

Silver Bell Oaks
Home Owners Association ByLaws

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EXHIBIT A

**CONDOMINIUM BYLAWS
OF
SILVER BELL OAKS**

**ARTICLE I
ASSOCIATION OF CO-OWNERS**

Section 1.1 Association

Silver Bell Oaks, a Condominium Project located in Orion Township, Oakland County, Michigan, shall be administered by an Association of Co-owners, which shall be a non-profit corporation, hereinafter called the "Association", and which shall be organized under the applicable laws of the State of Michigan, and responsible for the management, maintenance, operation and administration of the Common Elements, easements and affairs of the Condominium Project in accordance with the Master Deed, these Bylaws, the Articles of Incorporation, Bylaws and duly adopted Rules and Regulations of the Association, and the laws of the State of Michigan. These Bylaws shall constitute the Condominium Bylaws referred to in the Master Deed and required by Section 3 (8) of the Act. All Co-owners in the Condominium Project and all Persons using or entering upon or acquiring any interest in any Unit therein or the Common Elements thereof shall be subject to the provisions and terms set forth in the aforesaid Condominium Documents.

Section 1.2 Membership and Voting

Membership in the Association and voting by members of the Association shall be in accordance with the following provisions:

- (a) Each Co-owner shall be a member of the Association and no other person or entity shall be entitled to membership.
- (b) The share of a Co-owner in the funds and assets of the Association cannot be assigned, pledged or transferred in any manner except as an appurtenance to his Unit in the Condominium.
- (c) Except as limited in these Bylaws, each Co-owner shall be entitled to one vote for each Condominium Unit owned,

the value of which shall equal the total of the percentages allocated to the Unit owned by such Co-owner as set forth in Article V of the Master Deed. Voting on all Association matters shall be by value.

- (d) No Co-owner shall be entitled to vote at any meeting of the Association until he has presented evidence of ownership of a Unit in the Condominium Project to the Association. The vote of a Unit in the Condominium Project to the Association. The vote of each Co-owner may be cast by the individual representative designated by such Co-owner in the notice required in subparagraph (e) below or by a proxy given by such individual representative.
- (e) Each Co-owner shall file a written notice with the Association designating the individual representative who shall vote at meetings of the Association and receive all notices and other communications from the Association on behalf of such Co-owner. Such notice shall state the name and address of the individual representative designated, the number 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. The individual representative designated may be changed by the Co-owner at any time by filing a new notice in the manner herein provided.
- (f) There shall be an annual meeting of the members of the Association. Other meetings may be provided for in the Bylaws of the Association. Notice of the time, place and subject matter of all meetings, as provided in the Bylaws of the Association, shall be given to each Co-owner by mailing the same to each individual representative designated by the respective Co-owners.
- (g) The presence in person or by proxy of thirty-five percent (35%) in value of the Co-owners qualified to vote shall constitute a quorum for holding a meeting of the members of the Association, except for voting on questions for which a greater quorum is herein specifically required. The written vote of any person furnished at or prior to any duly called meeting at which meeting said person is not otherwise present in person or by proxy shall be counted in determining the presence of a quorum with respect to the association shall be by a majority of the quorum, except as herein specifically provided.
- (h) Votes may be cast in person or by proxy or by a writing duly signed by the designated voting representative not present at a given meeting in person or by proxy. Proxies and any written votes must be filed with the Secretary of the Association at or before the appointed time of each meeting of the members of the Association. Cumulative voting shall not be permitted.

- (i) A majority, except where otherwise provided herein, shall consist of more than fifty percent (50%) in value of those qualified to vote and present in person or by proxy (or by written vote, if applicable) at a given meeting of the members of the Association. Whenever provided specifically herein, a majority may be required to exceed the simple majority hereinabove set forth.
- (j) At some time subsequent to the initial development, it may become necessary to pave or improve some or all of the roads within or adjacent to the Condominium Premises. The improvement may be financed, in whole or in part, by the creation of a special assessment district or districts, which may include Silver Bell Oaks. The acceptance of a conveyance or the execution of a land contract by any Co-owner or purchaser of a Unit shall constitute the agreement by such Co-owner or purchaser, his/her heirs, executors, administrators, and successors and assigns, that the Board of Directors of the Association shall be Vested with full power and authority to obligate all Co-owners to participate in a special assessment district, sign petitions requesting said special assessment, and consider and otherwise act on all assessment issues on behalf of the Association and all Co-owners; provided, that prior to signatures by the association on a petition for improvement of such public roads, the desirability of said improvement shall be approved by an affirmative vote of not less than fifty-one percent (51%) of all Co-owners. No consent of mortgages will be required for approval of said public road improvement. All road improvement special assessments levied by any public taxing authority shall be assessed in accordance with Section 131 of 1978 P.A. 59, as amended (M.C.L. §559.231).
- (k) Other provisions as to voting by members, not inconsistent with the provisions herein contained, may be set forth in the Association Bylaws.

Section 1.3 Accounting

The Association shall keep detailed books of account showing all expenditures and receipts of administration which shall specify the maintenance and repair expenses of the Common Elements and any other expenses incurred by or on behalf of the Association and the Co-owners. Such accounts and all other Association records shall be maintained in accordance with Section 57 of the Act and shall be open for inspection by the Co-owners and their mortgages during reasonable working hours. The Association shall prepare and distribute to each Co-owner at least once a year a financial statement, the contents of which shall be defined by the Association. The Association also shall maintain on file current copies of the Master Deed for the Project, any amendments thereto and all other Condominium Documents and shall permit all Co-owners, prospective purchasers and prospective

mortgages interested in the Project to inspect the same during reasonable hours.

Section 1.4 Board of Directors

The affairs of the Association shall be governed by a Board of Directors, all of whom shall serve without compensation and who must be members of the Association, except for the first Board of Directors designated in the Articles of Incorporation of the Association and any successors thereto elected by the Developer prior to the Transitional Control Date. The number, terms of office, manner of election, removal and replacement, meetings, quorum and voting requirements, and other duties or provisions of or relating to directors, not inconsistent with the following, shall be provided by the Association Bylaws.

