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AMENDED AND RESTATED MASTER DEED

CRYSTAL WOOD II

This Amended and Restated Master Deed ("Master Deed") is made and executed on October 1, 2025 by the Crystal Wood II Homeowners Association ("Association"), whose address is c/o 204 W. Grand River, Ste. 195, Howell, Michigan 48843, pursuant to the provisions of the Michigan Condominium Act (Act 59 of the Public Acts of 1978, as amended) (the "Act").

RECITALS

WHEREAS, the Condominium's developer, Sterling Land Ventures, LLC, a Michigan limited liability company, established the real property described in Article II below, together with the improvements located thereon, as a condominium project under the provisions of the Act by recording a Master Deed on January 27, 2014, at 2014R-002111, Livingston County Records, as amended by the First Amendment to Master Deed of Crystal Wood II recorded on June 15, 2017, at 2017R-017559, Livingston County Records, and designated as Livingstone County Subdivision Plan No. 401; and

WHEREAS, the Association desires to amend its governing documents by recording this Amended and Restated 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 were duly adopted and approved by 66 and 2/3% of the membership on May 31, 2025, and by 66 and 2/3% of the first mortgagees on September 22, 2025, in accordance with the requirements of MCL 559.190 and MCL 559.190a of the Act;

WHEREAS, this Master Deed and the Amended and Restated Condominium Bylaws attached hereto shall completely supersede and replace the Master Deed and the Condominium Bylaws which were attached thereto as Exhibit "A," recorded on January 27, 2014, at 2014R-002111, Livingston County Records, as amended (except for the Exhibit "B" Condominium Subdivision Plan that was attached to the Master Deed, as amended, which shall remain in full force and effect);

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NOW THEREFORE, the Association does, upon the recording hereof, reaffirm the establishment of Crystal Wood II as a site Condominium Project under the Act and does declare that Crystal Wood II (hereinafter also referred to in the Condominium Documents as the "Condominium," "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 this Master Deed and the Exhibit "A" attached hereto, and the Exhibit "B" Condominium Subdivision Plan that was attached to the Master Deed recorded on January 27, 2014, at 2014R-002111, Livingston County Records, as amended, which is hereby incorporated by reference into this Master Deed, all of which shall be deemed to bind and run with the land and shall 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 the Condominium Project, it is provided as follows:

ARTICLE I

TITLE AND NATURE

The Condominium Project shall be known as the Crystal Wood II, Livingston County Condominium Subdivision Plan No. 401. The Condominium Project is established in accordance with the Act. The Units contained in the Condominium, including the number, boundaries, dimensions and area of each Unit, are set forth completely in the Condominium Subdivision Plan attached as Exhibit "B" to the Master Deed that was recorded on January 27, 2014, at 2014R-002111, Livingston County Records, as amended. The engineering plans for the Project (including architectural plans for all Dwellings and other improvements constructed therein) have been approved by and are on file with the Marion Township Building Department.

Each Co-owner in the Condominium Project has an exclusive right to their Unit (except to the extent of any Common Elements located thereon) and has an undivided and inseparable right to share with the other Co-owners the Common Elements of the Condominium Project as designated by the Master Deed.

The Project contains Units 1 through 50, inclusive (the "Units"), constructed on the land described in Article II below. Each Unit has been created for single family residential purposes and is capable of individual utilization on account of having its own access to an access easement and/or a general common element as part of the Project. Each Unit Owner holds an absolute and undivided title to such Owner's Unit, and an undivided inseparable right to share with other Co-owners the Common Elements of the Condominium.

ARTICLE II

LEGAL DESCRIPTION

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

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PART OF THE NORTHEAST FRACTIONAL 1/4 OF SECTION 3, T2N-R4E, MARION TOWNSHIP, LIVINGSTON COUNTY, MICHIGAN, MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCING AT THE EAST ¼ CORNER OF SAID SECTION 3; THENCE N02°00'13"W 1584.56 FEET ALONG THE EAST LINE OF SAID SECTION 3 AND THE WEST LINE OF "FOXCROFT," A SUBDIVISION AS RECORDED IN LIBER 23 OF PLATS, PAGES 24- 27, LIVINGSTON COUNTY RECORDS; THENCE S89°21'50"W 380.53 FEET TO THE POINT OF BEGINNING; THENCE S89°21'50"W 277.95 FEET; THENCE N25°12'18"W 89.34 FEET; THENCE N02°56'56"W 94.97 FEET; THENCE N12°56'06"E 60.99 FEET; THENCE N00°53'52"W 73.03 FEET; THENCE 39.98 FEET ALONG A CIRCULAR CURVE TO THE LEFT, HAVING A RADIUS OF 433.00 FEET, A CENTRAL ANGLE OF 05°17'26", AND A CHORD WHICH BEARS N82°26'02"E 39.97 FEET; THENCE 32.26 FEET ALONG A CIRCULAR CURVE TO THE RIGHT, HAVING A RADIUS OF 197.00 FEET, A CENTRAL ANGLE OF 09°22'57", AND A CHORD WHICH BEARS N84°28'49"E 32.22 FEET; THENCE N89°10'17"E 232.11 FEET TO REFERENCE POINT "A"; THENCE S00°49'43"E 316.82 FEET TO THE POINT OF BEGINNING, CONTAINING 2.22 ACRES, MORE OR LESS.

ALSO, PART OF THE NORTHEAST FRACTIONAL 1/4 OF SECTION 3, T2N-R4E, MARION TOWNSHIP, LIVINGSTON COUNTY, MICHIGAN, MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCING AT AFOREMENTIONED REFERENCE POINT "A"; THENCE N00°49'43"W 66.00 FEET TO THE POINT OF BEGINNING; THENCE S89°10'17"W 232.11 FEET; THENCE 43.07 FEET ALONG A CIRCULAR CURVE TO THE LEFT, HAVING A RADIUS OF 263.00 FEET, A CENTRAL ANGLE OF 09°22'57", AND A CHORD WHICH BEARS S84°28'49"W 43.02 FEET; THENCE 69.10 FEET ALONG A CIRCULAR CURVE TO THE RIGHT, HAVING A RADIUS OF 367.00 FEET, A CENTRAL ANGLE OF 10°47'14", AND A CHORD WHICH BEARS S85°10'58"W 68.99 FEET; THENCE N08°10'39"E 115.83 FEET; THENCE N78°20'11"W 106.04 FEET; THENCE S21°02'56"W 118.80 FEET; THENCE 80.22 FEET ALONG A CIRCULAR CURVE TO THE RIGHT, HAVING A RADIUS OF 367.00 FEET, A CENTRAL ANGLE OF 12°31'27", AND A CHORD WHICH BEARS N62°22'01"W 80.06 FEET; THENCE 146.97 FEET ALONG A CIRCULAR CURVE TO THE LEFT, HAVING A RADIUS OF 433.00 FEET, A CENTRAL ANGLE OF 19°26'52", AND A CHORD WHICH BEARS N65°49'42"W 146.27 FEET; THENCE N19°00'20"E 123.37 FEET; THENCE N70°59'40"W 125.52 FEET; THENCE N32°40'35"E 147.93 FEET; THENCE N60°24'15"W 87.95 FEET; THENCE N32°40'35"E FEET; THENCE N89°24'41"E 608.83 FEET; THENCE S00°49'43"E 651.19 FEET TO THE POINT OF BEGINNING, CONTAINING 9.57 ACRES, MORE OR LESS.

THE ABOVE-DESCRIBED PARCELS CONTAIN 11.79 COMBINED ACRES, MORE OR LESS, AND ARE SUBJECT TO ANY EASEMENTS OR RESTRICTIONS OF RECORD.

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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 in limitation, the Amended and Restated Articles of Incorporation and the Rules and Regulations of the Crystal Wood II Homeowners Association, a Michigan non-profit corporation, and in deeds, mortgages, liens, land contracts, easements, and other instruments affecting the establishment of or transfer of interests in Crystal Wood II 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," "Corporation." The "**Association**" means the Crystal Wood II Homeowners Association, 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 Project. Any action required of or permitted to the Association shall be exercisable by its Board of Directors unless specifically reserved to its members by the Project documents or the laws of the State of Michigan.

The term "Corporation" shall be synonymous with the term "Association."

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.

Section 4. Board of Directors. "**Board of Directors**" or "**Board**" means the Board of Directors of the Crystal Wood II Homeowners Association.

Section 5. "Building Envelope". The "**Building Envelope**" means the portion of each Unit within which the Co-owner's Dwelling and other improvements are constructed. No Dwellings or other structures may be built outside of the building envelope within each Unit as shown on Exhibit "B" without the advance written approval of the Association's Board of Directors and the Township of Marion, if applicable.

Section 6. "Bylaws", Condominium Bylaws. The "**Bylaws**" and the "**Condominium Bylaws**" means the Exhibit "A" 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 all previous versions of the Condominium Bylaws and any and all amendments made thereto, including the original Condominium Bylaws that were attached as "Exhibit A" to the Master Deed recorded on January 27, 2014, at 2014R-002111, Livingston County Records, as amended. The Bylaws shall also constitute the corporate bylaws of the Association as provided for under the Michigan Non-Profit Corporation Act.

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Section 7. “Common Elements.” The “Common Elements” where used without modification, shall mean both the General and the Limited Common Elements described in Article IV hereof.

Section 8. Condominium Documents. “Condominium Documents” means and includes this Master Deed, the Exhibits “A” and “B” to the Master Deed, the Articles of Incorporation, and the rules and regulations, if any, of the Association, as they may be amended from time to time.

Section 9. Condominium Premises. “Condominium Premises” means and includes the land described in Article II above, all buildings, improvements and structures located thereon, and all easements and rights belonging to Crystal Wood II, as described above.

Section 10. Condominium Project, Condominium or Project. “Condominium Project,” “Condominium,” or “Project” means Crystal Wood II as a Condominium Project established in conformity with the provisions of the Act.

Section 11. Condominium Subdivision Plan. “Condominium Subdivision Plan” means the Exhibit “B” drawings that were recorded with the Master Deed on January 27, 2014, at 2014R-002111, Livingston County Records, and any and all amendments to said Exhibit “B” drawings.

Section 12. Co-owner, Owner. “Co-owner” means a person, firm, corporation, partnership, association, trust, or other legal entity or any combination thereof who or which owns one 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 Co-owners under the Condominium Documents and the Act.

Section 13. Default, 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 or in noncompliance with, or in breach of, the Condominium Documents.

Section 14. Developer. “Developer” means Sterling Land Ventures, LLC, which made and executed the original Master Deed recorded on January 27, 2014, at 2014R-002111, Livingston County Records, and its successors and assigns, Crystal Wood Ventures, LLC, and Echelon Builders.

Section 15. Dwelling. “Dwelling” shall mean the single-family residence constructed upon a Unit within the Condominium, and all structures and improvements relating thereto.

Section 16. 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 17. Electronic Transmission, Electronically Transmitted. “Electronic transmission” or “electronically transmitted,” in accordance with the Nonprofit Corporation Act, means any form of communication that meets all of the following:

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- (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; and
- (c) It may be directly reproduced in paper form by the recipient through an automated process.

Section 18. General Common Elements. “General Common Elements” means the Common Elements other than the Limited Common Elements.

Section 19. 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.

Section 20. 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 failing 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.

Section 21. Limited Common Elements. “Limited Common Elements” means a portion of the Common Elements reserved for the exclusive use of less than all of the Co-owners.

Section 22. Member. “Member” means any person, firm, corporation, partnership, association, trust or other legal entity or any combination thereof who, or which, owns legal or equitable title to a Condominium Unit within the Condominium Project.

Section 23. Mortgagee. “Mortgagee” means the named mortgagee or owner of any mortgage on all or any portion of the Condominium, or Condominium Unit.

Section 24. Non-Co-owner Occupant. “Non-Co-owner Occupant” means any person who resides or occupies a Unit for any period of time and is not an Owner of the Unit in which they reside or occupy. The term, “Non-Co-owner Occupant” is inclusive of the terms “Tenant,” “lessee” and “renter.”

If a Unit is owned by a legal entity and not by a person, then a shareholder, director, partner, present trust beneficiary, 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 their primary residence.

Section 25. Percentage of Value. “Percentage of Value” means the percentage assigned to each Condominium Unit as reflected in Article V of the Amended and Restated Master Deed.

Section 26. 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.

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Section 27. 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 Condominium Unit.

Section 28. Proper Purpose. “Proper purpose” means a purpose that is reasonably related to a person’s interest as a member of the Condominium and shall have such further meaning in relation to a Co-owner’s right to request examination of the Association’s books, records, financial statements and contracts as provided by the Nonprofit Corporation Act, the Bylaws, and the common law, as applicable.

Section 29. 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.

Section 30. 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 X, Section 15. Quorum for Association meetings is addressed in the Condominium Bylaws, Article IX, Section 5.

Section 31. Record. “Record” means to record as provided by Michigan law relating to the recording of deeds or other evidence of title, or any interest in a Unit or the Condominium, subject to applicable provisions of the Condominium Act.

Section 32. 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.

Section 33. Resident Owner. The term “resident owner” means a Co-owner who maintains their Unit within the Condominium as their primary residence.

Section 34. Right to Inspect. “Right to inspect” includes the right to 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

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Condominium Documents. To cover the costs of labor and material, the Association may require a member to pay a reasonable charge for copies of the documents provided to the member.

Section 35. Tenant, Renter or Lessee. The terms, “Tenant,” “Renter,” and “Lessee” shall be synonymous and may be used interchangeably throughout the Condominium Documents. These terms mean any Non-Co-owner Occupant that occupies or resides within a Condominium Unit pursuant to a lease or rental agreement (of any duration) 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. This definition shall not be construed as permitting an oral lease in the Condominium when the Condominium Documents, Condominium Act, or other law requires a written lease.

Section 36. Unit, Condominium Unit. “Unit” and “Condominium Unit” each mean the enclosed space constituting a single complete residential Unit in Crystal Wood II as such space may be described in this Master Deed, Article V, Section 1, and in the Exhibit “B” to the Master Deed and shall have the same meaning as the term “Condominium Unit” as defined in the Act. No unit shall be divided into more than one (1) building site.

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.

Section 37. Volunteer. “Volunteer” means an individual who performs services for the Association, other than services as a volunteer Director or Officer, who does not receive compensation or any other type of consideration for the services other than reimbursement for expenses actually incurred.

Whenever any reference herein is made to one (1) 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 and the respective responsibilities of the Association and Co-owner for maintenance, decoration, repair, or replacement thereof are as follows:

Section 1. General Common Elements. The General Common Elements are:

(a) **Land.** The land described in Article II hereof (other than those portions thereof described in Article V below or as identified in Exhibit “B” as constituting the individual building sites), including the shared access easement over Crystal Crossing Drive, the shared access easement over the adjacent sidewalks and improvements not located within the boundaries of a Unit.

The Dwellings, structures and improvements that now or hereafter are located within the boundaries of a Condominium Unit shall be owned in their entirety by the Co-owner of the Unit in which

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they are located and shall not, unless otherwise expressly provided in the Condominium Documents, constitute General Common Elements.

(b) **Electrical.** The electrical wiring network throughout the Project, including streetlights, up to the point of lateral connection where service is available to connect to an individual Dwelling within a Unit.

(c) **Gas.** The natural gas line network throughout the Project, up to the point of lateral connection where service is available to connect to the individual Dwelling within a Unit.

(d) **Telecommunications.** The telephone, television, and telecommunication wiring networks, if available, throughout the Project, up to the point of lateral connection for service to a Dwelling within a Unit.

(e) **Cable Television Wiring.** The cable television wiring network throughout the Project, up to, but not including, connections to provide service to each Dwelling constructed within a Unit's perimeter boundaries in the Condominium.

(f) **Water.** The water distribution system throughout the Condominium, up to the point where service is available for connection to a Condominium Dwelling within a Unit.

(g) **Sanitary Sewer.** The sanitary sewer system throughout the Condominium, up to the point where the sewer lead is available for connection to a Condominium Dwelling constructed within a Unit.

(h) **Storm Water Drainage System.** The storm water drainage easement and retention basin system throughout the Project, up to the point of lateral connection for service to a Dwelling within a Unit.

(i) **Utility System Easements.** Easements for all of the aforementioned utility systems that are provided by or for the benefit of third parties are hereby dedicated to them for that purpose in the locations as set forth in Exhibit "B."

(j) **Mailboxes.** The mailboxes within the Condominium, including the posts and the mailboxes themselves, regardless of whether any such mailbox posts and mailboxes may be located a Co-owner's Unit.

(k) **Other.** Such other elements of the Project not herein designated as General Common Elements which are not located within the perimeter 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 (including mains and service leads) and equipment described in Article IV, Sections (a) – (j) above may be owned by the local municipal authority or by the company that is providing the pertinent utility service. Accordingly, such utility lines and equipment shall be General Common Elements only to the extent of the Co-owners' interest therein, if any.

