither a judicial foreclosure action nor a suit at law for a money judgment shall be commenced, nor shall any notice of foreclosure by advertisement be published, until the expiration of ten (10) days after mailing, by first class mail, postage prepaid, addressed to the delinquent Co-Owner(s) at his or their last known address 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 in recordable form, executed by an authorized representative of the Association and shall set forth the following: (1) the name of the Co-Owner of record thereof, (2) the legal description of the Condominium unit or units to which the notice applies, (3) the amounts due the Association of Co-Owners at the date of notice, exclusive of interest, costs, attorney fees and future assessments. The notice shall be recorded in the office of the Register of Deeds in the county in which the Condominium Project is located 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. The expenses incurred in collecting unpaid assessments, including interest, costs, actual attorney fees (not limited to statutory fees), and advances for taxes or other liens paid by the Association to protect its lien, shall be chargeable to the Co-Owner in default and shall be secured by the lien on his unit(s). In the event of default by any Co-Owner in the payment of any installment of the annual assessment levied against his unit, the Association shall have the right to declare all unpaid installments of the annual assessment for the pertinent fiscal year immediately due and payable. The Association may also discontinue the furnishing of any services to a Co-Owner in default upon seven (7) days' written notice to such Co-Owner of its intent to do so. A Co-Owner in default shall not be entitled to vote at any meeting of the Association so long as such default continues. A receiver may be appointed in an action for foreclosure of the assessment

lien and may be empowered to take possession of the Condominium unit, if not occupied by the Co-Owner, and to lease the Condominium unit and to collect and apply the rental therefrom.

- G. Notwithstanding any other provisions of the Condominium Documents, the holder of any first mortgage covering any unit in the Project which comes into possession of the unit, pursuant to the remedies provided in the mortgage or by deed (or assignment) in lieu of foreclosure, or any purchaser at a foreclosure sale, shall take the property free of any claims for unpaid assessments or charges against the mortgaged unit which accrue prior to the time such holder comes into possession of the unit (except for claims for a pro rata share of such assessments or charges resulting from a pro rata reallocation of such assessments or charges to all units including the mortgaged unit).
- H. The Developer shall be responsible for payment of the per unit Association maintenance assessment, and all special assessments, for all units it owns.
- I. All property taxes and special assessments levied by any public taxing authority shall be assessed in accordance with the Act.
- J. A mechanic's lien otherwise arising under Act No. 179 of the Michigan Public Acts of 1891, as amended, shall be subject to the Act. Pursuant to Section 111 of the Act, the purchaser of any Condominium unit may request a statement of the Association as to the outstanding amount of any unpaid assessments. Upon receipt of a written request to the Association accompanied by a copy of the right to acquire a unit, the Association shall provide a written statement of such unpaid assessments as may exist or a statement that none exist, which statement shall be binding upon the Association for the period stated therein. Upon the payment of that sum within the period stated, the Association's lien for assessments as to such unit shall be deemed satisfied; provided, however, that the failure of a purchaser to request such statement at least five days prior to the closing of the purchase of such unit, shall render any unpaid assessments and the lien securing same, fully enforceable against such purchaser and the unit itself, to the extent provided by the Act. Under the Act, unpaid assessments constitute a lien upon the unit and the proceeds of sale thereof prior to all claims except real property taxes and first mortgages of record.

### ARTICLE III

#### ARBITRATION

- A. Disputes, claims or grievances arising out of or relating to the interpretation or the application of the Condominium Documents, or any disputes, claims or grievances arising among or between Co-Owners and the Association shall, upon the election and written consent of the parties to any such disputes, claims or grievances and written notice to the Association, be submitted to arbitration and the parties thereto shall accept the arbitrator's decision as final and binding. The Commercial Arbitration Rules of the American Arbitration Association as amended and in effect from time to time hereafter shall be applicable to any such arbitration.
- B. No Co-Owner or the Association shall be precluded from petitioning the courts to resolve any such disputes, claims or grievances.