(a) The Board of Directors shall have all powers and duties necessary for the administration of the affairs of the Association and may do all acts and things as are not prohibited by law or the Condominium Documents or required thereby to be exercised and done by the Co-owners. In addition to the foregoing general duties imposed by these Bylaws, or any further duties which may be imposed by resolution of the members of the Association or which may be set forth in the Association Bylaws, the Board of Directors shall be responsible specifically for the following:

- (1) To manage and administer the affairs and maintenance of the Condominium Project and the Common Elements thereof.
- (2) To levy and collect assessments against and from the members of the Association and to use the proceeds thereof for the purposes of the Association.
- (3) To carry insurance and collect and allocate the proceeds thereof.
- (4) To rebuild improvements after casualty.
- (5) To contract for and employ persons, firms, corporations or other agents to assist in the management, operation, maintenance and administration of the Condominium Project.
- (6) To own, acquire, maintain and improve, and to buy, operate, manage, sell, convey, assign, mortgage, or lease any real or personal property (including any Unit in the Condominium and easements, rights-of-way and licenses) on behalf of the Association in furtherance of any of the purposes of the Association.

- (7) To borrow money and issue evidences of indebtedness in furtherance of any and all of the purposes of the business of the Association; provided, however, that any such action shall also be approved by affirmative vote of more than sixty percent (60%) of all of the members of the Association in value.
 - (8) To make rules and regulations in accordance with Article VI, Section 6.9 of these Bylaws.
 - (9) 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 by the Condominium Documents required to be performed by the Board.
 - (10) To exercise such power and authority as are granted to the Association by the Condominium Documents and to enforce the provisions of the Condominium Documents.
- (b) The Board of Directors may employ for the Association a professional management agent at reasonable compensation established by the Board to perform such duties and services as the Board shall authorize, including, but not limited to, the duties listed in Section 1.4 (a) of these Bylaws, and the Board may delegate to such management agent any other duties or powers which are not by law or by the Condominium Documents required to be performed by the Board. Or have the approval of the Board of Directors or the members of the Association. In no event shall the Board be authorized to enter into any contract with a professional management agent, or any other similar person or entity, in which the maximum term is greater than three (3) years or which is not terminable by the Association upon ninety (90) days written notice thereof to the other party and no such contract shall violate the provisions of Section 55 of the Act.

All of the actions (including, without limitation, the adoption of these Bylaws and Rules and Regulations for the Association, and any undertakings or contracts entered into with others on behalf of the corporation) of the first Board of Directors of the Association named in its Articles of Incorporation or any successors thereto elected by the Developer shall be binding upon the Association in the same manner as through such actions had been authorized by a Board of Directors duly elected by the members of the Association at the first or any subsequent annual meeting for members so long as such actions are within the scope of the powers and duties which may be exercised by any Board of Directors as provided in the Condominium Documents.

Section 1.5 Officers

The Association Bylaws shall provide the designation, number, terms of office, qualifications, manner of election, duties, removal and replacement of the officers of the Association and may contain any other provisions pertinent to officers of the Association and may contain any other provisions pertinent to officers of the Association in furtherance of the provisions and purposes of the Condominium Documents and not inconsistent therewith. Officers may be compensated but only upon the affirmative vote of more than fifty percent (50%) of all Co-owners in value.

Section 1.6 Indemnification

Every director and every officer of the Association shall be indemnified by the Association against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him in connection with any proceeding to which he may be a party, or in which he may become involved, by reason of his being or having been a director or officer of the Association, whether or not he is a director or officer at the time such expenses are incurred, except in such cases wherein the director or officer is adjudged guilty of willful or wanton misconduct or gross negligence in the performance of his duties; provided that , in the event of any claim for reimbursement or indemnification hereunder based upon a settlement by the director or officer seeking reimbursement or indemnification, the indemnification herein shall apply only if the Board of Directors (with the director seeking reimbursement abstaining) approves such settlement and reimbursement as being in the best interest of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such director or officer may be entitled. At least ten (10) days prior to payment of any indemnification which it as approved, the Board of Directors shall notify all Co-owners thereof.

Section 1.7 Advisory Committee

An Advisory Committee of three (3) non-Developer Co-owners shall be established within one hundred twenty (120) days after conveyance of legal or equitable title to non-Developer Co-owners of one-third (1/3) of the Units that may be created hereunder, or within one (1) year after the initial conveyance of legal or equitable title to a non-Developer Co-owner of a Unit in the Project, whichever first occurs. The Advisory Committee may, in the first instance, be appointed by the Developer. If the Board of Directors of the Association so determines, or if more than twenty percent (20%) in value of the non-Developer Co-owners shall so petition in writing, then a special meeting of the non-Developer Co-owners shall be held and the members of the Advisory Committee shall be elected at such meeting. The purpose of the Advisory committee shall be to facilitate the communications between the Developer and the non-

Developer Co-owners. The Advisory Committee shall cease to exist when a majority of the Board of Directors of the Association of Co-owners is elected by the non-Developer Co-owners. The Board of Directors and the Advisory committee shall meet with each other at such times as may be requested by either of them; provided , however, that there shall be no more than four (4) such meetings per year unless both entities agree.

Section 1.8 Non-Developer Directors.

- (a) Not later than one hundred twenty (120) days after conveyance of legal or equitable title to non-Developer Co-owners of twenty-five percent (25%) of the Units that may be created, at least one (1) Director and not less than twenty-five percent (25%) of the Board of Directors of the Association shall be elected by non-Developer Co-owners.
- (b) Not later than one hundred twenty (120) days after conveyance of legal or equitable title to non-Developer Co-owners of fifty percent (50%) of the Units that may be created, not less than thirty three and one-third percent (33 1/3%) of the Board of Directors shall be elected by non-Developer Co-owners.
- (c) Not later than one hundred twenty (120) days after conveyance of legal or equitable title to non-Developer Co-owners of seventy-five percent (75%) of the Units that may be created, and before conveyance of ninety percent (90%) of such Units, the non-Developer Co-owners shall elect all of the Directors on the Board, except that the Developer shall have the right to designate at least one Director, as long as the Developer owns and offers for sale at least ten percent (10%) of the Units in the Project or as long as ten percent (10%) of the Units that may be created remain unsold.
- (d) Notwithstanding the foregoing, fifty-four (54) months after the first conveyance of legal or equitable title to a non-Developer Co-owner of a Unit in the Project, if title to not less than seventy-five percent (75%) of the Units that may be created have not been conveyed, the non-Developer Co-owners have the right to elect the number of members of the Board of Directors equal to the percentage of Units the non-Developer Co-owners hold, and the Developer shall have the right to elect the number of members of the Board equal to the percentage of the Units which are owned by the Developer and for which all assessments are paid by the Developer. That is section shall not require a change in size of the Board of Directors as determined by the Association Bylaws. The Provisions of Section 52 (4) and Section 52(6) of the Act shall also be applicable to this Section 1.8, and shall be incorporated herein by reference.