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Section 2. Limited Common Elements. Limited Common Elements shall be subject to the exclusive use and enjoyment of the Co-owner of the Unit or Units which they serve.

(a) **Utilities Serving a Unit or Units.** All utilities servicing a Unit, up to the point of lateral connection with a General Common Element, shall be Limited Common Elements, including any shared sanitary sewer lead originally installed to service multiple Units and which now serves two (2) individual single family. Dwellings, whose Co-owners shall be jointly responsible for its maintenance, repair and replacement.

No additional limited common elements have been designated as such in this Master Deed because no other limited common elements exist in the Condominium.

Section 3. Responsibilities. The respective responsibilities for the decoration, maintenance, repair and replacement of the Units, Dwellings and Common Elements are as follows:

(a) **Co-owner Responsibilities.**

(i) **Units, Dwellings and Limited Common Elements.** The duty and costs of maintenance, decoration, repair and replacement of each Unit and its Limited Common Elements, as designated in the Condominium Subdivision Plan and this Master Deed, including the Dwelling within the Unit and all improvements, structures and appurtenances contained therein, shall be borne by the Co-owner of such Unit and Dwelling; provided, however, that the exterior appearance of all of the Dwellings within the Units, to the extent visible from any other Dwelling within a Unit or from any Common Element in the Project, shall be subject at all times to the approval of the Association's Board of Directors and to reasonable aesthetic and maintenance standards as might be prescribed by the Condominium Documents or by the Board in duly adopted rules and regulations.

All structures shall be built within a Unit in accordance with Township requirements and shall not extend beyond building setback lines without the approval of the Township, as may be applicable, and the Association's Board of Directors.

Co-owners shall not connect their sump pump or gutter washout to drain lines that run to the Condominium's roads. In the event that a Co-owner connects their sump pump and/or their gutter washout to drain to the Condominium's roads, the Co-owner shall be liable for all damage caused by any flooding or sludge accumulation that results in the roads or on any other Common Elements.

No individual Co-owner shall be responsible for decoration, maintenance, repair or replacement of any general common elements except as specifically provided in Article VI, Section 14 of the Bylaws (regarding the General Common Element road right-of-way).

(ii) **Co-owner's Failure to Maintain, Repair or Replace.** In the event a Co-owner fails to maintain, repair or replace any items for which they are responsible, the Association shall have the right, but not the obligation, to take whatever action or actions it deems desirable to so maintain, repair or replace any such improvements made within a Unit, all at the expense of the Co-owner of the Unit. Failure of the Association to take any such action shall not be deemed a waiver of the Association's right

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to take any such action at a future time. This provision shall not be interpreted as giving the Association or any of its agents the right to enter the interior of any Dwelling for any purpose, nor as permitting the Association to maintain, repair, or replace the exterior of any Dwelling, structure or other improvement located within a Unit without first obtaining a court order authorizing any such maintenance, repair or replacement action by the Association.

All costs incurred by the Association in performing any responsibilities under this Article IV 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 within thirty (30) days; further, the lien for nonpayment shall attach as in all cases of annual, additional, and special 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 assessments including, without limitation, legal action, foreclosure of the lien securing payment, and the imposition of fines.

(b) **Association Responsibilities.** The duty and costs of decoration, maintenance, repair, and replacement of all general common elements in the Condominium shall be borne by the Association, subject to any provisions in the Condominium Bylaws which may provide expressly to the contrary.

The Association's specific responsibilities shall include, but are not limited to, the following:

(i) **Shared Easement with Crystal Wood Estate.** The Association shall be responsible for the duty and cost of maintaining, repairing, and replacing the shared access easement within the adjacent Crystal Wood Estate site condominium over Crystal Crossing Drive.

(ii) **Storm Water Drainage Easement.** The duty and cost of maintaining, repairing, and replacing the storm water drainage easement courses (including surface water drainage courses on individual Units), and the retention basin within the adjacent Crystal Wood townhouse condominium project, as shown on Exhibit "B" attached to the Master Deed, shall be borne by the Association, subject to any provision of the Condominium Documents expressly to the contrary.

(iii) **Mailboxes.** The duty and cost of maintaining, repairing, and replacing all mailboxes in the Condominium, including the mailbox posts on which they are affixed, shall be the responsibility of the Association, regardless of whether they might be located within a Co-owner Unit's.

(c) **Association's Discretion to Maintain Units, Dwelling Exteriors, and Limited Common Elements.** The Association shall not be responsible, in the first instance, for performing any maintenance, decoration, repair or replacement with respect to Units, Limited Common Elements, the exteriors of Dwellings and/or their related structures or other improvements located within the Units.

Nevertheless, in order to provide for flexibility in administering the Condominium, the Association, acting through its Board of Directors, may undertake such regularly recurring, reasonably uniform, periodic exterior maintenance functions with respect to the Units, Dwelling exteriors and Limited Common Elements as it may deem appropriate to maintain the quality and character of the Condominium. Nothing herein contained, however, shall compel the Association to undertake such responsibilities.

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The Association's Board of Directors may adopt reasonable rules and regulations applicable to the exercise of their discretion to maintain, repair and replace the Units, Dwelling exteriors and Limited Common Elements under this Section.

Nothing in this sub-Section 3 (c) shall be construed as permitting the Association to enter into the interior of any Dwelling in the Condominium, or as permitting the Association to maintain, repair, or replace the exterior of any Dwelling, structure or other improvement located within a Unit or any of its Limited Common Elements without first obtaining a court order authorizing any such maintenance, repair or replacement action.

All costs incurred by the Association in performing any responsibilities under this sub-Section which are required, in the first instance, to be borne by any Co-owner, shall be assessed against such Co-owner and shall be due and payable with their monthly assessment next falling due. Further, the lien for nonpayment shall attach as in all cases of regular, additional, or special 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 assessments including, without limitation, legal action, foreclosure of the lien securing payment, and imposition of fines.

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, Dwellings and Common Elements. No Co-owner shall use their Unit, Dwelling or the Common Elements in any manner inconsistent with the purposes of the Project or in any manner which will interfere with or impair the rights of any other Co-owner in the use and enjoyment of their Unit, Dwelling or the Common Elements. Each Dwelling constructed within a Unit shall be located entirely within the Building Envelope Lines for such Unit as depicted on the Site Plan which constitutes a part of Exhibit "B" to the Master Deed.

Section 6. Co-owner Fault. If the Association's Board of Directors determines, in its sole discretion, that maintenance, repair, decoration, or replacement is required of any aspect of a Common Element as a result of a Co-owner's default (as the term "Default" is defined in this Master Deed) in performing their responsibilities set forth above, the Association may proceed to perform the required work on the Common Elements.

The Association may assess the cost of any such maintenance, repair, decoration, or replacement that it performs to the Co-owner who caused the damage, and such amounts shall be added to the Owner's assessment amount in accordance with Article II of the Bylaws. Failure of the Co-owner to pay the assessments shall entitle the Association to proceed with any and all remedies as are set forth for a Co-owner's non-payment of assessments in the Condominium Bylaws.

Section 7. Co-owner Additions and Modifications. Co-owner improvements, additions, or modifications to a Unit, its Limited Common Elements or to the Dwelling within a Unit, even though

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approved by the Association's Board of Directors or installed upon purchase, shall not be considered General or Limited Common Element in any case, and shall be the complete responsibility of the Co-owner.

ARTICLE V

UNIT DESCRIPTION AND PERCENTAGE OF VALUE

Section 1. Description of Units. Each Unit of the Condominium Project is described in this paragraph with reference to the Condominium Subdivision Plan of Crystal Wood II, as a separate building site as surveyed by Alpine Engineering, Inc., and attached to the Master Deed as Exhibit "B." There are fifty (50) Units in the Condominium Project established by this Master Deed. Each Unit shall consist of the space located within horizontal and vertical Unit boundaries as delineated with heavy outlines on the Condominium Subdivision Plan.

Section 2. Percentage of Value. The percentage value assigned to each of the fifty (50) Units shall be equal.

The determination that percentages of value should be equal was made after reviewing the comparative characteristics of each Unit in the Project and concluding that there are no material differences among the Units insofar as the allocation of percentages of value is concerned.

The percentage of value assigned to each Unit shall be determinative of each 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 the expenses of administration and the value of such Co-owner's vote at meetings of the Association. The total value of the project is one hundred percent (100%).

ARTICLE VI

EASEMENTS

The following easements are hereby created in this Project.

Section 1. Easement for Utilities and Maintenance of Encroachments. There shall be easements to, through and over the entire Project, including all of the land, for the continuing maintenance and repair of all utilities in the Project.

In the event any improvements located on one Unit encroach upon another Unit or upon a Common Element due to shifting, settling, or moving of a building, or due to survey errors, construction deviations, or change in ground elevations, reciprocal easements shall exist for the maintenance of any encroachment for so long as the encroachment exists, and for maintenance thereof after rebuilding in the event of destruction.

Section 2. Easement for Marion Township for Inspection, Maintenance and Repair; Right to Assess Costs to Association and to Co-owners. There also shall exist a permanent, non-exclusive easement in favor of the Township of Marion on and over all common elements in the Project for their inspection, maintenance, and repair. None of the Association, the Township of Marion, or any such public or private utility shall be liable to the owner of any unit or any other person, in trespass or any

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other form of action, for the exercise of rights pursuant to this Section or any other provision of the Condominium Documents which grant such easements, rights of entry or other means of access. No failure by the Association, the Township of Marion, or any public or private utility to take any such action shall be deemed a waiver of its right to take any such action at a future time.

This easement is granted to the Township of Marion solely in order that the Township of Marion from time to time may inspect, and upon thirty (30) days' prior notice by the Township of Marion to the Association specifying in reasonable detail the corrective action to be taken and the failure of the Association to do so, to perform the Association's responsibilities for the maintenance and repair of the common elements, or any portion thereof. The Association shall reimburse the Township of Marion promptly for all actual costs incurred by the Township of Marion to maintain or repair any of the common elements within the Project plus, if so provided by Township of Marion ordinance or by agreement with the Association, a twenty-five percent (25%) administrative fee therefore, promptly after receipt of a demand therefore supported by reasonable evidence of the actual costs so incurred by the Township of Marion. Upon the failure or refusal of the Association to do so, the Township of Marion shall have the right to assess the unpaid amount pro rata among all units in the Project and to obtain a lien against the unit for the payment thereof. All costs incurred by the Association to perform any responsibilities required in the first instance to be borne by any unit owner shall be assessed against such unit owner and shall be due and payable with his installment of the annual assessment next falling due, and a lien for nonpayment shall attach as in all cases of regular assessments and 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.

Section 3. Grant of Easements by the Association's Board of Directors. The Association, acting through its lawfully constituted Board of Directors, shall be empowered and obligated to grant such easements, licenses, rights-of-entry, and rights-of-way over, under and across the Condominium Premises, but outside the perimeter lines of all Units, for utility purposes, roadway, safety, or access purposes, and such other lawful purposes as may be necessary for the benefit of the Condominium. No easement 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 benefited thereby.

Section 4. General Common Element Open Space. The general common element open space shall forever remain open space, subject only to uses approved on the site plan by the Township of Marion. Further subdivision of open space land or its use for other than recreation or conservation purposes, except for easements for utilities, is strictly prohibited.

The dedication of open space in perpetuity is binding on all successors and assigns of the Association and future owners of Units in the Project. In the event that the Township undertakes maintenance within the open space as a result of inadequate maintenance by the Association, or the open space is determined by the Township to be a public nuisance, then, and in either of those events, any and all costs associated with maintenance performed by the Township, together with a twenty-five percent (25%) administrative fee, will be billed to the Association or assessed by the Township upon the individual units in the Project and shall become a lien on said units in the same manner as general property taxes.

The use of pesticides, herbicides and chemical fertilizers within twenty-five (25) feet of any regulated wetland is prohibited by the Michigan Department of Environmental Quality and the Township of Marion.

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Section 5. Easements for Emergency Services, Government Agencies, and Utilities. There shall exist for the benefit of the Unit owners, all federal, state and local government entities and agencies (including, without limitation, the United States Postal Service, the Michigan Department of Environment, Great Lakes and Energy (EGLE), the County of Livingston, the Township of Marion and the Howell Public Schools), all utility providers, any public or private emergency service agency and their respective licensees and invitees an easement over all general common element roadways and general common element pedestrian walks in the Project. Said easement shall be for purposes of ingress and egress to provide, without limitation, mail delivery, fire, and police protection, utility services, ambulance and rescue services and all other lawful governmental and private services to the Project and Unit owners. This grant of easement shall in no way be construed as a dedication of any such roadway or pedestrian walk to the public.

Section 6. Easements for Access for Repairs. The Association and all public or private utilities shall have such easements over, under, across, and through the Condominium Project, including all Units, Dwellings and Common Elements, as may be necessary to fulfill any responsibilities of maintenance, repair or replacement which they or any of them are required or permitted to perform under the Condominium Documents or by law. These easements include, without limitation, the right of the Association to obtain access to a Unit, Dwelling, and its Limited Common Elements during reasonable hours upon at least 48 hours' notice to the Co-owner about the need for access. This Section shall not be construed as permitting the Association or its agents from entering the interior of any Dwelling.

Section 7. Special Assessment District for Road Repairs. Upon approval by an affirmative vote of those Unit which represent at least fifty-one percent (51%) of all Units in the Condominium, the Association, through its Board of Directors, shall be empowered to sign petitions requesting establishment of a special assessment district pursuant to provisions of applicable Michigan statutes providing for improvements financed by special assessments, including the construction or improvement of roads within or adjacent to the Project. In the event that a special assessment road project is established pursuant to applicable Michigan law, the collective costs assessable to the condominium premises as a whole shall be borne equally by all unit owners.

Section 8. Cost-Sharing for Snowplowing with Crystal Wood Estate Condominium and Crystal Wood Condominium. Together with the Crystal Wood Condominium Association (28/125 share) and the Crystal Wood Estate Condominium Association (21/125 share), the Crystal Wood II Homeowners Association shall be responsible for 76/125 as its proportionate share of the cost of snowplowing of that portion of Crystal Crossing Drive adjacent to the project that is private and not snowplowed by the Livingston County Road Commission.

Section 9. Grant of Easement for the Benefit of Co-owners. Each Unit Co-owner shall have an easement over the Common Elements to utilize, tap, tie into and extend such utilities as may be necessary for the reasonable use of their Unit and its appurtenances from time to time. To the extent that this easement right is exercised by any Co-owner, such Co-owner shall pay the costs of such additional utilization, tapping, tying into or extension and to restore the Condominium Project to a state reasonably approximating their condition prior to such exercise.

Section 10. Telecommunications Agreements. The Association, acting through its duly constituted Board of Directors shall have the power to grant such easements, licenses, and other rights or entry, use and access and to enter into any contract or agreement, including wiring agreements, right-of-

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way agreements, access agreements and multi-unit agreements and, to the extent allowed by law, contracts for any installation necessary, convenient or desirable to provide for telecommunications, videotext, broad band cable, satellite dish, earth antenna and similar services (collectively "Telecommunications") to the Project or to any Unit or Dwelling 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 paid by any telecommunications company or other company or entity in connection with such service, including fees, if any, for the privilege of installing same, 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 11. Existing Easements of Record; Reserved Easements. The Condominium is subject to all easements of record, including but not limited to any and all easements as are depicted in the Condominium Subdivision Plan, attached as "Exhibit B" to the Master Deed, as amended. The Association reserves all easements granted by the Act without restriction of any kind.

Section 12. Termination of Easements. The Association, acting through the Board, 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.

Section 13. Association Easements for Maintenance, Repair and Replacement. There shall be easements to and in favor of the Association, and its officers, directors, agents, and designees, in, on and over all Units, Dwellings and Common elements in the Project as may be necessary to fulfill any responsibilities of maintenance, repair, decoration or replacement 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; provided, however, that the easements granted hereunder shall not entitle any person other than the Owner thereof to gain entrance to the interior of any Dwelling or garage located within a Unit. The Association shall not be liable to the Owner of any Unit or Dwelling 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 provision of the Condominium Documents that 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. In no event shall the Association be liable for the decoration, maintenance, repair, or replacement of any portion of the interior of any Dwelling.

The Association shall in no event be obligated to repair any Dwelling or other improvement located within a Unit to the extent the repair is necessitated on account of any occurrence with respect to which a Co-owner is required under the Condominium Documents to maintain insurance coverage, nor shall the Association be obligated to make any capital expenditures of any type whatsoever with respect to such Dwellings and improvements.