- C. Election 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

- A. The Association shall only carry liability insurance, and worker's compensation insurance, if applicable, pertinent to the ownership, use and maintenance of the common elements, if any, of the Condominium Project.
- B. All such insurance shall be purchased by the Association for the benefit of the Association and the Co-Owners and their mortgagees as their interests may appear and all premiums for insurance carried by the Association shall be an expense of administration.
- C. Each Co-Owner shall obtain all necessary insurance coverage at his own expense upon his unit. It shall be each Co-Owner's responsibility to obtain insurance coverage for his unit, including any structures constructed thereon and his personal property located within his unit or elsewhere in the Condominium Project, for his personal liability for occurrences within his unit or upon any limited common elements, if any, appurtenant to his unit, and for alternative living expense in the event of fire, and the Association shall have absolutely no responsibility for obtaining such coverage.
- D. All common elements of the Condominium Project shall be insured against fire and other perils covered by standard extended coverage endorsement in an amount equal to the maximum insurable replacement value as determined annually by the Board of Directors of the Association.
- E. The proceeds of any insurance policies received by the Association as a result of any loss requiring repair or reconstruction shall be applied for such repair or reconstruction.
- F. Each Co-Owner, by ownership of a unit in the Condominium Project, shall be deemed to appoint the Association as his true and lawful attorney-in-fact to act in connection with all matters concerning the maintenance of insurance coverage, vandalism and malicious mischief, liability insurance and worker's compensation insurance, if applicable, pertinent to the Condominium Project and any common elements appurtenant thereto with such insurer as may, from time to time, provide such insurance to the Condominium Project.

#### ARTICLE V

#### RECONSTRUCTION OR REPAIR

- A. If any part of the Condominium property shall be damaged, the determination of whether or not it shall be reconstructed or repaired shall be made in the following manner:

1. If the damaged property is a common element, the property shall be rebuilt or repaired if any unit in the Condominium is tenantable, unless it is determined that the Condominium shall be terminated and each institutional holder of a first mortgage lien on any unit in the Condominium has given its prior written approval of such termination.
  2. If the Condominium is so damaged that no unit is tenantable, and if each institutional holder of a first mortgage lien on any unit in the Condominium has given its prior written approval of the termination of the Condominium, the damaged property shall not be rebuilt and the Condominium shall be terminated, unless seventy-five (75%) percent or more of the Co-Owners in value and in number agree to reconstruction by vote or in writing within ninety (90) days after the destruction.
- B. Any such reconstruction or repair shall be substantially in accordance with the Master Deed and the plans and specifications for the Project.
- C. If the damage is only to a unit, which is the responsibility of a Co-Owner to maintain and repair, it shall be the responsibility of the Co-Owner to repair such damage in accordance with Paragraph D below. In all other cases, the responsibility for construction and repair shall be that of the Association.
- D. Each Co-Owner shall be responsible for the reconstruction, repair and maintenance of his unit.
- E. The Association shall be responsible for the reconstruction, repair, and maintenance of the common elements, if any.
- F. The Act shall control upon any taking by eminent domain.
- G. Nothing contained in the Condominium Documents shall be construed to give a Condominium unit owner or any other party priority over any rights of first mortgagees of Condominium units pursuant to their mortgages and in the case of a distribution to Condominium unit owners of insurance proceeds or condemnation awards for losses to or a taking of Condominium units and/or common elements.

## ARTICLE VI

### ARCHITECTURAL CONTROL COMMITTEE/CONSTRUCTION

- A. Architectural and Construction Services.
1. Quality Associates TC, LLC, will approve the architect for each Co-Owner in Bay View Pines regarding the provision of required architectural services of the project, unless this covenant is waived in writing by Quality Associates TC, LLC

- 2 Quality Associates TC, LLC, will act as the general contractor for each Co-Owner in Bay View Pines regarding the provision of required construction services of the project, unless this covenant is waived in writing by Quality Associates TC, LLC

B. Architectural Control Committee.

1. An Architectural Control Committee shall be established by the Developer and shall consist of the Developer, until such time as Developer elects not to serve or is unable to serve, then the Association shall appoint three (3) such members.
2. Except as otherwise provided herein, a majority of the members of the Committee shall have the power to act on behalf of the Committee without the necessity of a meeting and without the necessity of consulting the remaining members of the Committee. The Committee may act only by written instrument setting forth the action taken and signed by the members of the Committee consenting to such action, provided further, however, that the Developer's consent shall be required for all Committee action.