ARTICLE II ASSESSMENTS

Section 2.1 Personal Property Taxes

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

Section 2.2 Liabilities and Insurance Receipts

Taxes and special assessments, which become a lien against the Condominium Project in the year of establishment, shall be considered expenses of administration. All cost incurred by the Association in satisfaction of any liability arising within, caused by, or connected with the Common Elements or the administration of the Condominium Project shall constitute expenditures affecting the administration of the Project, and all sums received as the proceeds of, or pursuant to, a policy of insurance securing the interest of the co-owners against liabilities or losses arising within, caused by, or connected with the Common Elements or the administration of the Condominium Project shall constitute receipts affecting the administration of the Condominium Project, within the meaning of Section 54 of the Act.

Section 2.3 Amount of Assessments

Assessments shall be determined in accordance with the following provisions:

The Board of Directors of the Association shall establish an annual budget in advance for each fiscal year and such budget shall project all expenses for the forthcoming year which may be required for the proper operation, management and maintenance of the Condominium Project, including a reasonable allowance for contingencies and reserves. An adequate reserve fund for maintenance, repairs and replacement of those Common Elements that must be replaced on a periodic basis must be established in the budget and must be funded by regular monthly payments as set forth in Section 2.4 below rather than by special assessments. The reserve fund must, at a minimum, be equal to ten percent (10%) of the Association's current annual budget on a non-cumulative basis. The minimum standard required by this section may prove to be inadequate for a particular project. The association of Co-owners should carefully analyze their condominium project to determine if a greater amount should be set aside, or if additional reserve funds should be established for other purposes. 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 the budget, although the delivery of a copy of the budget to each Co-owner shall not affect the liability of any Co-owner for any existing or future assessments. Should the Board of Directors at any time determine, in the sole discretion of the Board of Directors: (1) that the assessments levied are or may prove to be insufficient to pay the costs of operation and management of the Condominium, (2) to provide replacements of existing Common Elements, (3) to provide additions to the Common Elements not exceeding Two Thousand Dollars (\$2,000) annually, or (4) in the event of emergencies, the Board of Directors shall have the authority to increase the general assessment or to levy such additional assessment or assessments as it shall deem necessary.

Special assessments, in addition to those required in (a) above may be made by the Board of Directors from time to time and approved by the Co-owners as hereinafter provided to meet their needs or requirements of the Association, including, but not limited to (1) assessments for capital improvements for additions of a cost exceeding Two Thousand Dollars (\$2,000) per year, (2) assessments to purchase a Unit upon foreclosure of the lien for assessments described in Section 2.6 hereof, (3) assessments for any other appropriate purpose not elsewhere herein described. Special assessments referred to in this subparagraph (b) (but not including those assessments referred to in subparagraph 2.3 (a) above, which shall be levied in the sole discretion of the Board of Directors) shall not be levied without the prior approval of more than sixty percent (60%) of all Co-owners in value. The authority to levy assessments pursuant to this Subparagraph is solely for the benefit of the Association and of the members thereof and shall not be enforceable by any creditors of the Association or of the members thereof.

This Section 2.3 shall not apply to any special assessment levied by the Charter Township of Orion for repairs and maintenance to either the road system, the retention basin system and/or the storm drainage system.

Section 2.4 Apportionment

All assessments levied against the Co-owners to cover expenses of administration shall be apportioned among and paid by the Co-owners in accordance with the apportionment among and paid by the Co-owners in accordance with the percentage of value allocated to each Unit in Article V of the Master Deed without increase or decrease for the existence of any rights to the use of any Limited Common Elements appurtenant to a Unit. Annual assessments as determined in accordance with Article II, Section 2.3 (a) above shall be payable by Co-owners in four (4) equal quarterly installments, or twelve (12) monthly installments, as determined by the Association, commencing with acceptance of a deed to a Unit, with acquisition of fee simple title to a Unit by any other means, or upon execution of a land contract by

which a Unit is purchased from Developer. The payment of an assessment shall be in default if such assessment, or any part thereof, is not paid to the Association in full on or before the due date for such payment. Assessments in default for ten (10) or more days shall bear interest from the initial due-date thereof at the highest legal rate until each installment is paid in full. Each Co-Owner (whether one or more persons) shall be, and remain, personally liable, both jointly and severally, for the payment of all assessments (including fines for late payment and cost of collection and enforcement of payment, including reasonable attorney's fees) pertinent to his Unit which may be levied while such Co-owner is the owner thereof, except a land contract purchaser from Developer shall be so personally liable and Developer shall not be personally liable for such assessments levied up to and including the date upon which Developer actually takes possession of the Unit following extinguishment of all rights of the land contract purchaser in the Unit. Payments on account of installments of assessments in default shall be applied as follows: first, the cost of collection and enforcement of payment, including reasonable attorney's fees; second, to any interest charges and fines for late payment on such assessments; and third, to installments in default in order of their due dates. Notwithstanding the foregoing, and unusual common expenses benefiting less than all of Condominium Units, or any unusual expenses incurred as a result of a use being conducted within a Condominium Unit by a Co-owner, licensee, lessee or invitee, may be specially assessed or apportioned against the Condominium Unit or Units involved in a reasonable manner and in accordance with any provisions of the Act.

Section 2.5 No Exemption

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

Section 2.6 Collection of Assessments

The Association may enforce collection of delinquent assessments by a suit at law for a money judgment or by foreclosure of the statutory lien that secures payment of assessments. Each Co-owner, and every other person who from time to time has any interest in the Project, shall be deemed to have granted to the Association the unqualified right to elect to foreclose such lien either by judicial action or by advertisement. The provisions of Michigan law pertaining to foreclosure of mortgages by judicial action and by advertisement, as the same may be amended from time to time, are incorporated herein 'by reference for the purposes of establishing the alternative procedures to be followed in lien foreclosure actions and the rights and obligations of the parties to such actions. Further,