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ARTICLE VII
MICHIGAN RIGHT TO FARM ACT

Owners in Crystal Wood II are hereby notified that the Project is located in an agricultural area of the Township of Marion, and that it is surrounded by farm operations that are protected by the Michigan Right to Farm Act, which is Act 93 of the Public Acts of 1981, as amended. In approving the site plan for Crystal Wood II the Township of Marion requested that the Developer notify all future owners of both the existence of said farm operations and the Act. It is the desire of the Township of Marion to avoid having owners who move into the Project complain of the existence of said farm operations at a future date. The Michigan Right to Farm Act provides as follows:

1. As used in the Michigan Right to Farm Act:

a. "Farm" means the land, buildings, and machinery used in the commercial production of farm products.

b. "Farm operation" means a condition or activity which occurs on a farm in connection with the commercial production of farm products, and includes, but is not limited to, marketed produce at roadside stands or farm markets; noise; odors; dust; fumes; operation of machinery and irrigation pumps; ground and aerial seeding and spraying; fee application of chemical fertilizers, conditioners, insecticides, pesticides, and herbicides; and the employment and use of labor.

c. "Farm product" means those plants and animals useful to human beings and includes, but is not limited to, forages and sod crops, grains and feed crops, dairy and dairy products, poultry and poultry products, livestock, including breeding and grazing, fruits, vegetables, flowers, seeds, grasses, trees, fish, apiaries, equine and other similar products, or any other product which incorporates the use of food, feed, fiber, or fur.

d. "Generally accepted agricultural and management practices" means those practices as defined by the commission of agriculture. The commission shall give due consideration to available Michigan department of agriculture information and written recommendations from the Michigan state university college of agriculture and natural resources cooperative extension service and the agricultural experiment station in cooperation with the United States department of agriculture soil and conservation service and the agricultural stabilization and conservation service, the department of natural resources and other professional and industry organizations.

e. "Person" means an individual, corporation, partnership, association, or other legal entity.

f. A farm or farm operation shall not be found to be a public or private nuisance if the farm or farm operation alleged to be a nuisance conforms to generally accepted agricultural and management practices according to policy as determined by the state agriculture commission. Generally accepted agricultural and management practices shall be reviewed annually by the state agriculture commission and revised as considered necessary.

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g. A farm or farm operation shall not be found to be a public or private nuisance if fee farm or farm operation existed before a change in the land use or occupancy of land within one (1) mile of the boundaries of the farm land, and if before that change in land use or occupancy of land, the farm or farm operation would not have been a nuisance.

ARTICLE VIII

AMENDMENT

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 at least sixty-six and two-thirds percent (66 2/3%) of the Units 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 XIV 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:

- (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 Michigan Condominium 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 satisfy the requirements of the Township of Marion or any other authority having jurisdiction or the Condominium; or
- (f) 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, Dwellings, improvements, or the Common Elements.

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Section 3. Combination of Units and Boundary Relocations. Owners of adjacent units may relocate the boundaries between them or combine them into one (1) Unit in accordance with Section 48 of the Act, subject to the approval of the Board of Directors and the Township of Marion. Once combined, said units shall be assessed as a single unit within the Project. The Association shall be responsible for the preparation and recording of any necessary amendment to the Master Deed and the owner or owners making any such change shall reimburse the Association for all expenses it incurs.

Section 4. No Changes to Site Plan. The Condominium Master Deed and its Exhibits may not be amended so as to affect the site plan for the Condominium Project that was approved by the Township of Marion without the advance written approval of the Township of Marion, and no provision in the Project documents which specifically applies to or grants rights to the Township of Marion may be released, changed, modified, or amended without the advance written approval of the Township of Marion.

Section 5. 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 6. Modification of Units and Percentages of Value; Termination. Notwithstanding any other provision of this Article VIII, 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 and its 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 7. 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.

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.

CRYSTAL WOOD II
AMENDED AND RESTATED MASTER DEED

**CRYSTAL WOOD II HOMEOWNERS
ASSOCIATION**, a Michigan non-profit
corporation

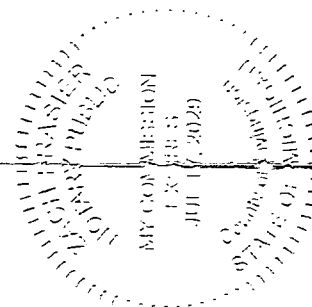
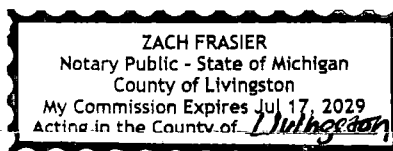
By: Catherine M. Hulett

Its: President

STATE OF MICHIGAN)
)ss.
COUNTY OF Livingston)

The foregoing Amended and Restated Master Deed of Crystal Wood II was acknowledged before me this 1st day of October, 2025, by Catherine Hulett, President of the Crystal Wood II Homeowners 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/he has executed this Amended and Restated Master Deed of Crystal Wood II as her own free act and deed on behalf of the Association.

Zach Frasier
Notary Public
State of Michigan, County of Livingston
My Commission Expires: 7-17-29
Acting in the County of Livingston



**DRAFTED BY AND WHEN
RECORDED RETURN TO:**

Matthew W. Heron (P61501), of
Hirzel Law, PLC
37085 Grand River Avenue, Suite 200
Farmington, MI 48335
(248) 478-1800

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CRYSTAL WOOD II
AMENDED AND RESTATED CONDOMINIUM BYLAWS
(EXHIBIT "A" TO THE MASTER DEED)

ARTICLE I
ASSOCIATION OF OWNERS

Section 1. Association. Crystal Wood II, a residential building site condominium located in the Township of Marion, Livingston 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, insurance, operation and administration of the Common Elements, easements and affairs of the Crystal Wood II Condominium in accordance with the Condominium Documents and the laws of the State of Michigan. These By-Laws shall constitute both the Bylaws referred to in the Master Deed and required by Section 3(8) of the Act and the Bylaws provided for under the Michigan Non-Profit Corporation Act.

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 an owner in the funds and assets of the Association cannot be assigned, pledged or transferred in any manner except as an appurtenance to their 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 Article XII of these Bylaws, the Association shall keep current copies of the Master Deed, all amendments to the Master Deed and other Condominium Documents for Crystal Wood II available at reasonable hours to Co-owners, prospective purchasers and prospective mortgagees of Units in the Condominium.

All Co-owners in the Condominium and all persons using or entering upon or acquiring any interest in any Unit therein or the Common Elements thereof shall be subject to the provisions and terms set forth in the aforesaid Condominium Documents.

ARTICLE II
ASSESSMENTS

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

CRYSTAL WOOD II
AMENDED AND RESTATED CONDOMINIUM BYLAWS

Section 1. Assessments for Common Elements. All costs incurred by the Association in satisfaction of any liability arising within, caused by, or connected with the Common Elements or the administration of Crystal Wood II, including fulfilling drainage responsibilities within individual Units, shall constitute expenditures affecting the administration of the Condominium, and all sums received as the proceeds of or pursuant to any policy of insurance securing the interest of the owners against liabilities or losses arising within, caused by, or connected with the Common Elements or the administration of Crystal Wood II, shall constitute receipts affecting the administration of the Condominium 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 and maintenance of the Project, including a reasonable allowance for contingencies and reserves.

(b) **Budget Adoption; Annual Assessment.** Upon adoption of an annual budget by the Board of Directors, copies of the budget shall be delivered to each Co-owner and the assessment for said year shall be established based upon said budget, although the failure to deliver a copy of the budget to each Co-owner shall not affect or in any way diminish the liability of any Co-owner for any existing or future assessments. 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 major repair and replacement of those General Common Elements that must be repaired or replaced on a periodic basis shall be established in the budget and must be funded by regular payments as set forth in Section 2 (a) above rather than by special or additional assessments.

At a minimum, the reserve fund shall be equal to ten percent (10%) of the Association's current annual budget on a noncumulative basis. Since the minimum standard required by this subparagraph may prove to be inadequate for this particular project, the Board of Directors should carefully analyze the Condominium Project to determine if a greater amount should be set aside, or if additional reserve funds should be established for other purposes from time to time, 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.

The funds contained in such reserve fund should only be used for major repairs and replacements of the Common Elements. All reserve funds shall be kept in a separate account from the Association's operating account. The bank statements for both the operating account and the reserve account shall be mailed by the bank to the Association and not the management agent.

(d) **Additional Assessments.** Should the Board of Directors at any time decide, 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;

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AMENDED AND RESTATED CONDOMINIUM BYLAWS*

Elements;

(ii) to provide repairs or replacements of existing General Common

(iii) to provide additions to the General Common Elements, the total cost of which to the Association does not exceed five thousand dollars (\$5,000.00) annually for the entire Condominium Project (adjusted for increases in the Consumers Price Index used by the United States Department of Labor, Bureau of Vital Statistics, Metropolitan Detroit area, since the date of recording of the initial Master Deed); or

(iv) to provide for emergencies;

the Board of Directors shall have the authority, without the approval of the Co-owners, to increase the general assessment or to levy such additional assessment or assessments as it shall deem to be necessary for such purposes.

The Board of Directors also shall have the authority, without Co-owner consent, to levy assessments pursuant to the provisions of Article V, Section 3 (b) 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 may be levied by the Board of Directors from time to time, following approval by the Members as hereinafter provided, to meet other needs, requirements, or desires of the Association, including, but not limited to:

(i) assessments to provide for additions to the General Common Elements of a total cost exceeding five thousand dollars (\$5,000.00) annually for the entire Condominium Project (adjusted for increases in the Consumers Price Index used by the United States Department of Labor, Bureau of Vital Statistics, Metropolitan Detroit area, since the date of recording of the initial Master Deed);

(ii) assessments to purchase a Unit at a mortgage foreclosure sale;

(iii) assessments to purchase a Unit at a sale involving the Association's foreclosure of its own lien (as described in Section 7 (d) hereof) for unpaid assessments, and any other amounts assessed or charged to the Co-owner's Unit, but only if the special assessment is for the purpose of enabling the Association to bid more than the total amount of its lien at its own foreclosure sale for the Unit; no Co-owner vote or special assessment shall be required for the Association to foreclose its own lien for unpaid assessments and other amounts owing if the Association's bid amount at the sale is no more than the total lien amount owing to the Association, such amount being determined in accordance with all applicable provisions of the Condominium Documents and the Condominium Act (including, but not necessarily limited to, all unpaid assessments (of any kind), late charges, interest, fines, attorney's fees, costs and all other expenses which are chargeable or assessable to, or in fact have been assessed or charged, to the Unit); or

CRYSTAL WOOD II
AMENDED AND RESTATED CONDOMINIUM BYLAWS

(iv) assessments for any other appropriate purpose not elsewhere herein described.

Special assessments referred to in this subsection 2 (e) shall not be levied without the prior approval of those Co-owners who represent more than sixty (60%) percent of all of the Units in the Condominium.

The authority to levy assessments pursuant to this sub-Section 2 (e) is solely 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's Board 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. 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 each Co-owner according to the percentages of value of their Unit as it is set forth in Article V of the Master Deed, without any increase or decrease for the existence of any rights to the use of the Limited Common Elements serving any Unit.

Any unusual expenses of administration which benefit less than all of the Condominium Units in the Condominium, or any expenses incurred as the result of the conduct of less than all those entitled to occupy the Condominium Project or by their licenses or invitees, may be specially assessed against the Condominium Unit or Condominium 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 which the percentage of value of the applicable Condominium Unit bears to the total percentages of value of all Condominium Units so specially benefitted, or responsible for such expenses.

Each Co-owner (whether one or more persons) shall be and remain personally liable for the payment of all assessments (including late charges, fines, and costs of collection and enforcement of payment) pertinent to the Co-owner's Unit which 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 upon which the land contract seller actually recovers possession of the Unit from the purchaser following 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. Due Dates; Penalties for Default; Application of Payments.

(a) **Due Dates.** Annual assessments as determined in accordance with Article II, Section 2 (a) - (b) above shall be payable by Co-owners in twelve (12) equal monthly installments, commencing with acceptance of a deed to or a land contract vendee's interest in a Unit, or with the acquisition of fee simple title to a Unit by any other means. Notwithstanding the foregoing, the Board may also in its discretion make provision for quarterly, semi-annual, or annual payment of the annual assessment. Each installment of the annual assessment shall be due and payable on the due date designated for such installment payment as determined by the Board of Directors. Additional assessments and special assessments, and any other amounts assessments to an Owner's account under the Condominium

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Documents or the Act, shall be due and payable as directed by the Board of the Directors subject to any applicable provisions of these Bylaws.

(b) **Penalties for Default.** The payment of an installment shall be in default if such installment, or any part thereof, is not paid to the Association in full on or before the due date established by the Board or by the Bylaws for such payment. A late charge of twenty-five (\$25.00) dollars per month, or such other amount as the Board may approve from time to time, may be assessed automatically by the Association to a delinquent owner's account if any assessment is in default for ten (10) or more days, until all delinquent amounts are paid in full. In the event the board establishes a new late charge amount, it shall give written notice to all members thirty (30) days before the new late charge rate shall become applicable. Such late charge shall not be deemed to be a penalty or interest upon the funds due to the Association but is intended to constitute a reasonable estimate of the administrative costs and other damages incurred by the Association in connection with the late payment of assessments. Each installment in default for ten (10) or more days shall bear interest from the initial due date thereof at the rate of seven percent (7%) per annum, until paid in full.

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

- (i) non-sufficient funds check charges;
- (ii) interest;
- (iii) fines;
- (iv) miscellaneous (such as expense charge-backs);
- (v) attorney's fees and costs;
- (vi) late charges;
- (vii) additional assessments;
- (viii) special assessments; and lastly,
- (ix) any unpaid installments of the annual assessment in the order of their due dates, earliest to latest.

Section 5. Liens for Unpaid Assessments. Sums assessed to the Association which remain unpaid, including, but not limited to, regular assessments, additional assessments, special assessments, attorney's fees and costs assessed to a Co-owner's Unit pursuant to the Bylaws, fines, and late charges, shall constitute a lien upon the Unit or Units in the Project owned by the Co-owner at the time of the assessment and upon the proceeds of sale thereof. Any such unpaid sum shall constitute a lien against the Unit as of the first day of the fiscal year to which the assessment, fine or late charge relates and shall be a lien prior to all claims except real property taxes and first mortgages of record. All charges which the Association may levy against any Co-owner shall be deemed to be assessments for purposes of this Section and Section 108 of the Act.

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Section 6. Waiver of Use or Abandonment of Unit; Incomplete Repair Work. 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, by the abandonment of their Unit, or because of any incomplete repair work or the failure of the Association to provide service to the Condominium.

Section 7. Enforcement.

(a) **Enforcement – Generally.** In addition to any other remedies available to the Association, the Association may enforce collection of delinquent assessments, including any and all amounts, expenses and charges which may be assessed to a Unit under any provision of the Condominium Documents, 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 their Unit or any portion of any additional or special assessment levied against the Co-owners 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 through its Board of Directors shall have the right to declare all unpaid installments of any annual assessment for the pertinent fiscal year (and for any future fiscal year in which said delinquency continues), and/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-owner who is not in Good Standing shall not be entitled to do any of the following:

- (i) Be appointed to or continue to serve on any Committee or sub-Committee (if already appointed before the delinquency or default arose);
- (ii) Act as an inspector of any elections;
- (iii) Utilize any of the General Common Elements of the Project;
- (iv) Continue serving on the Board of Directors (if already elected or appointed before the delinquency or default arose);
- (v) Vote at any meeting of the Association or Board of Directors;
- (vi) Sign any petitions (including, but not limited to, a recall petition or a petition to call a Special Meeting of the Membership);
- (vii) 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 utilities or other 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, that none of the provisions listed above shall operate or be applied to deprive any Co-owner of ingress or egress to and from their Unit.

In a judicial foreclosure action, a receiver may be appointed to collect a reasonable rental for the Unit from the Co-owner thereof or any persons claiming under such Co-owner as provided by the Act. The Association may also assess fines for late payment or non-payment of assessments in accordance with the provisions of Article XVIII of these Bylaws. All of these remedies in this sub-Section 7 (c) 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 Condominium, shall be deemed to have granted to the Association the unqualified right to elect to foreclose the lien securing payment of assessments either by judicial action or by advertisement. The provisions of Michigan law pertaining to foreclosure of mortgages by judicial action and by advertisement, as the same may be amended from time to time, are incorporated herein by reference for the purposes of establishing the alternative procedures to be followed in lien foreclosure actions and the rights and obligations of the parties to such actions. Further, each Co-owner and every other person who from time to time has any interest in the Project shall be deemed to have authorized and empowered the Association to sell or to cause to be sold the Unit with respect to which the assessment installment(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, the Co-owner was notified of the provisions of this sub-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, a written notice that one or more installments of the annual assessment and/or a portion or all of an additional and/or a special assessment levied against the pertinent Unit is or are delinquent and that the Association may invoke any of its remedies hereunder if the default is not cured within 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,

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(iii) the amount outstanding (exclusive of interest, costs, attorney's 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 the county in which the Project is located prior to commencement of any foreclosure proceeding, but it need not have been recorded as of the date of mailing as aforesaid. If the delinquency is not cured within the 10-day period, the Association may take such remedial action as may be available to it hereunder or under Michigan law.

In the event the Association elects to foreclose the lien by advertisement, the Association shall so notify the delinquent Co-owner and shall inform them that they may request a judicial hearing by bringing suit against the Association.