C. Architectural Control Committee Approval.

1. The purpose of the Architectural Control Committee, the approval process and the construction provisions contained in Articles VI and VII is the protection of the physical and economic value of the land and improvements, the preservation of the natural beauty of the environment, and the promotion of the highest standards of land development and architecture.
2. Each Co-Owner recognizes that the Developer has a specific and definite concept for all improvements at Bay View Pines and that no changes nor modifications to any improvement or lot shall be undertaken except with strict compliance with the following provisions.
3. No lot owner shall remove any trees, modify any terrain, construct, alter, or maintain any improvements on a lot until all of the following have been completed:
  - a. The lot owner has submitted to the Committee, for approval by the Committee:
    - i. A site plan which includes a topographic survey on which buildings, roads, drives, utilities, easements, grading and drainage plans are located, prepared by a registered, professional architect licensed in the State of Michigan;
    - ii. Sealed architectural prints detailing floor plans, exterior elevations (all sides), deck and patio plans;
    - iii. Specifications for materials to be used on the exterior, color schemes, roof coverings, fences, and walls;
    - iv. An approximate construction schedule;

v. One set of construction blueprints (which set shall be permanently left with the Committee).

b. All of the submissions in Subparagraph (a) shall have been approved in writing by the Committee.

c. Approval of the plans and specifications described above may be withheld, not only because of the non-compliance with any of the restrictions and conditions contained herein, but also because of the reasonable dissatisfaction of the Committee as to the location of the structure on the lot, color scheme, finish, design, proportions, shape, height, type or appropriateness of the proposed improvement or alteration, the materials used therein, the kind, shape or type of roof proposed to be placed thereon, or because of its reasonable dissatisfaction with any matters or things which, in the reasonable judgment of the Committee, would render the proposed improvement inharmonious or out of keeping with the objectives of the Developer or the improvements erected in the immediate vicinity of the lot. The Committee shall have the authority to conduct periodic site inspections to insure compliance with previously approved plans and specifications, as well as with construction agreements. The Committee shall submit written notice to a Co-Owner of any and all instances of noncompliance.

d. The use of "stock plans", even though prepared by an architect, will not be approved. The developer's intention is to insure that all designs adhere to the "natural" philosophy of architecture, which calls for the use of natural materials such as wood, stone, brick, etc., integrated into the environment in such a manner as to contribute to the overall beauty and naturalness of the premises and, as so related to the topography, as to be a compatible, coherent part of the existing landscape.

e. Any building, structure or improvement, including subsequent alterations or modifications, shall be erected or constructed in substantial conformity with the plans, specifications and site plan approved by the Committee.

f. Before construction of any type can begin upon a lot, an acknowledgment form must be signed by both the property owner and his contractor wherein each acknowledges that he has read and understands the provisions of the Master Deed and these Condominium Bylaws.

#### D. Character of Building.

1. The Developer recognizes that there can be an infinite number of concepts and ideas for the development of lots consistent with its plan for Bay View Pines. The Developer wishes to encourage the formulation of new or innovative concepts and ideas. Nevertheless, for the protection of all lot owners, and for the preservation of the Developer's concept for the development of the project, the Developer wishes to make certain that any development of a lot will be consistent with its plan for Bay View Pines, including the following:

a. No building shall be erected on any lot except a single, private dwelling to be occupied by not more than one (1) family, for residential purposes only, with an

attached or detached garage (detached garages are not considered outbuildings). No outbuildings will be permitted. Notwithstanding anything herein to the contrary, lots 2-12 may contain units with shared walls and zero setbacks.