each Co-owner and every other person who from time to time has any interest in the Project, shall be deemed to have authorized and empowered the Association to sell or to cause to be sold the Unit with respect to which the assessment(s) is (are) delinquent and to receive, hold and distribute the proceeds of such sale in accordance with the priorities established by applicable law. Each Co-owner of a Unit in the project acknowledges that at the time of acquiring title to such unit, he was notified of the provisions of this section and that he voluntarily, intelligently and knowingly waived notice of any proceedings brought by the Association to foreclose by advertisement the lien for nonpayment of assessments and a hearing on the same prior to the sale of the subject unit. Notwithstanding the foregoing, neither a judicial foreclosure action nor a suit at law for a money judgment shall be commenced, nor shall any notice of foreclosure by advertisement be published, until the expiration of ten (10) days after mailing, by first class mail, postage prepaid, addressed to the delinquent Co-owner(s) at his or their last known address of a written notice that one or more installments of the annual assessment or any 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 ten (10) days after the date of mailing. Such written notice shall be accompanied by a written affidavit of an authorized representative of the Association that sets forth (i) the affiant's capacity to make the affidavit, (ii) the statutory and other authority for the lien, (iii) the amount outstanding (exclusive of interest, costs, attorney fees and future assessments), (iv) the legal description of the subject Unit(s), and (v) the name(s) of the Co-owner(s) of record. Such affidavit shall be recorded in the Office of the Register of Deeds in the county in which the Project is located prior to the commencement of any foreclosure proceeding, but it need not have been recorded as of the date of mailing as aforesaid. If the delinquency is not cured within the ten (10) day period, the Association may take such remedial action as may be available to it hereunder or under Michigan law. The expenses incurred in collecting unpaid assessments, including interest, costs, actual reasonable attorneys' fees (not limited to statutory fees) and advances for taxes or other liens paid by the Association to protect its lien, shall be chargeable to the Co-owner in default and shall be secured by the lien on his unit. In the event of default by any Co-owner in the payment of any installment of the annual assessment or any special assessment levied against his Unit, the Association shall have the right to declare all unpaid installments of the assessment for the pertinent fiscal year immediately due and payable. The Association also may discontinue the furnishing of any utilities or other services to a Co-owner in default upon seven (7) days written notice to such Co-owner of its intention to do so. A Co-owner in default shall not be entitled to utilize any of the general Common Elements of the Project and shall not be entitled to vote at any meeting of the Association so long as such default continues. In a judicial foreclosure action, a receiver may be appointed to collect a reasonable rental for the

Unit from the Co-owner thereof or any persons claiming under him.

Section 2.7 Effect on Mortgage Lien

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

Section 2.8 Obligations of Developer

Until such time as the regular monthly assessments paid by Co-owners other than the Developer shall be sufficient to support the total costs of administration (excluding reserves), the Developer shall pay the balance of such administrative costs on account of the Units owned by it, whether constructed or not.

After the time at which the regular monthly assessments paid by CO-owners other than the Developer are sufficient -to support the total costs of administration (excluding reserves), the Developer shall be assessed by the Association for actual costs, if any, incurred by the Association which are directly attributable to the Units owned by the Developer, together with a pro-rata share of costs of administration (other than costs attributable to the maintenance of dwellings), such as legal fees, accounting fees, liability insurance premiums and maintenance of the landscaping, drives, sanitary sewer system and walks, if any. Provided, that if a Unit owned by Developer is leased or otherwise occupied on a permanent basis by a person holding under or through the Developer, the Developer shall pay all regular monthly assessments with respect to such Unit forthwith.

Section 2.3 Statement Regarding Assessments

Pursuant to the provisions of the Act, the Purchaser of any Condominium Unit may request a statement of the Association as to the outstanding amount of any unpaid Association assessments thereon, whether regular or special. Upon written request to the

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

Section 2.10 Construction Liens

A construction lien arising under Act 497 of the Michigan Public Acts of 1980, as amended, shall be subject to section 132 of the Act.

ARTICLE III ARBITRATION

Section 3.1 Arbitration

Disputes, claims, or grievances arising out of or relating to the interpretation or the application of the Condominium Documents, or any disputes, claims or grievances arising among or between Co-owners and the Association shall, upon the election and written consent of the parties to any such disputes, claims or grievances and written notice to the Association, be submitted to arbitration and the parties thereto shall accept the arbitrator's decision as final and binding. The Commercial Arbitration Rules of the American Arbitration Association as amended and in effect from time to time hereafter shall be applicable to any such arbitration.

Section 3.2 Legal Action

In the absence of the election and written consent pursuant to Section 3.1, no Co-owner or the Association shall be precluded from petitioning the courts to resolve any such disputes, claims or grievances.

Section 3.3 Election

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

ARTICLE IV INSURANCE

Section 4.1 Extent of Coverage

The Association shall, to the extent appropriate in light of the nature of the General Common Elements of the Project, carry insurance for fire and extended coverage, vandalism and malicious mischief and liability and workers' compensation insurance, if applicable, and any other insurance the Association may deem applicable, desirable or necessary, and pertinent to the ownership, use and maintenance of the Common Elements and administration of the Condominium Project. All premiums for insurance carried by the Association shall be an expense of administration. Each owner shall be obligated and responsible for obtaining fire and extended coverage and vandalism and malicious mischief insurance with respect to buildings and all other improvements constructed or to be constructed within the perimeter of a unit and its appurtenant Limited Common Elements, if any, and for personal property located therein or thereon or elsewhere on the Condominium Project. Each Co-owner shall also be obligated to obtain insurance coverage for personal liability for occurrences within the perimeter of the Co-owner's Unit and appurtenant Limited Common Elements, if any. The Association shall under no circumstances have any obligation to obtain any of the insurance coverage required to be carried by a Co-owner. All premiums for insurance purchased by the Association pursuant to these Bylaws shall be expenses of administration.

Section 4.2 Indemnification

Each individual Co-owner shall indemnify and hold harmless every other Co-owner, the Developer and the Association from all damages and costs, including attorneys' fees, which they may suffer as a result of defending any claim arising out of an occurrence on or within such Co-owner's unit or appurtenant Limited Common Element, and each individual Co-owner shall carry insurance to secure this indemnity. This section shall not be construed to give any insurer any subrogation right or other right or claim against any individual Co-owner, however, and the Association and all Co-owners shall use their best efforts to

cause all property and liability insurance carried by them to contain appropriate provisions whereby the insurer waives its right of subrogation as to any claims against any Co-owner or the Association.

ARTICLE V RECONSTRUCTION OR REPAIR

Section 5.1 Reconstruction

If the Condominium Project or any of its Common Elements are destroyed or damaged, in whole or in part, and the proceeds of any policy insuring the same and payable by reason thereof are sufficient to reconstruct the Project, then such proceeds shall be applied to such reconstruction. As used herein, reconstruction means restoration of the Project in accordance with the Master Deed and the plans and specifications for the Project to a condition as comparable as possible to the condition existing prior to the damage, unless the Co-owners and mortgagees shall unanimously decide otherwise. If the proceeds of insurance are not sufficient to defray the estimated cost of reconstruction or repair, or if at any time during such reconstruction or repair the funds for the payment of the cost thereof are insufficient, assessment shall be made against all Co-owners for the costs of reconstruction or repair of the damaged property insufficient amounts to provide funds to pay for the costs of reconstruction or repair. If damage to the General Common Elements adversely affects the appearance or utility of the Project, the Association shall proceed with repair or replacement of the damaged property without delay. Each Co-owner shall be responsible for all maintenance, repair and replacement required within his unit: or any Limited Common Elements appurtenant thereto.

