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STATE OF MICHIGAN  
GRAND TRAVERSE COUNTY  
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PEGGY HAINES REGISTER OF DEEDS  
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**SIXTH AMENDMENT TO THE BYLAWS OF CEDAR VALLEY RIDGE  
ASSOCIATION OF CO-OWNERS  
A SITE CONDOMINIUM**

This Sixth Amendment to the Bylaws of the Cedar Valley Ridge Association of Co-Owners is made this 8<sup>th</sup> day of October, 2019 by the Cedar Valley Ridge Association of Co-Owners, the address of which is c/o Daniel P. Callahan, President, 11050 Cedar Valley Ridge Drive, Traverse City, Michigan 49684, hereinafter referred to as the "Association", pursuant to the provisions of the Michigan Condominium Act (being Act 59 of the Public Acts of 1978, as amended), hereinafter referred to as the "Act", the Master Deed and Bylaws of the Cedar Valley Ridge Development.

**Recitals**

- A. WHEREAS, Cedar Valley Ridge was established November 12, 2003 by the Master Deed recorded at Liber 2034, Page 970 in the Grand Traverse County Register of Deeds and designated as Grand Traverse County Condominium Subdivision Plan No. 216; and
- B. WHEREAS, the Bylaws which govern Cedar Valley Ridge are established as Exhibit A to the Master Deed; and
- C. WHEREAS, the Association desires and by this amendment does modify the provisions of the Cedar Valley Ridge Bylaws in their entirety; and
- D. WHEREAS, the authority to amend the Bylaws (Master Deed, Exhibit A) was reserved to the Association pursuant to Article XVI, Section 3 of the Bylaws; and
- E. WHEREAS, 66 2/3 % of the Co-Owners have approved this Amendment to the Bylaws.

**NOW THEREFORE**, the Association hereby amends the Bylaws of Cedar Valley Ridge in their entirety pursuant to the specific provisions identified below which now read in their entirety as follows:

**BYLAWS**  
**CEDAR VALLEY RIDGE**  
(as amended October ~~8~~<sup>14</sup>, 2019)

**ARTICLE I**

**ASSOCIATION OF CO-OWNERS**

Cedar Valley Ridge, a residential Condominium Project located in the Township of Long Lake, Grand Traverse County, Michigan, shall be administered by an Association of Co-Owners which shall be a non-profit corporation, hereinafter called the "Association", organized under the applicable laws of the State of Michigan, and responsible for the management, maintenance, operation and administration of the Common Elements, easements and affairs of the Condominium Project in accordance with the Condominium Documents and the laws of the State of Michigan. These Bylaws shall constitute both the Bylaws referred to in the Master Deed and required by Section 3(8) of the Michigan Condominium Act (the Act) and the Bylaws referred to in the Master Deed and provided for under the Michigan Non-Profit Corporation Act. Each Co-Owner shall be entitled to membership and no other person shall be entitled to membership. The share of a Co-Owner in the funds and assets of the Association cannot be assigned, pledged or transferred in any manner except as an appurtenance to his Unit. The Association shall keep current copies of the Master Deed, all amendments to the Master Deed, and other Condominium Documents for the Condominium Project available at reasonable hours to Co-Owners, prospective purchasers and prospective mortgagees of Units in the Condominium Project. All Co-Owners in the Condominium Project and all persons using or entering upon or acquiring any interest in any Unit 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:

**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 the Condominium Project shall constitute expenditures affecting the administration of the Project, and all sums received as the proceeds of, or pursuant to, any policy of insurance securing the interest of the Co-Owners against liability 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 (4) of the Act.

The Association shall be responsible for the overall health of all forest area of the Common Elements, that responsibility to include, but not be limited to, reasonable efforts to prevent fire, to guard against soil erosion, to maintain wildlife quarters and habitat and to maintain the Common Elements as a pollution-free and litter-free area. This includes fulfillment of the responsibilities of the Conservation Amendment to the Master Deed.