- b. Each single-family dwelling constructed on a lot shall be of a permanent year-round type and have a minimum of 1,800 square feet of finished living area, as determined by the provisions of the then most current BOCA National Building Code, unless otherwise approved by the Committee. In computing finished living area, any garage, basement, porch, breezeway, or entranceway shall not be included. Notwithstanding the foregoing, no dwelling shall be constructed with a main floor square footage of less than 1,600 square feet.
- c. All buildings shall be limited to thirty (30) feet in height above the mean ground level of the building foundation area; however, lower profile structures are encouraged.
- d. All exteriors will be of stone, brick, or natural wood, with redwood, cedar or logs preferred. The exterior wood siding may be vertical, horizontal, board and bat, rough sawed, reversed board and bat, or such other textures that may be approved by the Committee. Colors will be natural hue wood stains. Certain stains, fieldstone and stucco finishes will be permitted for outside chimneys, fireplaces and accents.
- e. Mobile homes and modular type homes shall not be permitted.
- f. Windows, all window frames, casings, sills and lintels will be of wood, vinyl or aluminum clad (painted).
- g. All construction materials shall satisfy all applicable building code requirements.
- h. All roofing will be of high quality roofing materials approved by the Committee.
- i. All garages and storage structures must be architecturally related to the dwelling and constructed only of materials permitted for the construction of residences.

E. Construction.

- 1. All structures and improvements shall comply with the minimum setback requirements of Bingham Township as shown on the site plan approved by Bingham Township, **including Lots two (2) through twelve (12) approved for zero (0) side yard setbacks on one side of the lot as approved by the Committee.** The non zero side yard setback shall be twenty (20) feet.
- 2. Commonly owned adjacent lots may be joined together to form one building site. However, no individual lot may be divided for the creation of additional building sites.

3. All stumps, trees and brush, cut or cleared to provide for dwelling and/or driveway construction, must be removed from the project premises, except timber cut and saved for fireplace firewood, which firewood shall not be stored within the fifteen (15) foot side-lot setback.
4. The exterior of any improvement shall not remain incomplete for a period of longer than six (6) months from the date upon which the construction of the improvement was commenced without prior approval of the Committee, and all construction shall be pursued diligently to completion. No dwelling may be occupied until an occupancy permit has been received for that dwelling. Construction of a dwelling shall be commenced only prior to or together with the construction of the attached or detached garage.
5. All land cuts caused by driveway installation or home construction must be stabilized. The location, manner and material used for stabilization must be approved in advance by the Architectural Control Committee.
6. Each owner shall be responsible for any damage to a common area or improvements which occurs as a result of construction on the owner's lot and all such damage shall be repaired within thirty (30) days of completion of construction by the responsible lot owner.
7. Any debris resulting from the construction or improvement or alteration of a lot shall be removed with all reasonable dispatch from the lot in order to prevent an unsightly or unsafe condition.

F. Landscaping/Grade.

1. Natural groundcover, wood chips or other natural plantings that are indigenous to the wooded areas are encouraged. Approval by the Architectural Control Committee is required for lawns located in other than open or non-wooded areas. Except with the approval of the Committee, the natural drainage of any lot shall not be changed.
2. Except with the approval of the Committee or as may be necessary in connection with the construction of an approved improvement, no excavation nor tree removal of trees greater than six (6) inches in diameter at two (2) feet above the ground, except Aspen or Popal, shall be made on any lot nor shall any dirt be removed therefrom. "Topping" or excessive trimming also is not allowed, however, selective trimming and tree removal may be allowed for the enhancement of and preservation of views with the prior written consent of the Committee. These conditions apply equally to the common elements and the Association. All existing natural cover (wildflowers, groundcover, shrubs, etc.) shall be preserved wherever possible and practical. Lawn areas shall be limited to meeting functional requirements only and shall not be used to supplant natural cover. All landscaping shall be used to supplement existing natural cover.