(f) **Expenses of Collection.** The expenses incurred in collecting unpaid assessments, including interest, costs, actual attorney's fees (not limited to statutory fees) costs, any and all pre-litigation attorney's fees, costs and expenses, and any advances for taxes or other charges paid by the Association to protect its lien, shall be chargeable to the Co-owner in default and shall be secured by the lien on the Co-owner's Unit.

Section 8. Liability of Mortgagee. Notwithstanding any other provisions of 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 in regard to said first mortgage, shall take the property free of any claims for unpaid assessments or charges against the mortgaged Unit which accrue prior to the acquisition of title by such holder, purchaser or assignee.

Section 9. 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 10. 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 Crystal Wood II owned or possessed in common by the owners, and personal property taxes based thereon shall be treated as expenses of administration.

Section 11. Construction Lien. A construction 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 12. Statement as to Unpaid Assessments. The purchaser or Co-owner of any Unit may request a statement of the Association as to the amount of any unpaid Association assessments thereon, whether regular or special. The Association may require the advance payment of a reasonable processing fee for the issuance of such written statement. Upon written request to the Association,

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

ARTICLE III

ARBITRATION

Section 1. Scope and Election. Disputes, claims or grievances arising out of or relating to the interpretation or the application of the Crystal Wood II Condominium Documents, or any disputes, claims or grievances arising among or between the owners and the Association, upon the election and written consent of the parties to any such disputes, claims or grievances (which consent shall include an agreement of the parties that the judgment of any circuit court of the State of Michigan may be rendered upon any award pursuant to such arbitration) and upon written notice to the Association, shall be submitted to arbitration. 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 circuit court of competent jurisdiction in the State of Michigan.

The arbitration costs shall be borne by the losing party to the arbitration. The arbitrator may require a reasonable deposit to ensure payment of costs, which shall be split equally by the parties. Such deposit shall be placed in escrow in the nature of the 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 against the losing party as part of the arbitration award.

Section 2. Judicial Relief. In the absence of the election and written consent of the parties pursuant to Section 1 above, no 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 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 Responsibilities of the Association. The Association shall carry property insurance, general liability insurance, officers and Directors liability insurance, workers' compensation insurance, if applicable, employee dishonesty/crime insurance (or fidelity bonds), and such other insurance as the Board may determine to be appropriate with respect to the ownership, use and maintenance of the General Common Elements of the Condominium and the administration of Condominium affairs.

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

(a) **Property Coverage.** All General Common Elements of the Condominium shall be insured by the Association under a Special Form, All-Risk 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 destruction of the Condominium if the insurance proceeds failed, for some reason, to be equal to the total cost of replacement).

Subject to other provisions on these Bylaws regarding a Co-owner's right to inspect the Association's books and records, all information in the Association's records regarding insurance coverage shall be made available to all Co-owners upon request and reasonable notice during normal business hours so that the Co-owners shall be enabled 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 coverage.

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.

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The general liability insurance shall cover: (1) the Association; (2) each Co-owner (and the Co-owners collectively, as a group) but only with respect to liability arising out of their interest in the Common Elements or membership in the Association; and (3) any person or organization while acting as a managing agent for the Association.

Such liability insurance shall be carried in a minimum amount of not less than One Million (\$1,000,000.00) Dollars per occurrence for bodily injury and property damage and shall include medical payments coverage.

The Association's liability insurance policy shall also contain the following provision: the insurer may not deny a claim on grounds that the damage, injury or loss resulted from the acts or negligence of the Association or of any Co-owner.

(c) **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 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 Expenses.** All premiums on insurance purchased by the Association pursuant to these Bylaws shall be expenses of administration.

(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 repair, replacement, or reconstruction of the Condominium shall be required as provided in Article V of these Bylaws, the proceeds of any insurance received by the Association as a result of any loss requiring repair, replacement, 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

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allowable by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation.

The Association's deductible expense incurred on any casualty loss may be assessed to the Co-owner in the event that the Co-owner (or the Co-owner's family member, Unit Non-Co-owner Occupant, tenant, guest, licensee or invitee)'s intentional conduct, negligence, or failure to comply with the Condominium Documents was a cause of the loss.

Section 3. Insurance Responsibilities of the Co-owners.

(a) **Generally.** Each Co-owner shall be responsible for obtaining and continuously maintaining in effect the insurance coverages described in Section 3 (b) below relating to their Unit, Dwelling, and Limited Common Elements. It shall be each Co-owner's sole responsibility to determine by personal investigation the nature and extent of any and all types of insurance coverage needed to protect their Unit, Dwelling, Limited Common Elements and any improvements thereto, all personal property located within their Unit or Dwelling or Limited Common Elements, or elsewhere in the Condominium, their personal liability for occurrences within their Unit or Dwelling, or Limited Common Elements, and also for any and all additional and alternative living expenses incurred in the event of casualty loss. The Association shall under no circumstances have any obligation to obtain any of the insurance coverages described in this Section 3 (a) – (b) or any liability to any person for failure to do so.

Co-owners shall be solely responsible for carrying all of the types of coverages listed in Section 3 (b) below, and the Association shall have no responsibility for any such coverages.

In the event of the failure of a Co-owner to obtain such insurance or to provide evidence thereof to the Association, the Association may obtain such insurance on behalf of such Co-owner and the premiums therefor shall constitute a lien against the Co-owner's Unit which may be collected from the Co-owner in the same manner that Association assessments may be collected in accordance with Article II hereof.

It shall be each Co-owner's sole responsibility to determine by personal investigation the nature and extent of any and all types of insurance coverage needed to protect their Unit and Dwelling and any improvements thereto, all personal property located within their Unit or Dwelling, or elsewhere in the Condominium, their personal liability for occurrences within their Unit or Dwelling, and also for any and all additional and alternative living expenses. The Association shall under no circumstances have any obligation to obtain any of the insurance coverage described in this Section 3 or any liability to any person for failure to do so.

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, claims or expenses 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 (and the Association shall have no responsibility) for insuring the following:

(i) **Property.** The Co-owner's property insurance coverage shall cover all causes of loss normally covered by an All-Risk homeowners' property insurance policy, including, but not limited to, fire, theft, vandalism, host liability, and malicious mischief. Such coverage shall insure the

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Co-owner's Dwelling, Unit, and any other improvements located within the Co-owner's Unit or Limited Common Elements (if any). Upon the written request of the Board, a Co-owner shall provide written verification of such property insurance coverage to the Association.

(ii) **Personal Property.** All personal property located within the Co-owner's Unit and Dwelling, and elsewhere in the Condominium.

(iii) **Liability.** The Co-owner's personal liability for any injury to persons and property occurring within the Co-owner's Unit, Limited Common Elements and Dwelling. Such insurance shall be carried in such minimum amounts as may be specified by the Association's Board, but in no event shall such coverage be less than One-Million (\$1,000,000.00) Dollars per occurrence.

(iv) **Upgrades, Betterments and Improvements.** Each Co-owner shall be solely responsible for insuring all betterments, improvements, and additions to their Condominium Unit, Limited Common Elements, and Dwelling.

(v) **Alternative Living Expenses.** Each Co-owner shall be solely responsible for insuring additional and alternative living expenses in the event of fire, mold, or other casualty or event involving damage to the Condominium or to their Dwelling or Unit.

(vi) **Loss Assessment and Deductibles.** The Co-owner's coverage should include "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.

(vii) **Rental Coverages.** It shall be the responsibility of each landlord Co-owner to require any Tenant or Non-Co-owner Occupant of their Unit and Dwelling 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 or Dwelling

Section 4. Authority of Association to Settle Insurance Claims. Each Co-owner, by ownership of a Unit or Dwelling in the Condominium, shall be deemed to appoint the Association as their true and lawful attorney-in-fact to act in connection with all matters concerning the maintenance of fire and extended coverage, vandalism and malicious mischief, liability insurance and worker's compensation insurance, if applicable, pertinent to the General Common Elements of the Condominium Project, with such insurer as may, from time to time, provide such insurance for the Condominium.

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 settle all insurance claims, to execute releases of liability and to execute all documents and to do all things on behalf of the Co-owners and the Condominium as shall be necessary or convenient to the accomplishment of the foregoing. Unless the Association's Board of Directors elects, in its sole discretion, to obtain coverage for a Dwelling within a Unit pursuant to the provisions of Article IV, Section 3 (a) above, the Association's authority shall not extend to insurance coverage on any Dwelling.

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Section 5. Waiver of Right 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 individual Co-owner shall indemnify and hold harmless every other Co-owner and the Association for all damages and costs, including attorneys' fees, which such other Co-owners or the Association may suffer as a result of defending any claim arising out of an occurrence on or within an individual Co-owner's Unit, Limited Common Elements or Dwelling, and shall carry insurance to secure this indemnity if so required by the Association's 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-owner to reconstruct, repair and replace the Condominium Units, Dwellings 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.

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 reconstruct, repair, and replace the Condominium Units, Dwellings and Common Elements.

Section 1. Determination and Responsibility for Reconstruction, Replacement or Repair. If any part of Crystal Wood II shall be damaged, the determination of whether or not it shall be reconstructed, replaced, or repaired, and the responsibility therefor, shall be made as follows:

(a) **General Common Elements.** If the damaged property is a General Common Element, the damaged property shall be rebuilt or repaired by the Association unless two-thirds (2/3) of the Co-owners and fifty-one (51%) percent of the eligible holders of first mortgages on any Condominium Units consent to do otherwise, and the Township of Marion consents to such action.

(b) **Unit or Improvements/Dwelling Thereon.** If the damaged property is a Unit, Limited Common Elements, or any improvements or Dwelling within a Unit, the Co-owner of such Unit alone shall determine whether to rebuild or repair the damaged property, subject to the rights of any mortgagee or other person or entity having an interest in such property, and such Co-owner shall be responsible for any reconstruction or repair that they elect to make.

The owner shall in any event remove all debris and restore their Unit and the improvements thereon to a clean and sightly condition satisfactory to the Association's Board as soon as reasonably possible following the occurrence of the damage, and in any event, shall remove all debris within three (3) months from the date of loss. Further, any such reconstruction or repair will be subject to any applicable building code requirements and other ordinance requirements of the Township of Marion.

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Section 2. Repair in Accordance with Master Deed. Any such reconstruction, replacement, or repair of an improvement within the General Common Elements shall be substantially in accordance with the Master Deed and the original plans and specifications of the improvements 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 on any Condominium Units consent to do otherwise.

Section 3. Association's Repair, Replacement and Reconstruction Duties for Common Elements; Items Covered by Association's Insurance.

(a) **General Common Elements.** The Association is responsible for reconstructing, repairing and replacing the General Common Elements as set forth in the Master Deed and these Bylaws. Immediately after the occurrence of a casualty causing damage to property for which the Association has the responsibility of repair, replacement, or reconstruction, the Association shall obtain reliable and detailed estimates of the cost to restore the damaged property in a condition as good as that existing before the damage.

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

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

(b) **Insurance.** In the event that damage to any Common Elements is covered by insurance held by the Association, any insurance proceeds received shall be used for reconstruction, replacement or repair when such reconstruction, replacement or repair is required by these Bylaws. 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. If Article IV, Section 2 (f) of these Bylaws does not authorize the assessment of such expenses to a particular Co-owner or Co-owners for a given casualty loss, then such expenses shall be assessed to all of the Co-owners according to the percentage of value of their Unit.

Immediately after a casualty causing damage to property for which the Association has the responsibility of replacement, repair or reconstruction under this Section 3, the Association shall obtain reliable and detailed estimates of the cost to place the damaged property in a condition as good as that existing before the damage. If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction, replacement or repair required to be performed by the Association, or if at any time during or upon completion of such reconstruction, replacement or repair, the funds for the payment of the costs thereof are insufficient, assessments shall be made against all 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 4. Co-owner Responsibility for Reconstruction, Repair, and Replacement. The Co-owner is responsible for repairing, replacing and reconstructing the Co-owner's damaged Unit, Limited Common Elements, Dwelling, and any improvements within the Co-owner's Unit, Limited Common Element and Dwelling in accordance with the Master Deed, including (but not limited to) Article IV, Section 3 (a) of the Master Deed regarding such Co-owner's duties, and Article V of these Bylaws.

In all other cases, the responsibility for reconstruction, repair and replacement shall be that of the Association.

Section 5. Timely Reconstruction, Replacement, and Repair. The Association or Co-owner responsible for the reconstruction, repair, or replacement of the damaged property shall proceed with such reconstruction, repair, or replacement of the property without delay and shall complete all such work within a reasonable time after the occurrence of the damage.

Section 6. Eminent Domain. The following provisions shall control upon any taking by eminent domain:

(a) **Taking of Entire Unit, Dwelling or Improvements Thereon.** In the event of any taking of an entire Unit, Dwelling or any improvements thereon by eminent domain, the award for such taking shall be paid to the Co-owner of such Unit, Dwelling or improvement and the mortgagee thereof, as their interest may appear.

If a Co-owner's entire Unit and Dwelling 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 and Dwelling 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 and Dwelling taken for their undivided interest in the Common Elements as well as for the Condominium Unit.

(b) **Taking of Common Elements.** 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 two-thirds (2/3) of the Co-owners shall be binding on all Co-owners.

The affirmative vote of more than sixty-six and 2/3 (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 or Dwelling. In the event the Condominium Project continues after portions of a Unit or Dwelling are taken by eminent domain, then the court shall determine the fair market value of the portions of the Unit or Dwelling not taken. The undivided interest for each Condominium Unit in the Commons Elements appertaining to the Units shall be reduced in proportion to the diminution in the fair market value of the Condominium Unit or Dwelling 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 Condominium Units in the Condominium Project in proportion to their respective undivided interests in the Common Elements.

A Condominium Unit or Dwelling partially taken shall receive a reallocation of the Common Elements in proportion to its undivided interest 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 or Dwelling 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 or Dwelling 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 any 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 or Dwelling Not Taken by Eminent Domain. If the taking of a portion of a Condominium Unit makes it impractical to use the remaining portion of that Unit or Dwelling for a lawful purpose permitted by the Condominium Documents, then the entire undivided interest in the Common Elements appertaining to that Unit and Dwelling 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 Unit and Dwelling 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 and/or Dwelling 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 or Dwelling in the Condominium, or any portion thereof, or the Common Elements or any portion thereof, is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, the Association promptly shall so notify each institutional holder of a first mortgage lien on any of the Units or Dwellings in the Condominium.

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(f) **Applicability of the Act.** To the extent not inconsistent with the foregoing provisions, Section 133 of the Act shall control upon any taking by eminent domain.

Section 7. 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 or Dwellings 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, Dwellings and/or Common Elements.

Section 8. Notification of FHLMC and FNMA. In the event any mortgage in the Condominium is held by the Federal Home Loan Mortgage Corporation ("FHLMC") or by the Federal National Mortgage Association ("FNMA"), then, upon request therefor by FHLMC or FNMA, the Association shall give it written notice at such address as it may, from time to time, direct of any loss to or taking of the Common Elements of the Condominium, if the loss or taking exceeds \$10,000 in amount or damage to a Condominium Unit or Dwelling covered by a mortgage purchased in whole or in part by FHLMC or FNMA exceeds \$1,000. The Association shall provide such other reasonable notice as may be required, from time to time, by other institutional holders of mortgages upon Units or Dwellings.

ARTICLE VI RESTRICTIONS

All of the Units and Dwellings in Crystal Wood II shall be held, used and enjoyed subject to the ordinances of the Township of Marion, applicable law and the following limitations and restrictions:

Section 1. Residential Use.

(a) **Generally.** No Unit in the Crystal Wood II shall be used for other than single-family residential purposes as defined by the Township of Marion Zoning Ordinance. The Common Elements shall be used only for purposes consistent with single-family residential use.

No businesses may be operated on a Unit or within any Dwelling that uses outside employees, or which has customers coming to the premises without the prior written approval of the Association's Board of Directors, with the exception of hair styling businesses conducted within a Dwelling.

(b) **Prohibited Uses.** Subject to all other provisions of these Bylaws, neither the Units, Dwellings, nor the Common Elements shall be used for any commercial purpose or for any purpose in violation of applicable City zoning or other ordinances, or any other pertinent laws or public regulations.

No Unit or Dwelling 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.

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The operation of a family or group day care home within Crystal Wood II is prohibited. The use of any Unit or Dwelling for purposes of an adult foster care facility, adult foster care family home, adult foster care large group home, or adult foster care small group home, as such terms are defined in the Adult Foster Care Facility Licensing Act (Act 218 of the Public Acts of 1979), is expressly prohibited. The use of any Unit or Dwelling as a licensed child day care center or facility is also prohibited.

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 their Unit or Dwelling, or handling personal business or professional telephone calls in that Co-owner's Unit or Dwelling.

Section 2. Leasing and Rental.