**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 propose an annual budget in advance for each fiscal year and such budget shall project all income and 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. The annual budget will include income, operating expenses, a capital fund contribution and a contingency fund contribution if needed. The budget will be funded by annual dues assessments, special assessments and Developer assessments.

i) Operating expenses will include projected expenses for snowplowing, landscaping, road maintenance, forest and trail maintenance, insurance, social expenses, office expense, and miscellaneous expenses.

ii) A contingency fund with a minimum of \$4000 will be established to provide for unexpected operating expenses and repairs. Following any year in which contingency funds are utilized, an allowance will be made in the following year's budget to replenish the funds used.

iii) A capital fund will be established for major repairs and for replacement of those Common Elements that must be replaced on a periodic basis, including but not limited to the road surfaces. Anticipated capital expenses must be funded by regular annual assessments as set forth in Section 3 below rather than by special assessments. At a minimum, the capital fund shall be allocated an annual amount equal to at least 10% of the Association's current annual budget. Since the minimum standard required by this subparagraph may prove to be inadequate for this particular project, the Association should carefully analyze the Condominium Project to determine if additional payments to the capital fund should be established from time to time.

iv) The annual budget must be approved by a simple majority as defined in Article VIII, Section 6 (a). Copies of the annual budget proposed by the Board of Directors, 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.

v) Should the Board of Directors at any time decide, in the sole discretion of the Board of Directors: (1) that the annual assessments levied are or may prove to be insufficient to pay the costs of operation and management of the Condominium, (2) that an emergency event requires such, the Board of Directors shall have the authority to increase the annual assessment or to levy such additional assessment or assessments as it shall deem to be necessary. The Board of Directors also shall have the authority, without Co-Owner consent, to levy assessments pursuant to the provisions of Article V, Section 4 hereof. The discretionary authority of the Board of Directors to levy assessments pursuant to this subparagraph shall rest solely with the Board of Directors for the benefit of the Association and the members thereof and shall not be enforceable by any creditors of the Association or of the members thereof.

(b) **Special Assessments.** Special Assessments, in addition to those required in Article II, Section 1 above, may be made by the Board of Directors from time to time and approved by the Co-Owners as hereinafter provided to meet other needs or requirements of the Association, including, but not limited to: (1) assessments for addition to the Common Elements of a cost exceeding \$1,000 for the entire Condominium Project per year; (2) assessments to purchase a Unit upon foreclosure of the lien for assessments described in Article II, Section 5 below; or (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 Article II, Section 2(a)(v) 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 75% of all Co-Owners in number and in value. The authority to levy assessments pursuant to this subparagraph 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.

**Section 3. Apportionment of Assessments and Penalty for Default.** Unless otherwise provided herein or in the Master Deed, all assessments levied against the Co-Owners to cover expenses of administration shall be apportioned among and paid by the Co-Owners in accordance with the percentage of value allocated to each Unit in Article V of the Master Deed, without increase or decrease for the existence of any rights to the use of Limited Common Elements appurtenant to a Unit. Annual dues assessments as determined in accordance with Article II Section 2(a) above shall be payable by Co-Owners in advance on an annual, semi-annual, or quarterly schedule. Due dates for these periods are listed below.

If dues are delinquent, and not paid fully by the due dates listed below, the Association can initiate all legal remedies spelled out in these bylaws to collect those unpaid dues from the property owner. A late fee of 10% of quarterly dues will be added to each Co-Owner's dues if delinquent by 10 days. Any checks returned for non-payment and not reconciled before the due date will be considered delinquent.

## Payment Schedule

- Annual dues are due in full on or before January 31 each year
- Semi-annual dues (50% of total annual dues each due date) are due on or before January 31 and July 31 each year
- Quarterly dues (25% of total annual dues each due date) are due on or before January 31, April 30, July 31, October 31 each year

**Section 4. Waiver of Use or Abandonment of Unit.** 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 5. Enforcement.**

(a) **Remedies.** 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. In the event of default by any Co-Owner in the payment of any installment of the annual assessment levied against his Unit, the Association shall have the right to declare all unpaid installments of the annual assessment for the pertinent fiscal year immediately due and payable. The Association 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; provided, however, this provision shall not operate to deprive any Co-Owner of ingress or egress to and from his 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 him. The Association may also assess fines for late payment or non-payment of assessment in accordance with the provisions of Article XVIII, Section (4) of these Bylaws. All of these remedies shall be cumulative and not alternative.

(b) **Foreclosure Proceedings.** Each Co-Owner, and every other person who from time to time has any interest in the Project, shall be deemed to have granted 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(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, he was notified of the provisions of this subparagraph 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.

(c) **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 10 days after mailing, by first class mail, postage prepaid, addressed to the delinquent Co-Owner(s) at his or their last known address, a written notice that one or more installments of the 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, (iii) the amount outstanding (exclusive of interest, costs, attorney's fees and further 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 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 him that he may request a judicial hearing by bringing suit against the Association.

(d) **Expenses of Collection.** The expenses incurred in collecting unpaid assessment(s), including interest, costs, actual attorney's 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. Such attorney fees shall include, without limitation, services by the Association's attorney in attempting to resolve any lien or collection disputes with an allegedly defaulting Co-Owner prior to filing of suit, and services by the attorney in attempting to collect such attorney fees.