Section 5.2 Eminent Domain

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

(a) In the event of any taking of an entire Unit by eminent domain, the award for such taking shall be paid to the Co-owner of such Unit and the mortgagee thereof, as their interests may appear. After acceptance of such award by the Co-owner and his mortgagee, they shall be divested of all interest in the Condominium Project. In the event that any condemnation award shall become payable to any Co-owner who's Unit is not wholly taken by eminent domain then such award shall be paid by the condemning authority to the Co-owner and his mortgagee, as their interests may appear.

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

(c) In the event the Condominium Project continues after taking by eminent domain, then the remaining portion of the Condominium project shall be re-surveyed and the Master Deed amended accordingly, and, if any Unit shall have been taken, 'then Article V of the Master Deed shall also be amended to reflect such taking and to proportionately readjust the percentages of value of the remaining Co-owners based upon the continuing value-of the Condominium of 100%. 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 written approval of all holders of first mortgage liens on individual units in the Project.

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

Section 5.3 Priority

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

ARTICLE VI RESTRICTIONS

Section 6.1 Residential Purposes

No Unit in the Condominium shall be used for other than single-family residential purposes. All Common Elements shall be used only for purposes consistent with the use of single-family residences. Residences shall be not less than one thousand eight hundred (1,800) square feet for single story; one thousand nine hundred (1,900) square feet for one and one-half story, and two thousand one hundred (2,100) square feet for two story. The exterior of the residence erected on any unit shall be natural wood and brick with a minimum of twenty percent (20%) of the residence being brick and a minimum of fifty percent (50%) of the front of the residence being brick. There shall be no exposed aluminum chimney on any residence. The Association shall have the right to limit the type, quality, and quantity of fertilizer use, on the Condominium Premises and on any unit.

The provisions of the Orion Township zoning Ordinance (Ordinance No.78, as amended) (the "Zoning Ordinance") regarding minimum lot size, minimum floor area per dwelling unit, yard setbacks, and maximum height of building shall apply to the Condominium. For purposes of applying those ordinance provisions to the Condominium, the following shall apply:

(a) The term "lot" as used in the Zoning Ordinance shall mean the Unit and the Unit's appurtenant Limited Common Element yard area, if any.

(b) The term "front lot line" as used in the zoning Ordinance shall mean the line separating the Unit's appurtenant yard area from the area of land, which is a General Common Element within which a roadway is contained.

(c) The term "side lot line" as used in the zoning Ordinance is the line between a unit's yard area and the adjoining Unit's yard area.

Section 6.2 Activities

No immoral, improper, unlawful, or offensive activity shall be carried on in any unit or upon the Common Elements limited or general, nor shall anything be done which may be or become an annoyance or nuisance to the co-owners of the Condominium, nor shall any unreasonably noisy activity be carried on in any unit or on the Common Elements. No Co-owner shall do, or permit anything to be done or keep or permit to be kept in his unit or on the Common Elements, anything that will increase the rate of insurance on the Condominium without the written approval of the

Association and such Co-owner shall pay to the Association the increased cost of insurance premiums resulting from any such activity or the maintenance of any such condition.

Section 6.3 Animals

No animals, except two (2) dogs or cats, shall be maintained by any Co-owner unless specifically approved in writing by the Association. No animal may be kept or bred for any commercial purpose. All animals maintained by a Co-owner on the Condominium shall have such care and restraint so as not to be obnoxious or offensive on account of noise, odor, or unsanitary conditions. No animal may be permitted to run loose at any time upon the Common Elements, and any animal shall at all times be attended by some responsible person while on the Common Elements -limited or general. No savage or dangerous animal shall be brought or kept upon the Condominium and any Co-owner who causes any animal to be brought or kept upon the Condominium shall indemnify and hold harmless the Association for any loss, damage, or liability which the Association may sustain as the result of the presence of such animal on the Condominium, whether or not the Association has given its permission therefore. The Association may charge all Co-owners maintaining animals on the Condominium a reasonable additional assessment 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 may, without liability to the owner thereof, remove or cause to be removed, any animal from the Condominium which it determines to be in violation of the restrictions imposed by this section or the Rules and Regulations of the Association, if any. The Association shall have the right to require that any animals be registered with it and may adopt such additional reasonable Rules and Regulations with respect to animals as it may deem proper.

Section 6.4 Storage

The Common Elements- limited or general, shall not be used for storage of supplies, materials, personal property, trash, or refuse of any kind, except as provided in any Rules and Regulations of the Association. Trash receptacles shall be maintained in areas designated therefore at all times and shall not be permitted to remain elsewhere on the Common Elements except for such short periods of time as may be reasonably necessary to permit periodic collection of trash. The Common Elements shall not be used in any way for the drying, shaking, or airing of clothing or other fabrics. In general, no activity shall be carried on, and no condition shall be maintained, by a Co-owner either in his Unit or upon the Common Elements, which spoils the appearance of the Condominium.

Section 6.5 Obstructions

Yards, landscaped areas, driveways, roads, parking areas, patios, balconies, courtyards, and porches, if any, shall not be obstructed in any way nor shall they be used for purposes other than for which they are reasonably and obviously intended. No bicycles, vehicles, chairs, or benches may be left unattended on or about the Common Elements.

Section 6.6 Vehicular Parking

No trailers, house trailers, commercial vehicles, construction equipment, boat trailers, boats, camping vehicles, camping trailers, motor homes, snowmobiles, snowmobile trailers, or vehicles other than automobiles may be parked or stored upon the Condominium unless inside closed garages. Inoperable and/or unlicensed vehicles shall not be maintained on the Condominium. Commercial vehicles and trucks shall not be parked in or about the Condominium (except as herein provided) unless while making deliveries or pickups in the normal course of business. This shall not be meant to exclude vans and pickup trucks used as passenger vehicles. In the event that there arises a shortage of parking spaces, the Association may allocate or assign parking spaces from time to time on an equitable basis.

Section 6.7 Dangerous Weapons

No Co-owner shall use, or permit the use by any occupant, agent, employee, invitee, guest, or member of his family of any firearms, air rifles, pellet guns, 8-8 guns, bows and arrows, or other similar dangerous weapons, projectiles, or devices anywhere on or about the Condominium.