(a) **General – Right to Lease.** A Co-owner may lease or sell their Unit for the same purposes set forth in Section 1 of this Article VI; provided that written disclosure of such lease transaction is submitted to the Board of Directors of the Association in the manner specified in subsection (d) below. With the exception of a lender in possession of a Unit following a default of a first mortgage, foreclosure or deed or other arrangement in lieu of foreclosure, no Co-owner shall lease less than an entire Unit or Dwelling in the Condominium and no tenant shall be permitted to occupy except under a lease the initial term of which is at least six (6) months unless specifically approved in writing by the Association's Board of Directors.

No Co-owner may lease any part of a Unit separately from the Co-owner's Dwelling. Only leases of the Co-owner's entire Dwelling along with the Co-owner's entire Unit are permitted.

All leases must be set forth in writing and shall be signed and dated by the Co-owner and their tenant(s). No subleasing of a Unit shall be allowed. No rooms within a Condominium Dwelling may be rented and no transient tenants may be accommodated in any event. For purposes of these Bylaws, a "transient tenant" is any non-Co-owner who resides in a Condominium Unit for less than 30 days. Co-owners of rented Units may not provide any services to their tenants that might be commonly associated with hotels.

Any leasing of a Dwelling 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 to the extent that the lease does not comply with the six-month minimum lease terms requirement set forth herein.

(b) **Exemptions for Government Mortgage Lending Entities - 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 VI, Section 2 to the extent that such an exemption would be required in order for these Bylaws to comply with the standards and rules for mortgage lending, insuring and/or underwriting currently followed by the U.S. Department of Housing, the Federal Home Loan Mortgage Corporation, and/or the Federal National Mortgage Association.

(c) **Exemption for VA Mortgages.** To the extent that any provision set forth in these Bylaws regarding leasing is inconsistent with the requirement(s) of guaranteed or direct loan programs of the United States Department of Veteran Affairs, as set forth in chapter 37 of title 38, United States Code, or part 36 of title 38, Code of Federal Regulations (“VA Mortgage Financing”), such provision shall not apply to any Unit that is:

- (i) encumbered by VA Mortgage Financing;
- (ii) owned by the Department of Veterans Affairs; or

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

(d) **Leasing Procedures.** A Co-owner desiring to rent or lease a Unit Dwelling shall disclose that fact in writing to the Association at least ten (10) days before presenting a lease form to a potential lessee of the Dwelling and, at the same time, shall supply the Association with a copy of the exact lease form for its review for its compliance with the Condominium Documents, including the Association’s rules and regulations.

The terms of all leases, occupancy agreements and occupancy arrangements shall incorporate, or be deemed to incorporate, all of the provisions of the Condominium Documents. Tenants and any Non-Co-owner Occupants living in a Dwelling who are not paying rent shall comply with all of the conditions of the Condominium Documents and all leases, rental agreements, and occupancy agreements shall so state.

Unless otherwise specifically set forth herein (such as in Section 2 (e) below), for all purposes of these Bylaws the term “lease” shall mean and refer to any occupancy agreement or arrangement whereby a Unit is solely occupied by any non-Co-owner occupant or lessee, whether or not the arrangement has been reduced to writing, and regardless of whether rent or other consideration is being paid (or is required to be paid) to the Co-owner.

The term “Leased Unit” shall mean any Unit that is solely occupied by Non-Co-owner Occupants or Lessees.

For all purposes of these Bylaws, as long as the initial term of a lease for a Dwelling satisfies the six-month minimum initial lease term requirement (and all other applicable provisions), a Lessee may continue to occupy a leased Dwelling on a month-to-month basis after the expiration of the initial six-month term (assuming that the lease expressly provides for such occupancy and the Tenant is not otherwise in default of the lease or the Condominium Documents). In such cases, the “lease” and the “tenant” shall be considered to be the same “lease” and “tenant” as those which the Board approved under the initial lease of the Dwelling.

(e) **Non-Co-owner Occupants (other than Renters).** If any Co-owner intends to permit any non-Co-owners to solely occupy their Dwelling Unit but the Dwelling Unit is not going to be leased or rented, the Co-owner shall nevertheless provide the following information in writing to the

Association at least 10 days prior to allowing any such Non-Co-owner Occupants to take sole occupancy of the Co-owner's Unit Dwelling:

(i) The full name, address, and contact information of all non-co-owner occupants that will be occupying the Unit Dwelling; and

(ii) A summary of the terms of the occupancy arrangement under which such occupants will occupy the Unit Dwelling, including the expected duration of the occupancy.

Notwithstanding the foregoing, this sub-Section (e) shall not be construed to require an Owner to provide the information set forth in (i) - (ii) above about their minor children or step-children residing in the home with the Owner, or about any other minors residing in the Owner's Dwelling over whom the Owner or their spouse has legal custody or guardianship.

The provisions of this Section 2 (e) shall only apply to those situations where the Co-owner of the Dwelling Unit to be solely occupied intends to be living or residing elsewhere and the Non-Co-owner Occupants not paying any rent would be solely occupying that Dwelling Unit for more than thirty (30) days.

(f) **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:

(i) The Association shall notify the Co-owner by certified mail advising of the alleged violation by the tenant.

(ii) The Co-owner shall have 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.

(iii) If after 15 days the Association believes that the alleged breach is not cured or may be repeated, it may institute on its behalf an action for eviction against the tenant or non-Co-owner occupant and simultaneously for money damages in the same action against the Co-owner and tenant or non-owner occupant for breach of the conditions of the Condominium Documents. The relief provided for in this subparagraph may be by summary proceeding. The Association may hold both the tenant and/or non-Co-owner occupant and the Co-owner liable for any damages to the General Common Elements caused by the Co-owner, tenant, or non-Co-owner occupant in connection with the Unit or Condominium Project, and for reasonable legal fees incurred by the Association in connection with legal proceedings hereunder.

(g) **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 Unit under a lease or rental agreement and the tenant, after receiving the notice, shall deduct from rental payments due the Co-owner the arrearage and future assessments as they fall due and pay them to the Association. The deductions shall not constitute a breach of the rental agreement or 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:

(i) 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.

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

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

Section 3. Building Size and Height. No building or structure shall exceed two (2) stories above grade or thirty (30) feet in height and all buildings or structures shall be constructed within the perimeter of a Unit. All buildings and structures shall be a minimum size of 1,400 square feet as to living area above ground level measured by the external walls. Approved out-buildings or sheds, Garages, porches and breezeways shall not be included in computing minimum size requirements. All buildings shall be constructed by a licensed contractor and completed within one (1) year from the date of issuance of a building permit by the Marion Township Building Department. All unused building materials and temporary construction shall be removed from the premises within thirty (30) days after substantial completion of the structure. The portion of the surface of the earth which is disturbed by excavation and other construction work shall be finish graded, seeded, sodded and/or covered with other approved landscaping as soon as the construction work and weather permit. No burial or burning of construction debris will be permitted. Owners may not interrupt the surface flow of storm water across their Units.

Section 4. Garages. Each single-family Dwelling shall have a minimum two (2) car attached front or side entry garage. Carports and detached garages shall not be erected, placed or permitted to remain on any Unit. All driveways shall be surfaced with concrete or paving bricks.

Section 5. Temporary Structures. No old or used structure, of any kind, shall be placed upon any Unit. No temporary structure of any character such as a tent, camper, mobile home, trailer, shack, barn, and/or other out-building of any design whatsoever shall be erected or placed upon any Unit prior to construction of the main Dwelling, nor shall any such structure be occupied as living quarters at any time.

Section 6. Accessory Buildings. No accessory building, shed or other out-building shall be permitted on any Unit unless approved by the Board of Directors in its discretion. No oil or fuel storage tanks or wood boilers or furnaces may be installed on any Unit. Notwithstanding the foregoing, vinyl sheds no larger than 10'x10' are permitted so long as the following conditions are met: (a) the Board determines that the shed color and design are complementary to the color and design of the main dwelling; (b) the shed is located at least three (3') feet from the Unit boundary; (c) the shed complies with all municipal ordinances including setbacks; and (d) the shed design drawings are submitted to the Board of Directors prior to construction and the Board of Directors provides its written approval, in its discretion.

Section 7. Swimming Pools. All permanent swimming pools shall be below ground, except children's play pools, hot tubs and whirlpool tubs, although temporary and seasonal above ground pools may be installed without the prior written consent of the Association's Board of Directors from Memorial Day through Labor Day, subject to such restrictions as Township ordinances may place upon their size, use, and location, and any rules or regulations which the Board might adopt regarding the size, placement, and

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use of such pools. All such temporary/seasonal pools must be taken down and removed completely by the Co-owner from their Unit no later than thirty (30) days after Labor Day.

Section 8. Fences. No owner shall construct, or cause to be constructed, any fence of any nature upon his Unit or the Common Elements except when it may be required by Township ordinances or by state or federal laws. Homeowners shall comply with all Township ordinances when constructing fences. Perimeter fences around swimming pools shall be required to be constructed in accordance with all applicable building codes. Invisible fences are encouraged for pet control. For Units # 25 through 29 only, which border non-Condominium property along Norton Road, the Board of Directors may, in its sole and absolute discretion, decide to permit with its prior written approval any such Unit that borders on any non-Condominium property to install a fence along that specific border between their Unit and the adjacent non-Condominium property. All such fences shall be white in color and no taller than 6 feet in height. In addition, the Board may adopt further rules and regulations to govern the other acceptable and/or required characteristics of such fences.

Section 9. Exterior Lighting. No owner shall install exterior lighting that causes excessive illumination so as to constitute a nuisance to other owners. Prohibited lighting shall include, but shall not be limited to, mercury vapor and halogen lighting. All exterior lighting shall be mounted on the Dwellings, except for low wattage lighting adjacent to driveways, decks, patios, walkways, and swimming pools.

Section 10. Mailboxes. The size, color, style, location and other attributes of the mailbox for each Dwelling shall be as specified by the U.S. Postal Service in order to insure consistency and uniformity within Crystal Wood II.

Section 11. 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 without the advance written permission of the Board. Over-the-air reception devices such as satellite dish antennas may be installed within Units and on Dwellings in accordance with the rules and regulations of the Federal Communications Commission ("F.C.C."). The Board may adopt rules and regulations to govern the acceptable size, color and placement of satellite dish antennas subject to applicable F.C.C. rules and regulations.

Section 12. Refuse and Garbage. Each owner shall promptly dispose of all refuse and garbage so that it will not be objectionable or visible to adjacent owners. Garbage and trash shall be kept only in sanitary containers (with the exception of yard waste bags allowed by the City) and may not be put out for collection any earlier than the evening before the day scheduled for collection. No outside storage of refuse or garbage or outside incinerator shall be permitted. Each Dwelling shall be equipped with an interior garbage disposal. No disposal of garbage, rubbish, leaves or debris shall be allowed on vacant Units. Owners shall arrange for weekly pick-up of garbage by only one (1) private garbage/refuse contractor. Garden composting shall be allowed provided that it shall not result in a violation of any other restriction in these Bylaws.

Section 13. Water Softeners. The use of sodium chloride is prohibited in water softeners and the use of potassium chloride or other treatments approved by the Marion Township Building Official is mandatory. Water softeners are prohibited from discharging into the public sanitary sewer system.

Section 14. Sidewalk Easement. Each Unit is subject to a five (5) foot wide sidewalk easement

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as referenced in the Notes on Sheets 5 and 6 of the Condominium Subdivision Plan.

Section 15. Architectural Control. No Dwelling, structure or other improvement shall be constructed within a Unit or elsewhere within Crystal Wood II, nor shall any exterior modification be made to any existing Dwelling, structure or improvement, unless the site plan and building plans and specifications therefor containing such detail as the Board of Directors may reasonably request have first been approved in a writing signed by the Board. Construction and reconstruction of any Dwelling or other improvements must also receive any necessary approvals from the local public authority.

The Board shall have the right to refuse to approve any such plans or specifications or grading or landscaping plans which are not suitable or desirable in its sole opinion for aesthetic or other reasons; and in passing upon such plans and specifications it shall have the right to take into consideration the suitability of the proposed structure, improvement or modification, proposed exterior materials (with exterior elevations constructed in a combination of brick, stone, masonry, wood, simulated wood, compressed board - such as Hardi Plank or a similar material, siding, or vinyl siding, but no T-1-11 or aluminum siding will be permitted) and exterior colors of neutral or earth tones which blend in with existing Dwellings and the natural surroundings, the site upon which it is proposed to be constructed, the location of the Dwelling within each Unit, and the degree of harmony thereof with Crystal Wood II as a whole.

Upon request, samples of exterior building materials and proposed exterior colors shall be provided to the Board of Directors. Brick, stone or other masonry materials shall make up a minimum of fifty percent (50%) of the front elevation, excluding that portion comprised of a garage door. Upon request, samples of exterior building materials and proposed exterior colors shall be provided to the Board. Unless prevented by existing natural vegetation, or severe elevations in the topography, wherever possible, lawns shall surround each Dwelling. No log manufactured or any other type of residential housing constructed and assembled off-site will be permitted. All Dwellings must be constructed or assembled on-site.

Building setbacks are shown on the site plan sheets of the Condominium Subdivision Plan for Crystal Wood II. No flat roofs will be permitted, and a minimum front roof pitch of 6/12 will be required. Shed roofs on porches are exempt from the minimum pitch requirement. All roof shingles shall be of a minimum 25-year non-dimensional material.

The purpose of this section is to assure the continued maintenance of Crystal Wood II as a beautiful and harmonious residential development and shall be binding upon both the Association and upon all owners.

In no event shall any Unit owner have the right to impose liability on the Association or its Board of Directors, or otherwise contest judicially any decision of the Association's Board (or alleged failure of the Association to make a decision) relative to the approval or disapproval of a site plan and building plans, or any aspect or other matter as to which the Board has the right to review and approve under this Article VI.

Section 16. Changes in Common Elements, Units and Dwellings. No Co-owner shall make changes in any of the Common Elements without the express advance written approval of the Board of Directors of the Association; and the Township of Marion, if applicable. No Co-owner shall make alterations, modifications or changes to the exterior (including paint colors) of their Unit, or any structures or Dwelling constructed within their Unit (as opposed to the interior of the Dwelling located within the

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Unit), without the express prior written approval of the Board of Directors, which approval shall not be unreasonably withheld (but may be reasonably conditioned) including, without limitation, the erection of antennas, solar panels, aerials, fences, walls, awnings, flag poles or other exterior attachments or modifications.

Co-owners may display an American Flag without Board permission, provided the size of said flag does not exceed 3' x 5'.

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 559.147a, as amended from time to time.

Section 17. Activities.

(a) **Generally.** No unlawful or offensive activity shall be carried on in any Unit or upon the Common Elements, nor shall anything be done which may be or become an annoyance or a nuisance to the owners of Crystal Wood II. No garage sales shall be permitted on any Unit in the Project except the second weekend in June and the second weekend in September. Garage sales are limited to no more than three (3) days in duration (Friday to Sunday). Without having to amend these Bylaws, the Board of Directors may change the dates of the permitted garage sales.

No unreasonably noisy activity shall occur in or on the Common Elements or in any Unit at any time. No owner shall do or permit anything to be done or keep or permit to be kept in their Unit, Dwelling or on the Common Elements anything that will increase the rate of insurance on Crystal Wood II without the written approval of the Association's Board of Directors, and each owner shall pay to the Association the increased insurance premiums resulting from any such activity or the maintenance of any such condition even if approved.

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

(b) **Fireworks.** Co-owners and their guests and invitees are prohibited from using fireworks within the Condominium except in compliance with this Section 17(b). Fireworks are permitted up until 10:30 p.m. (unless different hours are stated) on the following days: (i) between June 29 and July 4; (ii) Saturday, Sunday and Monday of Memorial Day weekend; and (iii) December 31 (all day) and January 1 (only until 1:00 a.m.). Fireworks must be Low Impact Fireworks or consumer fireworks, referred to as 1.4G, and include roman candles, bottle rockets, and other items that leave the ground. Display fireworks, typically referred to as 1.3G are prohibited. Novelty items such as sparklers, snakes, snaps, and poppers which are not regulated by the Michigan Fireworks Safety Act may be used at any time. Fireworks must be used within a Co-owner's Unit and may not be used on the Common Elements. The Co-owner of a Unit on which fireworks are used is responsible for any liability or damage caused by the fireworks.

Section 18. Pets and Animals.

(a) **Generally.** Subject to the provisions of this Section 18, Co-owners shall be entitled to keep no more than three (3) dogs as pets in their Unit. In addition to the three dogs, Co-owners may keep a reasonable number of such other, additional pets of a domestic nature within their Dwellings and/or Units as might be expressly permitted by the Township and its applicable ordinances. Small animals which are constantly caged such as small birds, fish and reptiles, etc., are permitted within Units and Dwellings subject to all applicable Township ordinances. No pet or animal may be kept or bred for any commercial purpose.

All animals kept within the Condominium Premises shall be maintained in strict accordance with Township requirements, and each Co-owner shall obtain from the Township any permit or approval required by law for the maintenance of any animal for which such Co-owner is responsible.