3. Agricultural uses on the lots shall be limited to small gardening, vineyards or orchard operations provided, however, that these operations comply with all applicable zoning regulations and are approved by the Developer in advance.
4. The grade of the respective lots shall be maintained in harmony with the topography of the project and with respect to adjoining lots. The desired finish grade elevation will be shown on the plan submitted for approval and will be subject to the decision of the Committee as is elsewhere herein set forth.
5. In the interest of preserving the existing stabilized condition of natural slopes, the owners shall maintain groundcover to prevent water and wind erosion to their lot. All concentrated quantities of storm water from roof areas and paved surfaces shall be made to appropriately drain and disperse, and shall not be allowed to drain onto steep slopes or into road ditches. It is the responsibility of each owner to maintain the roadside contiguous with their lot.
6. All improvements shall be located so as to comply with the setback restrictions as described in Section E(1) of this Article VI and approval of the Committee to maintain the harmony and aesthetics of the Project.
7. The Committee reserves the right of final approval of the placement or orientation of the structure on the lot. The location of all improvements on each lot must be staked and approved by the Committee before construction commences.
8. The location of all improvements shall be designed and located so as to be compatible with the natural surroundings and with the other lots.
9. Any and all landscaping necessary to restore the lot to its preconstruction status must be completed within one (1) year after the date of receipt of a Certificate of Occupancy for a dwelling.

G. Miscellaneous.

1. No perimeter fencing will be permitted to be installed on any lot although wooden decorative, protective and screen fencing may be allowed with the approval of the Committee. Before any such fencing may be installed, the design, texture and color must first be submitted and approved for installation by the Committee. No chain link fences will be permitted on any lot for any purpose or reason.
2. All garbage and refuse and tree and lawn cuttings shall be promptly disposed of so that it will not be objectionable to neighboring property owners of Bay View Pines. No outside storage for refuse or garbage shall be maintained or used unless the same shall be properly concealed.
3. No lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage, or other waste shall be kept only in sanitary containers, which shall be kept out of view of the

roadways, and no trash, rubbish or garbage shall be burned outside. Garbage containers shall be wildlife proof and shall not be left at the road for more than 24 hours in any one week.

4. Carports are specifically prohibited.
5. Any exposed concrete block wall which exceeds 18 inches in height above finished grade must be covered with an exterior finish material approved by the Committee.
6. All utilities, including telephone and electric shall be underground from the private ways to all structures. Overhead utility service is not permitted in any lot.
7. Since the project will be serviced with natural gas, no propane gas tanks or fuel oil storage tanks will be permitted.
8. Below grade swimming pools, hot tubs and whirlpools located upon decks of the structures will be permitted subject to prior Committee written approval. All swimming pools, hot tubs and whirlpools must be constructed so that they drain in a manner approved by the Board. Each lot owner shall be solely responsible to insure limited access to any pool, hot tub or whirlpool and shall be solely responsible for constructing or installing all necessary (or required) safety measures.
9. The Committee shall have the right to waive or vary any of the restrictions contained herein in such cases as the Committee, in its sole judgment, shall deem to be in the best interest of those owning property in Bay View Pines.
10. If at any time a lot owner shall have submitted to the Committee complete plans and specifications in accordance with the provisions of Section 3.3 herein for a structure or alteration, and the Committee has neither approved such plans and specifications within thirty (30) days from the date of submission nor notified the lot owner of its objection within such thirty (30) day period, then such plans and specifications shall be deemed to have been approved by the Committee. In the event that a lot owner shall file revised plans and specifications for a structure or alteration with the Committee after receiving objections from the Committee with respect to the original plans and specifications and the Committee has neither approved them nor notified the lot owner of further objections within thirty (30) days from the date of the revised submission, then such revised plans and specifications shall be deemed to have been approved by the Committee.

## ARTICLE VII

### RESTRICTIONS

- A. No lot in the Condominium shall be used for other than single family residential purposes and the common elements shall be used only for purposes consistent with the use of single family residences and not more than one (1) single family dwelling shall be permitted on each lot. Rental of units shall not be permitted. Except as may be permitted by the Bingham Township Zoning Ordinance.