Section 6.8 Signs

No signs or other advertising devices shall be displayed which are visible from the exterior of a Unit or the Common Elements without the written permission of the Association, except for one (1) "For Sale" sign not to exceed six (6) square feet.

Section 6.9 Rules and Regulations

Reasonable Rules and Regulations consistent with the Act, the Master Deed and the Condominium Bylaws and the Association Bylaws, concerning the use of the Common Elements may be made and amended from time to time by the Board of Directors of the Association. Copies of all such Rules and Regulations, and amendments thereto, shall be furnished to all Co-owners and shall become effective thirty (30) days after mailing or

delivery thereof to the designated voting representative of each Co-owner. Any such regulation or amendment may be revoked at any time by the affirmative vote of more than sixty-six and two-thirds percent (66 2/3%) of all Co-owners in value except that the Co-owners may not revoke any regulation or amendment prior to the Transitional Control Date.

Section 6.10 Unit Access

The Association, or its duly authorized agents, shall have access to each unit and any Limited Common Elements appurtenant thereto, from time to time, during reasonable working hours and upon notice to the Co-owner thereof as may be necessary for the maintenance, repair, or replacement of any of the Common Elements there or accessible there from. The Association, or its agents, shall also have access to each Unit and any Limited Common Elements appurtenant thereto at all times without notice as may be necessary to make emergency repairs to prevent damage to the Common Elements or to another Unit. It shall be the responsibility of each Co-owner to provide the Association a means of access of his Unit and any Limited Common Elements appurtenant thereto during any period of absence. In the event of the failure of such Co-owner to provide a means of access, the Association may, gain access in such manner as may be reasonable under the circumstances and shall not be liable to such Co-owner for any necessary damage to his unit and any Limited Common Elements appurtenant thereto caused thereby or for repair or replacement of any doors or windows damaged in gaining such access. This provision in and of itself shall not be construed to permit access to the interiors of residences or other structures located within a Unit.

Section 6.11 Landscaping

No Co-owner shall perform any landscaping, plant any trees, shrubs, flowers, or place any ornamental materials upon the Common Elements unless approved by the Association in writing. No Co-owner shall place or install any fence upon the Common Elements or any Unit less approved by the Association in writing. No trees four (4) inches in diameter measured four (4) feet from the ground shall be removed without express approval of the Board of Directors of the Association. Certain areas in the Condominium may be left, in the discretion of the Developer, in a natural state because of terrain characteristic~ and in order to enhance the natural beauty of the Condominium. The Association, whether controlled by the Developer or at any time after the Developer relinquishes control thereof, shall not be required to landscape such areas nor to alter the natural characteristics thereof.

Section 6.12 Maintenance

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

Section 6.13 Patios

No unsightly condition shall be maintained upon any patio, porch, balcony, or courtyard and only furniture and equipment consistent with ordinary patio, porch, balcony, or courtyard use shall be permitted to remain there during seasons when patios., porches, balconies, or courtyards are reasonably in use and no furniture or equipment of any kind shall be stored on patios, porches, balconies, or courtyards during seasons when patios, porches, balconies, or courtyards are not reasonably in use.

Section 6.14 Reserved Rights of Developer

None of the restrictions, contained in this Article shall apply to the commercial activities, signs, or billboards, if any, of the Developer during the "Sales Period" (as defined hereinafter), or of the Association in furtherance of its powers and purposes set forth herein and in its Articles of Incorporation and Bylaws, as the same may be amended from time to time. For the purposes of this Section, the "Sales Period" shall mean a period continuing so long as Developer owns any units which it offers for sale or for so long as Developer continues to develop or proposes to develop additional units on the Project or on property adjoining the Project. Until all Units in the entire Condominium Project (including the initial phase and any successive phases) are sold by Developer, Developer shall have the right to maintain a sales office, business office, construction office, model Units, storage areas, reasonable parking incident to the foregoing and such access to, from, and over the Project as may be reasonable to enable development and sale of the entire Project by Developer.

Section 6.15 Conservation

The Condominium Project shall at all times be maintained in a manner consistent with the highest standards of a beautiful, serene, private, residential community for the benefit of the Co-owners and all persons interested in the Condominium. If at any time the Association fails or refuses to carry out its obligation to maintain, repair, replace and landscape in a manner consistent with the maintenance of such high standards, then the Developer, or any person to whom he may assign this right, at his option, may elect to maintain, repair and/or replace any Common Element⁵ and/or to do any landscaping required by the Association Bylaws and to charge the cost thereof to the Association as an expense of administration. The Developer shall have the right to enforce the Association Bylaws by appropriate legal and equitable remedies.

Section 6.16 Leasing

A Co-owner may lease his unit for the same purposes set forth in Section 1 of this Article provided that written disclosure of such lease transaction is submitted to the Board of Directors of the Association in the same manner as specified below. With the exception of a lender in possession of a unit following a default of a first mortgage, foreclosure, deed, or other arrangements in lieu of foreclosure, no Co-owner shall lease less than an entire unit in the Condominium. 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. The Developer may lease any number of units in the Condominium in its discretion.

(a) A Co-owner, including the Developer, desiring to rent or lease a Unit, shall disclose that fact in writing to the Association at least ten (10) days before presenting a lease form to a potential lessee and shall supply the Association with a copy of the exact lease form for its review for its compliance with the Condominium Documents. If Developer desires to rent Condominium Units before the Transitional Control Date, it shall notify the Association in writing.

(b) Tenants or non Co-owner occupants shall comply with all of the conditions of the Condominium Documents of the Condominium Project and all leases and rental agreements shall so state.

(c) 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:

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

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

(3) If after fifteen (15) days the Association believes that the alleged breach is not cured or may be repeated, it may institute on its behalf, or derivatively by the Co-owners on behalf of the Association, if it is under the control of the Developer, an action for eviction and money damages against the tenant, Co-owner, or non Co-owner occupant and tenant, for breach of the conditions of the Condominium documents. The relief set forth in this section may be by summary proceeding. The Association may hold the tenant and the Co-owner liable for any damages caused by the Co-owner or tenant in connection with the Unit.

(d) 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 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 be a breach of the rental agreement or lease by the tenant.

Section 6.17 Co-owner Improvements

A Co-owner may make improvements or alterations within the interior of a Unit, provided that said improvements or alterations do not detract from or compromise any portion of the Condominium Project. No Co-owner shall do anything which shall establish or change the exterior color or appearance of any structure located within a Unit or any other portion of the Condominium Project, or establish or change any driveway, fence, mailbox or chimney located within a unit or on a common element, except by the following procedure:

(a) Application for such alteration or changes shall be made to the Board of Directors of the Association together with

sufficient plans, drawings, or renderings as may be necessary to enable the Association to understand and evaluate the proposed changes.