(b) **Control of Pets and Animals.** All animals and pets shall have such care and restraint so as not to be obnoxious or offensive on account of noise, odor or unsanitary conditions. No animal or pet of any kind may be permitted to run loose at any time upon the General Common Elements or upon any Unit other than its Owner's Unit, and all animals and pets shall at all times be leashed and attended by some responsible person while on the General Common Elements.

No animal shall be left unattended outside of the Dwelling between 11:00 p.m. and 7:00 a.m. Invisible fences located within Units are encouraged for pet control. No dog houses or unattended tethering of dogs shall be allowed on any Unit or anywhere else in Crystal Wood II.

The Board of Directors may, in its discretion, designate certain portions of the General Common Elements of the Project wherein such animals may be walked and/or exercised. Nothing herein contained shall be construed to require the Board of Directors to so designate a portion of the General Common Elements for the walking or exercising of animals. No animal which creates noise and can be heard on any frequent or continuing basis shall be kept in any Unit, Dwelling or on the Common Elements. No dog runs shall be constructed or allowed on any Unit in the Condominium.

(c) **Feral and Savage Animals; Co-owner Liability.** No savage or dangerous animal shall be kept in any Unit or Dwelling 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 costs and attorneys' fees) 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 therefor. The Association may assess and collect from the responsible Co-owner any such losses and/or damages in the manner provided in Article II hereof.

With the exception of bird feeders placed within a Co-owner's Unit, Co-owners shall not provide or otherwise leave out food on the Condominium Premises in any manner for the feeding of any wild, stray, or feral animals.

(d) **Co-owner Responsibilities; Registration.** Each Co-owner shall be responsible for collection and disposition of all fecal matter deposited on any Unit or any Common Elements immediately after deposit by any pet maintained by such Co-owner. Such disposal shall not be in or on any of the general Common Elements. The Association may charge all Co-owners maintaining

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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 Livingston County and may adopt such additional reasonable rules and regulations with respect to animals as it may deem proper.

(e) **Enforcement.** In the event an owner's pet causes unnecessary and unreasonable disturbance or annoyance to one or more Co-owners, and such Co-owner(s) files a written complaint with the Association specifying the cause of such disturbance or annoyance, the Board of Directors, after giving written notice of the violation per these Bylaws and offering the offending pet Owner/Co-owner an opportunity for a hearing before the Board, may, if it determines that such pet is in fact causing unnecessary and/or unreasonable disturbance or annoyance, require the Co-owner to remove the pet from their Unit and Dwelling, and may impose such other restrictions and conditions on the Co-owner's keeping of such pet on the Condominium Premises as are reasonable.

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 from the Condominium which the Board determines to be in violation of the restrictions imposed by this Section.

The Association shall be entitled to assess any and all damages, costs, attorney's fees, and/or expenses incurred as a result of the animal or pet, including but not limited to any legal actions taken by the Association to remove the animal or pet, to the Co-owner.

The Association may also assess fines for such violations in accordance with these Bylaws and any duly adopted rules and regulations of the Association.

Section 19. Aesthetics. Neither the Common Elements nor the Unit outside of the Dwelling and garage constructed thereon shall be used for the display of any lawn statuary, the storage of supplies, materials, firewood, personal property, or any trash or refuse of any kind, except as provided in duly adopted rules and regulations of the Association. In general, no activity shall be carried on nor condition maintained by an owner, either in his Unit or upon the Common Elements, which is detrimental to the appearance of Crystal Wood II.

No unsightly condition shall be maintained on any patio, porch or deck. Only furniture and equipment consistent with the normal and reasonable use of such areas shall be permitted to remain there during seasons when such areas are reasonably in use, and no furniture or equipment of any kind shall be stored thereon during seasons when such areas are not reasonably in use.

No barbecue grills, vegetable gardens or wood piles may be placed in front of the rear line of the Dwelling constructed within a Unit without the prior written consent of the Association's Board of Directors.

In the event that any Dwelling is damaged or destroyed, a general clean-up shall be accomplished within thirty (30) days. Minor repairs shall be completed as soon as possible and completion of major repairs and reconstruction shall be accomplished within nine (9) months, weather permitting.

Section 20. Vehicles.

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(a) **Vehicles – Generally.** Subject to the provisions of sub-Sections (b) through (g) below, the storage or use of motorized vehicles anywhere on the Condominium Premises, other than passenger cars, vans, sport utility vehicles, motorcycles and pick-up trucks used primarily for general personal transportation purposes, is prohibited.

Use of motorized vehicles anywhere on the open space Common Areas, other than authorized maintenance vehicles, is absolutely prohibited.

(b) **Recreational Vehicles.** No house trailers, travel trailers, work trailers, motor homes, boat trailers, boats, camping vehicles, camping trailers, all-terrain vehicles, snowmobiles, snowmobile trailers, or vehicles other than automobiles or vehicles used primarily for general personal transportation purposes may be parked or stored upon the Condominium Premises, unless parked in the garage with the door closed.

The foregoing prohibition notwithstanding, travel trailers, motor homes, camping vehicles, and camping trailers may be temporarily parked upon a Unit for a period of no more than forty-eight (48) consecutive hours for loading and unloading purposes only.

The Association's Board of Directors may make reasonable rules and regulations in implementation of this subsection, including exceptions to garage storage requirements if other adequate screening is provided. The purpose of this subsection is to accommodate reasonable Co-owner parking but to avoid unsightly conditions which may detract from the appearance of the Condominium as a whole, and to assure that all vehicles and recreational or construction type equipment are not visible from the roadway, other Units, or the General Common Elements.

(c) **Parking.** Daytime and overnight street parking are only allowed on the outside curb of Crystal Wood Circle and Wood Lane. Notwithstanding the foregoing, Co-owners may not leave any non-operational or unregistered vehicles in the street for purposes of long-term storage or parking. The Board may adopt rules and regulations to prohibit vehicles from being parking in the street for unduly long periods of time without being moved or used by their owner, such length of time to be decided by the Board in its rules, in its sole discretion.

When the weather forecast calls for two (2) inches of snow or greater, Co-owners shall use best efforts to park all their vehicles in their garages and driveways. If this is not possible due to the size of their Unit's driveway, the Co-owner shall park their vehicle in the street only in a manner which does not block another driveway or interfere with the Association's snow removal contractor's effort to clear the Condominium's roads. Co-owners may be required to move their vehicle from the streets multiple times to allow the Association's snow removal contractor to completely remove snow from all the streets.

(d) **Nonoperational Vehicles.** Non-operational vehicles and vehicles with expired license plates shall not be parked or stored on the Condominium Premises without the written permission of the Board of Directors unless parked in the Co-owner's garage with the door closed.

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 not be permitted on the Condominium Premises unless in the Co-owner's garage or as specifically approved by the Board of Directors.

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(e) **Registration.** Co-owners shall, if the Association's Board of Directors shall require, register with the Association all vehicles maintained on the Condominium Premises.

(f) **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, or while actively employed for authorized construction or maintenance activities on Units, Dwellings, or Common Elements.

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; or
- (iv) carrying a sign advertising or identifying a business.

(g) **Towing.** The Association may cause vehicles parked or stored in violation of this Section or of any other applicable Bylaws, rules and/or regulations of the Association to be stickered on their windshields and removed from the Condominium Premises to an off-Condominium location, 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.

The Co-owner shall be responsible for the costs incurred in having a towing company respond to remove a vehicle which violates this Section even if the Co-owner moves and properly parks the vehicle or otherwise cures the violation before the towing company arrives at the Condominium.

In the event that the Association removes a vehicle from the Condominium premises that is in violation of these Bylaws, the Association shall have no liability whatsoever to the Co-owner or user of the vehicle for any costs, fees or expenses that might result to the Co-owner or user as a result of the removal.

The Association may also assess fines to a Co-owner for any violation of this Section committed by the Co-owner or their guests, tenants, Non-Co-owner Occupants, contractors, licensees, or invitees.

(h) **Electric Vehicles and Electric Vehicle Charging Stations.** Co-owners may install electric vehicle charging stations as permitted by the Homeowners' Energy Policy Act, Act 68 of 2024, (the "Energy Policy Act") and any Electric Vehicle Policy adopted by the Association.

To the extent allowed by the Energy Policy Act, the Association will adopt an Electric Vehicle Policy which regulates the installation and use of electric vehicle charging stations and which will include the following requirements: 1) that the Co-owner submit a written request to the Board

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seeking a modification to allow for the installation of an electric vehicle charging station; 2) that the Co-owner agree to be responsible for all costs, liability, insurance, and any other requirements as determined by the Board for the repair, maintenance, and upkeep of the electric charging station, including all electricity costs associated with same; 3) that the Co-owner agree to indemnify the Association for any liability relating to the electric vehicle charging station; 4) that the Board, in its discretion, may authorize the modification in writing; 5) that, if required by the Board, a written modification agreement be drafted and recorded in the Register of Deeds at the Co-owner's expense; and 6) that the Co-owner install or causes to be installed the electric vehicle charging station in accordance with the manufacturer's specifications or any other requirements imposed by the Board. The Board, without the necessity of an amendment to these Amended and Restated Bylaws, may make such changes regarding the use of electric vehicles and electric vehicle charging stations through Rules and Regulations as it believes warranted and which comply with the Energy Policy Act.

Section 21. Advertising and Signs. No signs or other advertising devices of any kind shall be displayed which are visible from the exterior of a Unit or Dwelling, or on the Common Elements, including "For Sale" signs, without prior written permission from the Association's Board of Directors.

Notwithstanding the foregoing, a Co-owner may display one sign not exceeding six (6) square feet in area advertising a Unit for sale, or one political or issue sign, as it conforms to the rules and regulations of the Association's Board of Directors relative thereto with regard to size, shape, color, placement and such other criteria as the Board may deem appropriate. All such permitted signs must be maintained in good condition and shall be removed immediately after termination of their immediate use. and a sign permit issued by the Township of Marion, if applicable.

Section 22. Rules and Regulations. It is intended that the Board of Directors of the Association may make reasonable rules and regulations, including grievance procedures, from time to time to reflect the needs and desires of the majority of the owners in Crystal Wood II consistent with the Act, the Master Deed and these Bylaws concerning the use of Units, Dwellings, and the Common Elements. Such rules may be made and amended from time to time by any Board of Directors of the Association, Copies of all such rules and regulations and amendments thereto shall be furnished to all owners and shall become effective thirty (30) days after mailing or delivery thereof to the designated voting representative of each owner. Any such regulation or amendment may be revoked at any time by the affirmative vote of more than fifty percent (50%) of all owners.

Section 23. Right of Access of Association. The Association or its duly authorized agents shall have access to each Unit 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 Unit and any Common Elements, upon advance notice, as may be necessary to make emergency repairs to prevent damage to the Common Elements or to another Unit or Dwelling. In the event of the failure of a Co-owner to provide means of access, the Association may gain access to the Unit or Common Elements in such manner as may be reasonable under the circumstances and it shall not be liable to such Co-owner for any necessary damage to their Unit or to any Common Elements incurred in the Association's gaining such access for emergency purposes. This Section shall not be construed as permitting the Association or its agents to enter into the interior of a Co-owner's Dwelling or other structures without the Co-owner's express authorization in any event.

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Section 24. Landscaping. No Co-owner shall perform any landscaping or remove, trim or plant any trees, shrubs or flowers or place any ornamental materials upon the General Common Elements without the prior written approval of the Association's Board of Directors. No lawn statuary shall be permitted without the prior written approval of the Board. The Co-owner shall 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.

The owner of each Unit shall develop a landscape treatment which will tend to enhance, complement and harmonize with adjacent property. No existing trees on the General Common Elements shall be cut, except for diseased and dead trees, or those that are of a nuisance species, such as poplar, willow or box elder, etc., without the prior written approval of the Board as set forth in Section 16 of this Article. No surface soil shall be dug or removed from any Unit for purposes other than building and landscaping of the Unit, without the prior written approval of the Board. All debris shall be promptly removed.

Vegetation clearance and application of pesticides, herbicides or high nitrogen/phosphate fertilizers within twenty-five (25) feet of the edge of any body of water shall not be allowed. New planting shall complement and enhance the character of the existing vegetation, topography and structures.

No Co-owner may remove any tree on their Unit outside of the approved construction footprint of the Dwelling constructed thereon without the prior written approval of the Association's Board of Directors. Each Co-owner shall have the responsibility to maintain the grounds of their Unit together with that portion of the General Common Elements in front thereof between the Unit and the traveled portion of the road right-of-way, including the mowing of grass to a height of six inches, removal of weeds, and proper trimming of bushes and trees. If the Association shall receive complaints from other Co-owners regarding lack of maintenance of the grounds of a Unit or the General common element area in front thereof, then, and in that event, it shall have the right (but not the obligation) to have such maintenance of the grounds of the Unit and General Common Elements performed as the Board of Directors shall determine as being reasonable, and the charges therefor may be assessed to and shall become a lien upon the Unit and collected in the fashion as set forth in Article II of these Bylaws.

The grade of a Unit shall not be altered without the prior written approval of the Board. A Co-owner shall not install any landscaping or make any other types of improvements or alterations to their Unit that might adversely affect drainage on the Common Elements or on any Unit in the Condominium.

Section 25. Common Element Maintenance. The General Common Elements shall not be obstructed, nor shall they be used for purposes other than that for which they are reasonably and obviously intended. No bicycles, vehicles, chairs, or other obstructions may be left unattended on or about the General Common Elements, or they may be removed and disposed of at the discretion of the Association's Board of Directors.

Section 26. Co-owner Maintenance. Each owner shall maintain their Unit, and Dwelling together with that portion of the General Common Elements in front thereof between the Unit and the traveled portion of the road right-of-way, and the improvements on the Unit in a safe, aesthetically pleasing, clean, and sanitary condition.

Each owner shall also use due care to avoid damaging any of the Common Elements, including, but not limited to, the telephone, natural gas, electrical, sewer, water lines, drainage easement courses or other

utility conduits and systems and any other Common Elements within any Unit which are appurtenant to or which may affect any other Unit. Each Co-owner shall be responsible for damages or costs to the Association, or to other Co-owners, as the case may be, resulting from damage to or misuse any of the Common Elements, Dwellings or Units by the Co-owner, or their family, guests, tenants, land contract purchasers, agents or invitees, whether or not such damage resulted from the negligence of any such parties, unless such damages or costs are covered by insurance carried by the Association in which case there shall be no such responsibility (unless full reimbursement to the Association is excluded by virtue of a deductible provision, in which case the responsible Co-owner shall bear the expense to the extent of the deductible amount in accordance with Article IV, Section 2 (f) of these Bylaws). Any costs or damage to the Association or to other Co-owners may be assessed to and collected from the responsible Co-owner in the manner provided in Article II hereof.

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

Section 27. 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.

Section 28. Drones. The use of drones, unmanned aerial vehicles (UAV), or similar remote- or radio-controlled aerial devices is generally permitted in the Condominium. However, Co-owners shall not fly or use their drones on the Condominium Premises in any manner which causes a nuisance to other Co-owners or residents, which violates any FAA rules or any other laws or ordinances, or is a violation of the right to privacy of others.

Notwithstanding the foregoing, drones that are used or operated for commercial purposes or by contractors for maintenance purposes on the Common Elements are permitted.

Section 29. Assessment of Costs of Enforcement. Any and all costs, damages, expenses and/or attorney fees (including any pre-litigation attorney fees) incurred by the Association in enforcing any of the restrictions set forth in this Article VI or elsewhere in the Condominium Documents, including any rules and regulations adopted by the Board of Directors of the Association under Article VI, Section 22 of these Bylaws, 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

MORTGAGES

This Article establishes certain standards, notice requirements, and procedures for the benefit of the holders, insurers, and guarantors of first mortgages of any Units and Dwellings in the Condominium.

Section 1. Co-owner Duty to Give Notice. Any Co-owner who mortgages their Unit or Dwelling shall notify the Secretary of the Association of the name and address of the mortgagee at closing and shall further notify the Association of any subsequent mortgagee acquiring an interest in the Co-owner's Unit. The Association shall maintain such information in a book entitled "Mortgages of Units."

Section 2. Association's Duty 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 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 or Dwelling 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; or

(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.

Section 3. Notice to First Mortgagees – Insurance Coverage. The Association shall, if requested by the mortgagee, notify each first mortgagee of 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.

ARTICLE VIII

VOTING

Section 1. Vote. Each Co-owner shall be entitled to one (1) vote for each Condominium Unit owned. Each Unit shall be allocated only one vote, regardless of how many Owners the Unit has. If a Unit has more than one Co-owner or is owned by a legal entity, Section 3 of this Article shall determine which Co-owner of the Unit or individual acting on behalf of such entity shall be recognized by the Association as having the right to vote the Unit's vote.

Section 2. Eligibility to Vote. No Co-owner shall be entitled to vote at any meeting of the Association membership or Board until they have presented evidence of ownership of a Unit in the Condominium to the Association. Land contract vendees shall be recognized as Co-owners unless the vendor provides the Association with a copy of the land contract expressly reserving voting privileges to the vendor.