- B. No immoral, improper, unlawful or offensive activity shall be carried out or on any lot or upon the common elements, limited or general, nor shall anything be done which is or becomes an annoyance or a nuisance to the Co-Owners of the Condominium, nor shall any unreasonably noisy activity be carried out on any lot or on the common elements. No Co-Owner shall do or permit anything to be done or keep or permit to be kept on his lot or on the common elements anything that will increase the rate of insurance on the Condominium without the written approval of the Association and the responsible 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.
- C. The common elements, limited or general, shall not be used for storage of supplies, materials, personal property or trash or refuse of any kind, except as provided in duly adopted rules and regulations of the Association. 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 of time as may be reasonably necessary to permit periodic collection of trash. The common elements shall not be used in any way for the drying, shaking or airing of clothing or other fabrics. In general, no activity shall be carried on nor condition maintained by a Co-Owner either on his lot or upon the common elements, which spoils the appearance of the Condominium. Each lot owner whose lot borders a common element shall be responsible for maintenance and upkeep of his lot to the actual location of the common element notwithstanding a contrary depiction on Exhibit "B" to the Master Deed.
- D. No house trailers, commercial vehicles, boat trailers, boats, camping vehicles, all-terrain vehicles, camping trailers, snowmobiles, snowmobile trailers, or vehicles other than automobiles may be parked or stored upon the premises of the Condominium, for longer than thirty (30) days except within a garage and/or storage structure approved by the Committee, unless the Committee has waived compliance with this restriction for a particular purpose in advance.
- E. No Co-Owner shall use, or permit the use by any occupant, agent, employee, invitee, guest or member of his family of any firearms or other similar dangerous weapons, projectiles or devices anywhere on or about the Condominium Premises. No motorcycles, mini-bikes, atvs, snowmobiles or other such vehicles or equipment shall be used on the Condominium.
- F. No signs or other advertising devices shall be displayed which are visible from the exterior of a lot or on the common elements, without the written permission of the Association and the Developer, except for signs advertising the sale or rental of the lot or the construction activities thereon.
- G. No animals of any kind shall be raised, kept or permitted upon the property or any part thereof other than dogs, cats and birds. Pets shall not be allowed to run free. All animals shall be subject to such rules and regulations as the Association shall from time to time adopt. No dog shall be chained and left unattended, and barking dogs shall be deemed an unacceptable nuisance which is to be prohibited. No kennels or dog runs shall be allowed without the prior written approval of the Committee.
- H. With the consent of the Committee, reasonable regulations consistent with the Act, the Master Deed and these Bylaws, concerning the use of the common elements may be made and amended from time

to time by any Board of Directors of the Association, including the First Board of Directors (or its successors elected by the Developer) prior to the First Annual Meeting of the entire Association held as provided in Article I, Section H, of these Bylaws. 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. With the consent of the Committee, 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 except that the Co-Owners may not revoke any regulation or amendment prior to said First Annual Meeting of the entire Association.

- I. The Association or its duly authorized agents shall have access to each lot (but not the residence constructed thereon) and any limited common elements appurtenant thereto from time to time, during reasonable working hours, upon notice to the Co-Owner thereof, as may be necessary for the maintenance, repair or replacement of any of the common elements. The Association or its agents shall also have access to each lot 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 lot. It shall be the responsibility of each Co-Owner to provide the Association means of access to his lot and any limited common elements appurtenant thereto during all periods 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 and shall not be liable to such Co-Owner for any necessary damage to his lot and any limited common elements appurtenant thereto caused thereby or for repair or replacement of any doors or windows damaged in gaining such access.
- J. Each Co-Owner shall maintain his lot and any limited common elements appurtenant thereto for which he has maintenance responsibility in a safe, clean, groomed and sanitary condition. Each Co-Owner shall also use due care to avoid damaging any of the common elements including, but not limited to, the telephone, water, gas, plumbing, electrical or other utility conduits and systems and any other elements in any lot which are appurtenant to or which may affect any other lot. Each Co-Owner shall be responsible for damages or costs to the Association resulting from negligent damage to or misuse of any of the common elements by him, or his family, guests, agents or invitees, unless such damages or costs are covered by insurance carried by the Association in which case there shall be no such responsibility (unless reimbursement to the Association is excluded by virtue of a deductible provision, in which case the responsible Co-Owner shall bear the expense to the extent of the deductible amount). Any 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.
- K. None of the restrictions contained in this Article VII shall apply to the commercial activities or signs, if any, of the Developer or its agents during the development and sales period as defined hereinafter, or of the Association in furtherance of its powers and purposes set forth herein and in its Articles of Incorporation and Bylaws as the same may be amended from time to time. For the purposes of this Section, the development and sales period shall be deemed to continue so long as Developer owns any lot which it offers for sale. Until all lots in the entire Condominium Project are sold by Developer, Developer shall have the right to maintain a sales office, a business office, a construction office, storage areas, reasonable parking incident to the foregoing and such access to, from and over