(b) The Board of Directors of the Association shall then appoint an architectural control committee for purposes of reviewing the proposal. Members of said committee need not be members of the Board of Directors of the Association, but a director shall not be disqualified from serving on such committee.

(c) The architectural control committee may seek opinions from the Co-owners of the Condominium and shall, within a reasonable time prescribed by the directors, render recommendation and report to the Board of Directors of the Association.

(d) The Board of Directors of the Association shall thereupon adopt a resolution granting the permission for such alteration or denying same.

(e) In the event that such application for changes are approved by the Board of Directors of the Association, it shall be subject to a written undertaking by the Co-owner acknowledging that all the improvements that are to be made are to be at the Co-owner's sole expense, that injury, if any, to the Common Elements will be repaired promptly by the Co-owner at his expense, and that the improvements will be completed by a date to be determined and established by the Board of Directors of the Association.

(f) The Developer is specifically excluded from the provisions of this Section. The Developer specifically reserves to itself the right to alter, change, modify, redesign, or improve the structure located on any Unit or any Limited Common Elements appurtenant thereto through and including such time as a deed has been executed and delivered from the Developer to an individual purchaser of that unit.

(g) The purpose of this Section is to assure the continued maintenance of the Condominium as a beautiful and harmonious residential development and shall be binding upon the Association, all Co-owners, and their successors and assigns.

Section 6.18 'Wetland Preservation

The Association and each Co-Owner shall comply with, and be bound by, the terms and provisions of that certain Conservation Easement dated March 11, 1993 between developer and the Michigan Department of Natural Resources (the "MDNR"), and any and all amendments and modifications to said Conservation Easement.

ARTICLE VII MORTGAGES

Section 7.1 Notice of Mortgage

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

Section 7.2 Notice of Insurance

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

Section 7.3 Notice of Meeting

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

ARTICLE VIII AMENDMENTS

Section 8.1 Amendments

The Bylaws may be amended, altered, changed, added to or repealed only in the manner set forth in Article IX of the Master Deed of Silver Bell Oaks.

Section 8.2 Meeting

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

Section 8.3 Vote Required

Except as expressly limited in section 8.4 of these Bylaws and subject to the provisions of Article IX of the Master Deed of Silver Bell Oaks, these Bylaws may be amended by the Association at any regular annual meeting, or a special meeting called for such purpose, by an affirmative vote of not less than sixty six and two-thirds percent (66-2/3%) of all Co- owners in value and of the unit mortgagees (allowing one vote for each mortgage held~ present or represented at such meeting.

Section.S.4 Effective Date of Amendments

Any amendment to these Bylaws (but not the Association Bylaws) shall become effective upon recording of such amendment in the Office of the Register of Deeds in the county where the Condominium is located without the prior written approval of all institutional holders of first mortgage liens on any Unit in the Condominium, no amendment to these Bylaws shall become effective which substantially increases or decreases the benefits or obligations or materially affects the rights of any member of the Association or of any such holder of a first mortgage lien on any unit.

Notwithstanding anything to the contrary express or implied in these Condominium Bylaws, (i) Article II, section 2.3 and Article VI, section 6.1 of these Condominium Bylaws shall not be amended without the prior written consent of the Charter Township of Orion, and (ii) Article VI, section 6.18, of these Condominium Bylaws shall not be amended without the prior written consent of the Michigan Department of Natural Resources.

Section 8.5 Copies of Amendments

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 IX COMPLIANCE

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

ARTICLE X DEFINITIONS

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

ARTICLE XI REMEDIES FOR DEFAULT

Section 11.1 Remedies

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

(a) Failure to comply with any of the terms or provisions of the Condominium Documents or the Act shall be grounds for relief, which may include without intending to limit the same, an action to: cover 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) If any proceeding arising because of an alleged default by any Co-owner is successful, the Association shall be entitled to recover the costs of the proceeding and such reasonable attorneys' fees, (not limited to statutory fees) as may be determined by the Court, but in no event shall any Co-owner be entitled to recover such attorneys' fees.

(c) The violation of any of the provisions of the Condominium Documents shall also give the Association or its duly authorized agents the right, in addition to the rights set forth above, to enter upon the Common Elements, limited or general, or into any Unit, where reasonably necessary, and summarily remove and abate, at the expense of the Co-owner in violation, any structure, thing or condition existing or maintained contrary to the provisions of the Condominium Documents.

(d) The violation of any of the provisions of the Condominium Documents by any Co-owner shall be grounds for assessment by the Association, acting through its duly constituted Board of Directors, of monetary fines for such violations. No fine may be assessed unless Rules and Regulations establishing such fine have first been duly adopted by the Board of Directors of the Association and notice thereof given to all Co-owners in the same manner as prescribed in Article XIII, section 4 of the Association Bylaws. Thereafter, fines may be assessed only upon notice to the offending Co-owners as prescribed in said Article XIII, section 4, and an opportunity for such Co-owner to appear before the Board no less than seven (7) days from the date of the notice and offer evidence in defense of the alleged violation. All fines duly assessed may be collected in the same manner as provided in Article II of these Bylaws. The amount of such fines shall be as established by the Association.

Section 11.2 No Waiver

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 11.3 No Election of Rights

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 anyone or more shall not be deemed to constitute an election of remedies, nor shall it preclude any party thus exercising the same from exercising such other and additional rights, remedies or privileges as may be available to such party at law or in equity.

ARTICLE XII SEVERABILITY

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

BYLAWS OF SILVER BELL OAKS CONDOMINIUM ASSOCIATION

ARTICLES I -XII

ADOPTION OF CONDOMINIUM BYLAWS

Articles I through XII of the Condominium Bylaws of Silver Bell Oaks, as attached to the Master Deed of Silver Bell Oaks recorded in Liber 13411, Pages 880 through 938, inclusive, of the Records of Oakland County, Michigan (the "Condominium Bylaws"), are hereby incorporated by reference and adopted in their entirety as Articles I through XII of the Bylaws of this corporation.

ARTICLE XIII MEMBERS

Section 1. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the Co-owners as may be designated by the Board of Directors. Voting shall be as provided in the Condominium Bylaws. Meetings of the Association shall be conducted in accordance with Roberts Rules of Order or some other generally recognized manual of parliamentary procedure,

when not otherwise in conflict with the Articles of Incorporation of the corporation, these Bylaws, the Master Deed of Silver Bell Oaks or the laws of the State of Michigan.