The vote of each Co-owner may be cast only by the individual representative designated by such Co-owner in the notice required in Section 3 of this Article VIII below or by a proxy given by such individual representative.

A Co-owner must be in Good Standing as of the record date for the vote as defined under the Nonprofit Corporation Act and the Condominium Documents in order to be eligible to vote. The right to vote includes the right to sign any 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. 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. 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 X, 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 individual representative designated, the number or numbers of the Condominium Unit or Units owned by the Co-owner, and 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. 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.

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(a) **Generally.** Votes may be cast in person, by proxy, or by an absentee written ballot duly signed by the designated voting representative 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 Board 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, email, 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. Notwithstanding the foregoing, voting for the election of Directors at the Annual Meeting or at any meeting to remove or recall a Director shall be conducted in person or by proxy only.

(b) **Cumulative Voting Prohibited.** 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.

(c) **Taking Action without a Meeting by Written Ballot.** Any action which could be authorized at an Annual or special meeting of the members, other than the election or removal of Directors, maybe 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 corporation must receive a ballot in order to be counted as a vote of the member. The time specified shall be not less than 20 or more than 90 days after the date the Association provides the ballot to the members.

Section 5. Definition of "Majority"; Approval of Actions by Written Ballot without a Meeting. A majority, except where otherwise provided herein, shall consist of those Co-owners who represent more than fifty (50%) percent of the Units who are eligible to vote and present in person or by proxy (or by written ballot, if applicable) at a given meeting of the members of the Association. Whenever provided specifically herein, a "majority" may be increased to exceed the foregoing percentage for Association votes on certain types of matters.

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 member 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 or by proxy was the same as the number of votes cast by written ballot.

ARTICLE IX

MEETINGS

Section 1. Place of Meeting; Procedure. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the owners as may be designated by the Board of Directors. Meetings of the Association shall be conducted in accordance with

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the latest version of Roberts Rules of Order when not otherwise in conflict with the Crystal Wood II Condominium Documents or the laws of the State of Michigan.

Section 2. Annual Meetings. Annual meetings of members of the Association shall be held in the months of October or November of each year on such date, and at such time and place, as shall be determined by the Board of Directors. At such meetings there shall be elected by written ballot of the Co-owners a Board of Directors in accordance with the requirements these Bylaws. The Co-owners may also transact at annual meetings such other business of the Association as may properly come before them.

The order of business at the Annual Meeting of the members shall be as follows:

- (a) roll call;
- (b) proof of notice of meeting or waiver of notice;
- (c) determination of Quorum;
- (d) reading of minutes of preceding meeting;
- (e) reports of officers;
- (f) reports of committees;
- (g) election of Directors;
- (h) unfinished business; and
- (i) new business.

Meetings of members shall be chaired by the most senior officer of the Association present at such meeting. For purposes of this Section, the order of seniority of officers shall be President, Vice President, Secretary and Treasurer. The determination of the meeting chair cannot be altered from these requirements unless the majority of the Board of Directors votes to do so.

Only the Board of Directors acting through a majority vote of the Board may modify the agenda or order of business for any meeting prior to or at the commencement of the meeting. The Board shall inform the membership about the modified agenda.

Section 3. Special Meetings. It shall be the duty of the President to call a special meeting of the owners as directed by resolution of the Board of Directors or upon a petition signed by one-third (1/3) of the owners presented to the Secretary of the Association.

Notice of any special meeting shall state the time and place of such meeting and the purposes thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 4. Notice of Meetings. It shall be the duty of the Secretary (or other Association officer in the Secretary's absence) to serve a notice of each annual or special meeting, stating the purposes thereof as well as the time and place where it is to be held, upon each owner of record at least ten (10) days but not

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more than sixty (60) days prior to such meeting. The mailing, postage prepaid, of a notice to the representative of each owner at the address shown in the notice required to be filed with the Association by Article VIII, Section 3 of these Bylaws shall be deemed notice served. Any member may, by written waiver of notice signed by such member, waive such notice, and such waiver, when filed in the records of the Association, shall be deemed due notice. Each member shall be deemed to have consented to receiving notices via electronic transmission (including, but not limited to, via email or text) if they provide the Association with their email/text address or otherwise authorize receipt of notice via another means of electronic transmission.

Section 5. Quorum. The presence in person or by proxy or written absentee ballot of twenty-five percent (25%) of the Co-owners qualified to vote shall constitute a quorum for purposes of holding a meeting of the members of the Association, except for voting on questions specifically required by Crystal Wood II's Condominium Documents to require a greater quorum.

If a quorum shall not be present at any meeting, the members present may adjourn the meeting for not more than thirty (30) days, and the quorum for said rescheduled meeting shall be one-half (1/2) of the quorum required at the preceding meeting.

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 (i.e., that Co-owner's absentee ballot) shall be counted in determining the presence of a quorum with respect to the question upon which the vote 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. Defective Notice and Consent of Absentees. The transactions approved by the Association at any membership meeting (either Annual or special), no matter how the meeting was called and noticed, shall be as valid as though the Association had approved them at a meeting duly called and held after the giving of regular and proper notice to the members, if a quorum was present at the meeting as required by Section 5 above of this Article IX, and if (either before or after the meeting) each of the members who had not been present at the meeting in person or by proxy or by written ballot signs a written waiver of notice for the meeting in question, or a written consent to the holding of the meeting, or an written approval of the minutes of the meeting. All such written waivers, consents and approvals of the members shall be filed with the Association's records and 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 the 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:

- (a) An explanation of each major matter discussed at the meeting;

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- (b) Each issue on which a vote is taken; and
- (c) The number of votes for and against any matter on which a vote is taken.

Such minutes shall be approved by the President and Secretary at the next regular meeting of the Board of Directors.

Section 9. Appointment of Election Tellers. The Board of Directors shall appoint two (2) Co-owners who are not candidates or spouses or co-habitants of any candidates to serve as tellers of the ballots cast prior to every election of Directors by written ballot, or with the consent of a majority of those in attendance at the Annual Meeting if the vote were to be conducted at that meeting, one or more representatives of the management company may serve as a ballot teller. It shall be the duty of such tellers to oversee the counting and tallying of the ballots so as to assure that the ballots are fairly and accurately handled and counted.

Section 10. Participation by Remote Communication. A member may participate in a meeting of members by means of a conference telephone or other means of remote communication equipment by which all persons participating in the meeting may hear each other; provided that all participants are advised of the means of remote communication equipment in use and the names of the participants in the meeting are divulged to all participants. Such participation by a member in a meeting shall constitute presence in person at the meeting and shall also be in compliance with the requirements of Section 405 of the Michigan Nonprofit Corporation Act.

Section 11. Action Without Meeting. Any action which may be taken at a meeting of the members (except for the election or removal of Directors) may be taken without a meeting by written ballot of the members. Ballots shall be solicited in the same manner as provided in Section 5 for the giving of notice of meetings of members. Such solicitations shall specify (a) the number of responses needed to meet the quorum requirements; (b) the percentage of approvals necessary to approve the action; and (c) the time by which the ballots must be received in order to be counted. The form of written ballot shall afford an opportunity to specify a choice between approval and disapproval of each matter and shall provide that, where the member specifies a choice, the vote shall be cast in accordance therewith. Approval by written ballot shall be constituted by receipt, within the time period specified in the solicitation, of (i) a number of ballots which equals or exceeds the quorum which would be required if the action were taken at a meeting; and (ii) a number of approvals which equals or exceeds the number of votes which would be required for approval if the action were taken at a meeting at which the total number of votes cast was the same as the total number of ballots cast.

ARTICLE X

BOARD OF DIRECTORS

Section 1. Eligibility of Directors.

(a) **Generally.** The affairs of the corporation shall be governed by a Board of Directors all of whom must be residents of the Condominium and members of the corporation, or the legal spouse of a member, except that officers, partners, trustees, present trust beneficiaries, employees or agents

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of members that are legal entities and not individual persons may be designated by such entities to serve as Directors, if elected, of the Corporation. Directors shall serve without compensation. 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. The determination of whether a Director “resides” at the Condominium shall be based on whether that Director has used their Unit as their primary residence for at least six out of the last twelve months prior to the date on which they are nominated for election.

(b) **Residency Requirement; Good Standing.** All Directors (other than individuals acting on behalf of legal entities who own Units, as set forth above) shall be Resident Owners of the Condominium both at the time of their election and during their entire term of service on the Board. 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 the Co-owner is not in Good Standing as said term is defined in the Master Deed.

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 ten (10) days, the Director shall be deemed to have automatically resigned from the Board of Directors for the remainder of the Director’s term and the vacancy shall be filled in accordance with Section 4 of this Article X.

(c) **Legal Entities.** No legal entity (such as a corporation, partnership, trust or limited liability company) shall itself be eligible to serve as a Director of the Association. If a member is a partnership, then only a partner thereof shall be qualified and 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 or manager of the company shall be qualified and eligible to serve as a Director. If a member is a Trust, then only a trustee or present beneficiary of the trust shall be qualified and eligible to serve as a Director.

Section 2. Size; Terms of Office; Fiduciary Duty. The Board of Directors shall be composed of five (5) persons who shall manage the affairs of the corporation.

A Director takes office at the first Board meeting that occurs after the Annual Meeting at which they were elected or announced as the newly elected Directors for that year. Directors shall serve until their successors are elected and take office at the first Board meeting following their election.

At each annual meeting, either two (2) or three (3) Directors shall be elected, depending upon the number of Directors whose terms are expiring. The term of office for each Director shall be two (2) years. In order to continue the staggered terms of office, at the first Annual Meeting after adoption of these Bylaws, three (3) Co-owners shall be elected to two-year terms. At the second annual meeting after the adoption of these Bylaws, two (2) Co-owners shall be elected to two-year terms. Thereafter, all terms shall be two years in length.

If a Director ceases to qualify during the Director’s term, that person shall cease to be a Director, and the Director’s place on the Board of Directors shall be deemed vacant.

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, and to act only within the

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scope of their authority as Directors. The Directors shall at all times govern themselves and their conduct in full accordance with these fiduciary duties.

Section 3. Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and may do all acts and things as are not prohibited by the Condominium Documents or required thereby to be exercised and done by the Co-owners.

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).

In addition to the foregoing duties imposed by these Bylaws or any further duties which may be imposed by resolution of the members of the Association, the Board of Directors shall be responsible specifically for (but its duties and powers are not limited to) the following:

(a) To manage and administer the affairs of and to maintain the Condominium Project and the General Common Elements thereof.

(b) To levy, collect and disburse assessments against and from the members of the Association and to use the proceeds thereof for the purposes of the Association,

(c) To enforce assessments through liens and foreclosure proceedings when appropriate, and to impose late charges for nonpayment of said assessments.

(d) To carry insurance and collect and allocate the proceeds thereof as set forth in Article IV of these Bylaws.

(e) To restore, repair, or rebuild the Condominium, or any portion thereof, after 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.

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

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

(h) To borrow money and issue evidence of indebtedness in furtherance of any or all of the purposes of the Association, and to secure the same by mortgage, pledge or other lien on property owned by the Association: provided, however, that any such action shall also be approved by affirmative vote of those Co-owners who represent at least sixty percent (60%) of all of the Units in the Condominium.

(i) To make reasonable rules and regulations governing the Co-owner's use and enjoyment of the Common Elements and Units in the Condominium in accordance with Article VI, Section

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22 of these Bylaws.

(j) 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 (all committee members must be residents of the Condominium).

(k) To make rules and regulations and/or to enter into agreements with institutional lenders the purposes of which are to enable Unit Co-owners to obtain mortgage loans which are acceptable for purchase by the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association, the United States Department of Veterans Affairs, and/or any other agency of the Federal Government or the State of Michigan.

(l) To levy, collect, assess and disburse fines against and from the members of the Association after notice and hearing thereon and to use the proceeds thereof for the purposes of the Association.

(m) To open and maintain accounts with financial institutions or entities.

(n) To determine an annual budget and such other financial plans for Association funds as may be necessary or desirable for the maintenance, repair, remediation, replacement and reconstruction of the Common Elements, or in furtherance of administration of the affairs of the Association.

(o) To enforce the provisions of the Condominium Documents.

(p) To establish and maintain a reserve fund for the periodic maintenance, repair and replacement of the Common Elements as required by the Act.

(q) To remit payment for property taxes or other liens assessed or attached to any Unit, Dwelling and the Condominium where necessary to preserve the Association's interest in the Unit, Dwelling and Condominium.

(r) To initiate, assert, defend, ratify or settle claims in any forum on behalf of all Co-owners in connection with or relating to, the maintenance, upkeep, repair, remediation, replacement and reconstruction of the Common Elements and administration or operation of the Community and, in the name of the Association.

(s) To resolve any threatened, potential, or existing liabilities in the best interest of the Association.

(t) To do anything required of or permitted to it as administrator of said Condominium by the Condominium Master Deed or Condominium Bylaws or by Act No. 59 of the Public Acts of 1978, as amended, including, but not limited to, those amendments contained in Act No. 538 of the Public Acts of 1982, and in Act No. 113 of the Public Acts of 1983;

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(u) 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 powers conferred upon non-profit corporations by the laws of the State of Michigan.

Section 4. Management Agent. The Board of Directors may employ a professional management agent for the Association) 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 in Sections 3 and 4 of this Article, and the Board may delegate to such management agent any other duties or powers which are not by law or by the Crystal Wood II Condominium Documents required to be performed by or have the approval of the Board of Directors or the members of the Association. The Board shall consider proposals from at least three (3) management companies before making a executing a contract with a new management company. In no event shall the Board be authorized to enter into any contract with a professional property management agent which has a maximum term greater than one (1) year or which is not terminable by the Association upon thirty (30) days' written notice with or without cause, or which provides for a termination fee or penalty.

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 then in office, 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 that occurs after their appointment to the Board and takes office at the first meeting of the Board.

In the event that a Director resigns or is deemed to have resigned 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 Section 7 of this Article, or they may leave the Director's seat vacant until the next Annual Meeting that occurs after the resignation, 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, the person elected to fill the vacancy shall serve out the remaining term, if any, of the Director who resigned or was deemed to resign. 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 in comparison to the votes tallied for the other winning candidates.

Example – Determination of "Person Elected to fill the Vacancy": Director Ed is elected to the Board in a year in which three Director seats were up for election due to the normal expiration of those three Directors' two-year terms, per the Bylaws. Director Ed subsequently resigns from the Board during the middle of the first year of his 2-year term. If he had not resigned, at the next Annual Meeting only two Director seats would have up for election, since three Directors were elected the previous year, one of which was Ed. However, Ed's resignation creates an additional vacancy on the Board that must now be filled by an election of the Co-owner at the next Annual Meeting.

Even if the Board appoints an interim Director to serve in Ed's place temporarily under the first paragraph of Bylaws, Article X, Section 5, the second year of Ed's two-year term must be filled as part of the election that takes place at the next Annual Meeting (i.e., the interim Director does not automatically

get to serve out Ed's second year; they only serve until the next election). Therefore, three seats will again be up for election at the next Annual Meeting that occurs after his resignation.

In order to maintain the Bylaw's general requirement of staggered terms and continuity on the Board, two of the three Directors elected at that Annual Meeting will have 2-year terms, and one Director will only be elected for a 1-year term. Per the Bylaws, Article X, Section 5, the determination of which of the three elected Directors is allocated the shorter, one-year term is made according to how many votes each of the three elected Directors received as compared to the other two elected Directors. The elected Director who receives the least number of votes in their favor relative to the other two elected Directors is given the shorter, one-year term. The other two Directors get the regularly-scheduled two-year terms for that election. This maintains the staggering of elections without any long-term interruption or breaking with the existing, alternating 3-2 pattern of the number of Directors to be elected each year.

Section 6. Recall; Automatic Resignation. At any regular or special meeting of the Association called with due notice of the removal action proposed to be taken, any one or more of the Directors may be removed with or without cause by the affirmative vote of Co-owners who represent more than 50% in number of all of the Units in the entire Condominium and a successor may then and there be elected to fill any vacancy thus created. The quorum requirement for the purpose of filling such vacancy shall be the normal twenty five (25%) requirement set forth in Article IX, Section 5.

Any Director whose removal has been proposed by the Co-owners shall be given the opportunity to be heard at the meeting prior to the vote. Any Director who is elected at a recall meeting to replace a Director who has been successful recalled by the members at the same meeting shall take office immediately upon their election. The term of any Director so elected shall be limited to the remaining term of the Director who has been recalled. If the election of the Director to replace the recalled Director does not take place at the recall meeting itself but at a subsequent meeting of the members, the same provisions of this paragraph regarding the Director's term in office shall nevertheless apply.

Any Director who fails to attend three (3) consecutive regular meetings of the Board shall be deemed to have automatically resigned, effective as of the adjournment of the third meeting missed. Upon such resignation, a successor shall be appointed by the remaining members of the Board as if a vacancy had been created through a voluntary resignation.