the project as may be reasonable to enable development and sale of the entire project by Developer. Developer shall restore the areas so utilized to habitable status upon termination of use.

- L. No laundry shall be hung for drying in such a way as to be visible from the street on which the dwelling fronts and/or sides.
- M. No radio, television, or other communication antennas of any type will be installed on any dwelling nor outside of such structure unless erected in an isolated, obscure location utilizing underground leads specifically approved by the Committee in writing. Antennas may be installed or placed in the interior of any dwelling constructed on a lot. Small (2' diameter maximum) satellite dishes may be allowed provided that they are not visible from adjacent dwellings or roadways. However, the location of such dishes must be approved by the Committee prior to installation.
- N. No outdoor property night lights of any kind shall be permitted to cast its rays beyond any of the boundary lot lines of the lot in which it is installed or maintained; mercury vapor/sodium vapor lights are prohibited.
- O. Each lot owner shall minimize the risk of environmental contamination or hazards to his lot or any common element.
  - 1. No noxious or offensive activity or burning of any materials or substances, other than the use of barbecues, shall be allowed on the premises except as required as part of the construction of roads, utilities, etc.
  - 2. No person shall use their lot or any common element as a dump or landfill or as a facility for waste treatment, storage or disposal except as may otherwise be permitted by the County Health Department.
  - 3. No person shall cause or permit the release or disposal of any petroleum products or hazardous substance on his lot.
  - 4. No person will conduct any operations or activity on the property in violation of any federal, state or local environmental law.
  - 5. Each lot owner shall not permit any condition to exist on his lot in violation of any federal, state or local environmental law.
  - 6. Each lot owner shall immediately notify all appropriate governmental agencies of any release or threatened release of hazardous substances or petroleum products on his lot or any common element of the project.
  - 7. Each lot owner shall immediately notify the Developer of any communication from any governmental agency regarding any release or threatened release of hazardous substances or petroleum products on or relating to his lot or any common element and upon request of the

Developer, each lot owner shall provide the Developer with copies of all documents relating to such communications.

- P. Subject to the Cross Easement, the recreational areas in Bay View Pines, including the hiking pathways, are for pedestrian use only by the Co-Owners, their guests, and others with designated rights to use such recreational areas. Twenty-seven units, to be determined and designated by the Developer, shall have the right to use the Waterfront Area, subject to those rights and restrictions contained in the Cross Easement. The Developer, Quality Associates TC, LLC, specifically reserves unto itself and its successors or assigns, the right to utilize and/or sell and otherwise convey, together with lots in the Condominium Project, the right to place improvements, such as boat hoists, on or about the Waterfront Area. Any improvement of the Waterfront Area is regulated by Township ordinance. If a Co-Owner purchases the right to improve a portion of the Waterfront Area, said Co-Owner must pursue and obtain the approval of the Developer and the Township and bear any and all cost of obtaining said approvals and the installation and maintenance of any such improvements.
- Q. The multi-purpose building shown on Exhibit "B" as a general common element shall be limited in use for Association purposes only, including storage, meetings, and other Association approved purposes which meet zoning requirements.
- R. The open space areas shall not be used for storage or parking of cars, boats, campers, trailers or any other such vehicles as are described in Paragraph D of this Article.