Section 2. The annual meetings of members of the Association shall be held on the fifteenth day of June of each succeeding year at such time and place as shall be determined by the Board of Directors, or on such other day as shall be determined by the Board of Directors. At such meetings there shall be elected by ballot of the Co-owners a Board of Directors in accordance with the requirements of Article XIV of these Bylaws. The Co-owners may also transact at annual meetings such other business of the Association as may properly come before them.

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

Section 4. It shall be the duty of the Secretary (or other, Association officer in the secretary's absence) to serve a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, upon each Co- owner of record, at least ten (10) days but not more than sixty (60) days prior to such meeting. The mailing, postage prepaid, of a notice to the representative of each Co-owner at the address shown in the notice required to be filed with the Association by section 1.2(e) of the Condominium Bylaws shall be deemed notice served. Any member may, by written waiver of notice signed by such member, waive such notice, and such waiver when filed in the records of the Association shall be deemed due notice.

Section 5. If any meeting of owners cannot be held because a quorum is not in attendance, the Co-owners who are present may adjourn the meeting to a time not less than six (6) days from the time the original meeting was called. Notice of such adjourned date shall be given as required in Section 4 above, except as such notice shall be given at least two (2) days prior to such adjourned meeting. At any such adjourned meeting which has been called for failure of a quorum at an originally scheduled meeting, the quorum requirement shall be reduced to twenty percent (20%) of all Co- owners in value.

ARTICLE XIV BOARD OF DIRECTORS

Section 1. The affairs of the Association shall be governed by a Board of Directors, consisting of not less than two (2) nor more than five (5) persons, all of whom must be members of the Association or officers, partners, trustees, employees or agents of members of the Association. The Board of Directors shall be elected at each annual meeting of the members of the Association, and the Directors shall hold office until their successors have been elected and take office.

Section 2. The Board of Directors shall have the powers and duties set forth in the Condominium Bylaws.

Section 3. Vacancies in the Board of Directors caused by reason other than the removal of a Director by a vote of the members of the Association shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum. Each person so elected shall be a Director until a successor is elected at the next annual meeting of the Association.

Section 4. At any regular or special meeting of the Association duly called, anyone or more of the Directors may be removed with or without cause by a majority of the Co-owners and a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the Co-owners shall be given an opportunity, to be heard at the meeting.

Section s. The first meeting of a newly elected Board of Directors shall be held within thirty (30) days of election at such place as shall be fixed by the Directors at the meeting at which such Directors were elected, and no notice shall be necessary to the newly elected Directors in order legally to constitute such meeting, providing a majority of the whole Board shall be present.

Section 6. 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 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, telephone or telegraph, at least ten (10) days prior to the date named for such meeting.

Section 7. 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, telephone or telegraph, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of one Director.

Section 8. Before, after, or at any such 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 meeting of the Board of Directors 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 9. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business, which might have been transacted at the meeting as originally called, may be transacted without further notice. The joinder of a Director in the action of a meeting by signing and concurring in the minutes thereof, shall constitute the presence of such Director for the purposes of determining a quorum.

Section 10. The Board of Directors may require: that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premiums of such bonds shall be expenses of administration.

ARTICLE XV OFFICERS

Section 1. The principal officers of the Association shall be a President, who shall be a member of the Board of Directors, a

vice President, Secretary and a Treasurer. The Directors may appoint an Assistant Treasurer and an Assistant Secretary, and such other officers as in their judgment may be necessary. Any two offices except those of President and Vice President may be held by one person.

Section 2. 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. Upon affirmative vote of a majority of the members of the Board of Directors, any officer may be removed either with or without cause, and his successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board called for such purpose.

Section 4. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board of Directors. He shall have all of the general powers and duties which are usually vested in the office of the President of an association, including, but not limited to, the power to appoint committees from among the members of the Association from time to time as he may in his discretion deem appropriate to assist in the conduct of the affairs of the Association.

Section 5. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor Vice President is able to act, the Board of Directors shall appoint some other member of the Board to so do on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Directors.

Section 6. The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the members of the Association; he shall have charge of the corporate seal and of such books and papers as the Board of Directors may direct; and he shall, in general, perform all duties incidental to the office of Secretary.

Section 7. The Treasurer shall have responsibility for the Association funds and securities and shall be responsible for

keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He 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.

Section 8. The officers shall have such other duties, powers and responsibilities as shall, from time to time, be authorized by the Board of Directors.

ARTICLE XVI SEAL

section 1. The corporation shall not be required to have a seal.

ARTICLE XVII FINANCE

Section 1. The finances of the corporation shall be handled in accordance with the Condominium Bylaws.

Section 2. The fiscal year of the corporation shall be an annual period commencing on such date as may be initially determined by the Directors. The commencement date of the fiscal year shall be subject to change by the Directors for accounting reasons or other good cause.

Section 3. The funds of the corporation shall be deposited in such bank or other depository as may be designated by the Directors and shall be withdrawn only upon the check or order of such officers, employees or agents as are designated by resolution of the Board of Directors from time to time.

ARTICLE XVIII AMENDMENTS

Section 1. These Bylaws (but not the Condominium Bylaws) may be amended by the Association at a duly constituted meeting for such purpose, by an affirmative vote of a simple majority of the Co-owners present in person, by proxy or written vote as such vote is defined in section 1.2 of the Condominium Bylaws.

Section 2. Amendments to these Bylaws may be proposed by the Board of Directors of the Association acting upon the vote of the majority of the Directors or by one-third or more in number of the members of the Association whether meeting as members or by instrument in writing signed by them.

Section 3. Upon any such amendment being proposed, a meeting for consideration of the same shall be duly called in accordance with the provisions of Article XIV of these Bylaws.

Section 4. Any amendment to these Bylaws shall become effective upon adoption of the same in accordance with section 1 of this Article and without recording in the office of the Register of Deeds.

Section 5. A copy of each amendment to these Bylaws shall be furnished to every member of the Association after adoption.

ARTICLE XIX COMPLIANCE

Section 1. These Bylaws are set forth to comply with the requirements of Act No.162 of the Public Acts of Michigan of 1982, as amended, Act No.59 of the Public Acts of Michigan of 1978, as amended, and with the duly recorded Master Deed of the Condominium and Exhibits A and B attached thereto. In case any of these Bylaws conflict with the provisions of the statute or with the provisions of the Master Deed or the Exhibits thereto, the provisions of the statute and the Master Deed shall be controlling.