Section 7. First Meeting. The first meeting of a newly elected Board of Directors shall be held within ten (10) days of the Annual Meeting at which they were elected, at such place as shall be fixed by the Directors at that Annual Meeting, and no additional notice shall be necessary to the newly elected Directors in order legally to constitute such meeting, providing a majority of the whole Board shall be present.

The purpose of the first meeting shall be the election of officers, and such other matters as might come before the Board at a Regular meeting. Newly elected Directors do not take office until the first Board meeting.

At the first board meeting that occurs after the election of new Directors, or the first Board meeting which occurs after the resignation of any Directors, 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

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of any kind in their possession or control to the remaining and/or 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 Meetings. Regular meetings of the Board of Directors may be held at such times and places as shall be determined from time to time by a majority of the Directors, but at least two (2) such meetings shall be held during each fiscal year.

Notice of regular meetings of the Board of Directors shall be given to each Director personally, by mail, text, email, fax, or telephone, at least ten (10) days prior to the date named for such meeting.

Section 9. Special Meetings. Special meetings of the Board of Directors may be called by the President on three (3) days' notice to each Director given personally, by mail, email, text, fax, or telephone, which notice shall state the time, place and purpose of the meeting.

Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of two (2) Directors.

Section 10. Board Voting on Actions without a Meeting. A Board vote on any action be taken on any matter that is conducted outside of a Board meeting, whether conducted by email, text, or any other form of electronic communication or transmission, or by written consent of any kind, to the extent the result of the vote is not unanimous with all Directors then in office giving their approval in favor of the action, the Board action that is the subject of such a vote must be ratified and confirmed by a vote of the Board at its next meeting in order to be valid, in per the provisions of Nonprofit Corporation Act applicable to a Board's ability to approve actions without a meeting. The Board must ratify the decision at that meeting by a majority vote of the Directors then in office and who are present at the meeting, assuming quorum for the meeting has been met. .

In such event, the vote on the action that originally took place outside of a meeting shall have the same effect as though it had originally taken place at a duly called Board meeting. . The emails or texts containing the approvals of all of the Board members of the action or decision shall be added to the Board's meeting minutes at its next meeting.

Section 11. Participation by Remote Communication. A member of the Board, or a member of a committee designated by the Board, may participate in a meeting of members by means of a conference telephone or other means of remote communication equipment, such as video/internet conferencing (e.g., Skype, Zoom, Facetime, Teams, 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 of all applicable laws and the Condominium Documents.

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 him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required, and any business may be transacted at such meeting.

Section 13. Quorum. At all meetings of the Board of Directors, a majority of the Directors then in office 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. All Board motions must be approved by at least 3 Directors regardless of quorum.

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

A quorum of the Directors shall also permit the Board of Directors to take action by the written consent of individual Directors and by means of a telephone conference between the Directors. The Board of Directors is not subject to the Michigan Open Meetings Act and may close portions of its meetings to the owners, and provide for confidentiality of the minutes of the closed portion of its meetings, for such issues, as an example, as discussion of personnel employment and litigation matters.

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.

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;

(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, he shall recuse himself 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; and

(d) record by name the vote of each Director on each vote taken.

The minutes for 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 XII of these Bylaws.

ARTICLE XI

OFFICERS

Section 1. Officers. The principal officers of the Association shall be a President, a Vice President, a Secretary and a Treasurer. The President, Vice-President, Treasurer, and Secretary all shall be members of the Board of Directors.

The Directors, in their sole discretion, may appoint an Assistant Treasurer, and an Assistant Secretary, and such other officers as in their judgment may be necessary. Any two offices, except that of President and Vice President, may be held by one person. Officers shall not be compensated for their services as officers but may be reimbursed for reasonable out-of-pocket expenses.

(a) **President.** The President shall be the chief executive officer of the Association. He or she 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 power, in consultation with the Board, to appoint committees from among the members of the Association from time to time as they may in their discretion deem appropriate to assist in the conduct of the affairs of the Association.

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

(c) **Secretary.** The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the members of the Association; he or she shall have charge of such books, contracts, records, financial statements, and papers as the Board of Directors may direct; and 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's funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. The Treasurer shall be responsible for the deposit of all monies and other valuable effects in the name and to the credit of the Association, and in such 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 X, Section 4 of these Bylaws.

All decisions concerning reserve funds shall be made by the Board exclusively and shall not be delegated to any third party in any event. Withdrawals from reserve funds shall be approved in advance by signature of at least one Director if payable to the Association; 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. The officers of the Association shall be elected annually by the Board of Directors at the organizational meeting of each new Board and shall hold office at the pleasure of the Board.

Section 3. Removal. Upon affirmative vote of a majority of the members of the Board of Directors, any Director may have their officer status revoked, either with or without cause, and his or her successor to that officership elected by that Board 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 Board meeting.

Voting to remove a Director's officership (e.g. their status as President) does not and shall not in any way remove them from the Board of Directors. A Director 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 a duly held vote of the Co-owners under Article X, Section 6 of these Bylaws.

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

ARTICLE XII

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, insurance, replacement, and repair expenses of the Common Elements and any other expenses incurred by or on behalf of the Association and the Co-owners. Subject to the provisions of this Article XII and the Condominium Documents generally, such accounts and all other non-privileged Association records shall be open for inspection by the Co-owners and their mortgagees during reasonable working hours.

Section 2. Co-owner's Right to Inspect. A member has the right to inspect the Association's books, contracts, 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 Corporation Act, MCL 450.2487, and any other applicable law. A member who is a Director may examine any of the Association's books, records, contracts and financial statements for a purpose reasonably related to their position as a 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 purposes of this Section, a "proper purpose" means a purpose that is reasonably related to a Co-owner's interest as a member of the Association.

A member's right to inspect the Association's books, contracts, records and financial statements under the Bylaws and all applicable laws shall be cumulative and not exclusive. An owner may choose exercise some or all of these legal rights in their discretion, and a Member's failure to exercise any of these rights shall not constitute a waiver of any rights. The "right to inspect" under this Section 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 labor and cost incurred in assembling and producing any copies requested by the Co-owner.

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Section 3. Limitations on a Co-owner's Right to Inspect. Notwithstanding the foregoing, a Co-owner does not have the right to inspect, copy or make extracts of the books, records, contracts and financial statements of the Association if the Board of Directors has made a good faith determination, in its sole discretion, that one or more of the following applies to the documents requested for inspection and copying by the Co-owner:

(a) The documents contain 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) The documents contain information regarding any unpaid amounts owed by a specific Owner to the Association;

(c) Disclosure of the documents requested would impair the lawful purposes 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 proceedings.

Section 4. Financial Statements; Audits. 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 financial statement shall be distributed to the Co-owners along with the Notice of the Annual Meeting each year.

The Board of Directors shall annually engage a qualified, independent certified public accountant to perform a review or audit of the books of account. 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 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.

Upon receiving a written request from a Co-owner, the Association shall mail to the Co-owner its balance sheet as at 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 fiscal year.

ARTICLE XIII

INDEMNIFICATION OF OFFICERS, DIRECTORS, AND VOLUNTEERS;

DIRECTORS AND OFFICERS INSURANCE

For purposes of this Article XIII: (a) "volunteer Director" means a member of the Board of Directors of the Association who does not receive anything of more than nominal value from the Association for serving as a Director other than reimbursement for reasonable and necessary expenses actually incurred by the Director in their capacity as a Director, and (b) "volunteer officer" and "volunteer" each means an individual, other than a volunteer Director, performing services for the Association at the request or appointment of the Board of Directors of the Association who does not receive compensation or any other type of consideration for the services other than reimbursement for reasonable and necessary expenses actually incurred.

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

Section 1. Indemnification of Directors, Officers, and Nondirector Volunteers - Generally.

The Association shall indemnify a person that was or is 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 he or she is or was a volunteer Director, volunteer officer, or other volunteer or agent of the Association, or is or was serving at the request of the Association as a Director, officer, partner, trustee, employee, nondirector volunteer, or agent of another foreign or domestic corporation, business corporation, partnership, joint venture, trust, or other enterprise, whether for profit or not, for expenses, including attorneys' fees, judgments, penalties, fines, and amounts paid in settlement actually and reasonably incurred by the person in connection with the action, suit, or proceeding, if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the Association or its Co-owners, is not guilty of any 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 that the 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 he or she reasonably believed to be in or not opposed to the best interests of the Association or its Co-owners, or that the person was guilty of willful and wanton misconduct or gross negligence, or, with respect to a criminal action or proceeding, that the person had reasonable cause to believe that their conduct was unlawful; provided, however, that in the event of any claim for reimbursement or indemnification hereunder based upon settlement by the Director, officer or other volunteer 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 and its Co-owners.

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 volunteer 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 Nondirector Volunteers – Derivative Actions in the Right of the Association. The Association shall indemnify a person that was or is party or is threatened to be made a party to a threatened, pending or completed action or suit by or 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 volunteer Director, volunteer officer or other volunteer of the Association, or is or was serving at the request of the Association as a Director, officer, partner, trustee, employee, nondirector volunteer, or agent of another foreign or domestic corporation, business corporation, partnership, joint venture, trust, or other enterprise, whether for profit or not, for expenses, including attorneys' fees and amounts paid in settlement actually and reasonably incurred by him or her in connection with the action or suit, if the person acted in good faith, and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Association or its Co-owners, and was not guilty of any willful and wanton misconduct or gross negligence.

Indemnification shall not be made for a claim, issue or matter in which the person is found liable to the Association except to the extent authorized under Michigan Compiled Laws Section 450.2564c (concerning indemnification that may be ordered by a court of competent jurisdiction).

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 3. Directors' and Officers' Liability Insurance. The Association shall purchase and maintain liability insurance on behalf of any person who is, or was, a volunteer Director, volunteer officer, or other volunteer of the Association, for the purposes provided in Sections 1 and 2 above and in such amounts as may reasonably insure against any potential liability asserted against such person and incurred by such person in any such capacity or arising out of their status as such.

With prior written consent of the Board of Directors of the Association, a Director or an officer of the Association may waive any liability insurance for such Director's or officer's personal benefit. No Director or officer shall collect for the same expense or liability under Sections 1 or 2 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 otherwise properly indemnifiable under the terms hereof, a Director or officer shall be reimbursed or indemnified only for such excess amounts under Sections 1 or 2 above.

ARTICLE XIV

AMENDMENTS

Section 1. Proposal. Amendments to these Bylaws may be proposed as follows:

- (a) By the Board of Directors of the Association acting upon the vote of the
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majority of the Directors then in office; or

(b) In a written instrument signed by those Co-owners who represent at least 1/3 in number of all of the Units in 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. In the discretion of the Board and subject to the Condominium Documents, the Informational Meeting may be held partially or solely by means of remote communication.

(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.

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. Whenever a proposed amendment to these Bylaws would materially alter or effect the rights of the Co-owners under the Michigan Condominium Act, such an amendment shall require the consent of sixty-six and two-thirds (66 2/3%) percent of the Co-owners' Units in the Condominium who are entitled to vote as of the record date for such vote.

The vote on the amendments may take place at any annual or special membership meeting 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 Condominium Act re regarding the rights of mortgagees to vote on certain types of amendments), 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 likely 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 then in office 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; or
- (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.

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

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 2 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 XV

COMPLIANCE

The Association and all present or future Co-owners, mortgagees, Tenants, future Tenants, Lessees, Non-Co-owner Occupants, land contract vendees, or any other persons who may in any manner use, enter upon, or acquire an interest in the Project are subject to and shall comply with the Act, as amended, the Master Deed and its amendments, these Bylaws, the Articles of Incorporation, rules and regulations of the Association, and any other Condominium Documents that pertain to the use and operation of the Condominium Project including, without limitation, any provision thereof pertaining to the use and operation of the Condominium Project.

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 XVI

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 XVII

REMEDIES FOR DEFAULT

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 resident or guest, the Association shall be entitled to recover from the Co-owner and/or non-Co-owner 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 (including, but not limited to, appellate proceedings), the Association, if successful, shall be entitled to recover the costs of the proceeding and such reasonable attorney's fees (not limited to statutory fees) as may be determined by the court.

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 hereunder, shall also give the Association or its duly authorized agents the right, in addition to the rights set forth above, to enter upon the Common Elements or into any Unit (but not into any Dwelling or related garage), where reasonably necessary, and summarily remove and abate, at the expense of the Co-owner in violation, any structure, 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 XVII.

(d) **Assessment of Fines.** The violation of any of the provisions of the Condominium Documents, including any of the rules and regulations promulgated by the Board of Directors of the Association hereunder, 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 of a monetary fine for such violation. Such Co-owner shall be deemed responsible for such violations whether they occur as a result of their personal actions or the actions of their family, guests, 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 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. Failure to respond to the Notice of Violation shall constitute a Default.

(ii) **Hearing and Decision.** 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, 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. The Board's decision is final. Notwithstanding any other provision in these Bylaws, no fine may be levied for a violation unless the violation and fine have been approved by at least four (4) Directors regardless of how many Directors are then in office.

Once a notice of violation letter has been sent to an Owner, the 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 Owner's cure efforts, or from assessing fines to the Owner as might otherwise be appropriate for Repeat and Continuing Violations hereunder.

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(iii) **Default.** Failure to respond to the Notice of Violation within thirty (30) days or to appear for a hearing before the Board about the violation constitutes 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, in accordance with the requirements of Section (d) (i) – (ii) above.

(iv) **Fine Schedule.** Upon a determination that a violation of any of the provisions of the Condominium Documents has occurred, the following fines may be levied for first violations and Repeat Violations:

(a) **First Violation.** No fine shall be levied unless the Board determines that the nature of the violation is such as to be best deterred if a fine is imposed for a first violation.

(b) **Second Violation.** Fifty Dollar (\$50.00) fine.

(c) **Third Violation.** One Hundred Dollar (\$100.00) fine.

(d) **Fourth Violation and Subsequent Violations.** One Hundred Dollar (\$100.00) fine.

The fines levied pursuant to this sub-Section shall be assessed against the Co-owner and shall be due and payable together with the next regular installment of the Condominium assessment. 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 Article II and Article XVII of these Bylaws.

The Board of Directors, without the necessity of an amendment to these Bylaws, may make such changes (increasing or decreasing) in said fine amounts set forth in this Article 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 22 of these Bylaws.

(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 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 a period of time or on violations of entirely different provisions of the Condominium Documents. Violations of the same provision 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 – Defined; Fine Amounts.** 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 has 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.

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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 ten (\$10.00) dollars per day. Such fines shall accrue from the day on which the Association mails written notice of its determination that a Continuing Violation has occurred under sub-Section (d) (ii) above to the offending Owner until such time as the violation is cured. If the Board imposes a daily fine amount hereunder, such fine shall be in lieu of (and not in addition to) any fine that could have been assessed to the Owner under sub-Section (d) (iv) above.

If the Continuing Violation is upheld (whether after a hearing or by default) at the Board hearing concerning the violation that takes place under Section (d) (ii) and (iii) of this Article, all fines levied against the Owner for the Continuing Violation under the previous paragraph shall be added to the Owner's account and shall be due and payable on the first day of the following month along with the Owner's assessment amount (if any), and shall be collected from the Owner in the same manner as unpaid assessments pursuant to Article II of these Bylaws.

If the Board finds an Owner to be in violation of the Condominium Documents at the hearing that takes place on a Continuing Violation (whether as a result of the hearing or by default), the Association may continue to impose per diem fines for a Continuing Violation and assess them to the Owner's account each month as set forth herein without the need for any further or additional Board hearings with the Owner regarding the same Continuing Violation, until the violation is cured by the Owner.

Section 2. Non-waiver of Right. The failure of the Association or of any Co-owner to enforce any right, provision, covenant or condition which may be granted by the Condominium Documents shall not constitute a waiver of the right of the Association or of any such Co-owner to enforce such right, provision, covenant or condition in the future.

Section 3. Cumulative Rights and 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.

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 and/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 on 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 XVIII

SEVERABILITY

In the event that any of the terms, provisions or covenants of the Master Deed, these Bylaws, the Articles of Incorporation, or the rules and regulations of the Association 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 XIX

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.

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ARTICLE XX
CAPTIONS AND EXAMPLES

The captions 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 XXI
NONDISCRIMINATION POLICY & FAIR HOUSING COMPLIANCE

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

The Association and its Board of Directors, Officers, and Volunteers 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 National Fair Housing Act (Title VIII of the Civil Rights Act of 1968, as amended), the Michigan Elliott-Larsen Civil Rights Act (Public Act 453 of 1976), 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 and the Condominium Act.

Notwithstanding any of the foregoing provisions of this Article XXI, nothing in this Article shall expand or shall be construed as expanding the legal duties, obligations, or liabilities of the Association, or of any of its Directors, Officers, managers, vendors, volunteers, or agents beyond those which are specifically and expressly set forth in any such Fair Housing Laws, as such laws might be amended from time to time.

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