## ARTICLE VIII

### MORTGAGES

- A. Any Co-Owner who mortgages his unit shall notify the Association of the name and address of the mortgagee, and the Association shall maintain such information in a book entitled "Mortgages of Units". The Association may, at the written request of a mortgagee of any such unit, report any unpaid assessments due from the Co-Owner of such unit. The Association shall give to the holder of any first mortgage covering any unit in the Project written notification of any default in the performance of the obligations of the Co-Owner of such unit that is not cured within sixty (60) days.
- B. The Association shall notify each mortgagee appearing in said book of the name of each company insuring the Condominium against fire, perils covered by extended coverage, and vandalism and malicious mischief and the amounts of such coverage.
- C. Upon request submitted to the Association, any institutional holder of a first mortgage lien on any unit on the Condominium shall be entitled to receive written notification of every meeting of the members of the Association and to designate a representative to attend such meeting.

## ARTICLE IX

### AMENDMENTS

- A. Amendments to these Bylaws may be proposed by the Board of Directors of the Association acting upon the vote of the majority of the Directors or by one-third or more in number of the members or by instrument in writing signed by them.
- B. Upon any such amendment being proposed, a meeting for consideration of the same shall be duly called in accordance with the provisions of the Association Bylaws.
- C. Except as expressly limited in Paragraph E of this Article IX, 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 two-thirds (2/3) of all Co-Owners in number.
- D. Prior to the First Annual Meeting of Members, these Bylaws may be amended by the First Board of Directors upon proposal of amendments by Developer without approval from any person to make such amendments as shall not increase or decrease the benefits or obligations or materially affect the rights of any member of the Association.
- E. Any amendment to these Bylaws (but not the Association Bylaws) shall become effective upon the recording of such amendment in the Office of the Register of Deeds in the county where the Condominium is located.
- F. 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 person actually receives a copy of the amendment.

## ARTICLE X

### COMPLIANCE

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

## ARTICLE XI

### DEFINITIONS

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

## ARTICLE XII

### REMEDIES FOR DEFAULT

- A. Any default by a Co-Owner shall entitle the Association or another Co-Owner or Co-Owners to the following relief:
1. Failure to comply with any of the terms or provisions of the Condominium Documents or the Act shall be grounds for relief, which may include, but without limiting, an action to recover sums due for damages, injunctive relief, foreclosure of lien, or any combination thereof, and such relief may be sought by the Association or, if appropriate, by an aggrieved Co-Owner or Co-Owners.
  2. In any proceeding arising because of an alleged default by any Co-Owner, the Association, if successful, shall be entitled to recover the costs of the proceeding and such reasonable attorneys' fees (not limited to statutory fees), as may be determined by the Court, but in no event shall any Co-Owner be entitled to recover such attorneys' fees.
  3. The violation of any of the provisions of the Condominium Documents shall also give the Association or its duly authorized agents the right, in addition to the rights set forth above, to enter upon any 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.
  4. The violation of any of the provisions of the Condominium Documents by any Co-Owner shall be grounds for assessment by the Association, acting through its duly constituted Board of Directors, of monetary fines for such violations. No fine may be assessed unless Rules and Regulations establishing such fine have been first duly adopted by the Board of Directors of the Association, and notice thereof given to all Co-Owners in the same manner as prescribed in Article II, Paragraph D, of the Association Bylaws. Thereafter, fines may be assessed only upon notice to the offending Co-Owners as prescribed in Article II, Paragraph D, and an opportunity for such Co-Owner to appear before the Board no less than seven (7) days from the date of the notice and offer evidence in defense of the alleged violation. All fines duly assessed may be collected in the same manner as provided in Article II of these Bylaws. No fines shall be levied for the first violation. No fine shall exceed \$25.00 for the second violation, \$50.00 for the third violation or \$100.00 for the subsequent violation.

- B. 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.
- C. 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 any 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.

### ARTICLE XIII

#### SEVERABILITY

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

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