**Section 6. Liability of Mortgagees.** Notwithstanding any other provisions of the Condominium Documents, the holder of any first mortgage covering any Unit in the Project which comes into possession of the Unit pursuant to the remedies provided in the mortgage or by deed (or assignment) in lieu of foreclosure, or any purchaser at a foreclosure sale, shall take the property free of any claims for unpaid assessments or charges against the mortgaged Unit which accrue prior to the time such holder comes into possession of the Unit (except for claims for a pro rata share of such assessments or charges resulting from a pro rata reallocation of such assessments or charges to all Units including the mortgaged Unit).

**Section 7. Developer's Responsibility for Assessments.**

(a) In lieu of annual dues assessments, the Developer will be responsible for a proportionate share of all operating expenses actually incurred by the Association of Co-Owners. These will include those items described in Article II, Section 2 (a) (i), expenditures from the contingency fund and any special assessment as defined in Article II, Section 2 (b), required for a repair or a capital improvement of condominium Common Elements. The Developer shall be exempt from a proportionate share of the total annual Co-owner contribution to the capital improvement fund until after the final coat of asphalt has been placed on the roadways as specified in Article V, Section 6 (a). However, if the final coat of asphalt is placed on the roadways in stages, then the Developer's proportionate share of contributions to the capital improvement fund will be based on the ratio of all units owned by the Developer that are adjacent to sections of the roadway that have received the final coat of asphalt to the total number of units then in the project.

(b) The Developer's proportionate share of such expenses shall be based upon the ratio of all Units owned by the Developer into the total number of Units then in the Project. The Developer's share, paid quarterly, shall be based on the approved budgeted expenses. A year-end adjustment will be made to reflect actual expenses and any Units sold during the year.

(c) The Developer shall in no event be liable for any assessments levied in whole or in part to purchase any Unit from the Developer or to finance any litigation or other claims against the Developer, any cost of investigating and preparing such litigation or claim or any similar or related cost. The Developer, however, shall at all times pay all expenses of maintaining the Units that it owns, including the dwellings and other improvements located thereon.

**Section 8. 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 9. Personal Property Tax Assessment of Association Property.** The Association shall be assessed as the person or entity in possession of any tangible personal property of the Condominium owned or possessed in common by the Co-Owners, and personal property taxes based thereon shall be treated as expenses of administration.

**Section 10. 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 11. Statement as to Unpaid Assessments.** The purchaser of any Unit may request a statement of the Association as to the 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 herein. 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 same fully enforceable against such purchase and the Unit itself, to the extent provided by the Act. Under the Act, unpaid assessments constitute a lien upon the Unit and the proceeds of sale thereof prior to all claims except real property taxes and first mortgages of record.

### ARTICLE III

#### ARBITRATION

**Section 1. Scope and Election.** Disputes, claims, or grievances arising out of or relating to the interpretation or the application of the Condominium Documents, or any disputes, claims or grievances arising among or between the Co-Owners and the Association, upon the election and written consent of the parties to any such disputes, claims or grievances (which consent shall include an agreement of the parties that the judgment of any court of the State of Michigan may be rendered upon any award pursuant to such arbitration), and upon written notice to the Association, shall be submitted to arbitration and the parties thereto shall accept the arbitrator's decision as final and binding, provided that no question affecting the claim of title of any person to any fee or life estate in real estate is involved. The Commercial Arbitration Rules of the American Arbitration Association as amended and in effect from time to time hereafter shall be applicable to any such arbitration.

**Section 2. Judicial Relief.** In the absence of the election and written consent of the parties pursuant to Section 1 above, no Co-Owner or the Association shall be precluded from petitioning the courts to resolve any such disputes, claims or grievances.

**Section 3. Election of Remedies.** Such election and written consent by Co-Owners or the Association to submit any such dispute, claim or grievance to arbitration shall preclude such parties from litigating such dispute, claim or grievance in the courts.

### ARTICLE IV

#### INSURANCE

**Section 1. Extent of Coverage.** The Association shall carry fire and extended coverage, vandalism and malicious mischief and liability insurance, and worker's compensation insurance, if applicable, pertinent to the ownership, use and maintenance of the Common Elements and certain other portions of the Condominium Project, as set forth below, and such insurance, other than title insurance, shall be carried and administered in accordance with the following provisions:



(a) **Responsibilities of Co-Owners and Association.** All such insurance shall be purchased by the Association for the benefit of the Association, and the Co-Owners and their mortgagees, as their interests may appear, and provision shall be made for the issuance of certificates or mortgagee endorsements of the mortgagees of Co-Owners. Each Co-Owner shall obtain insurance coverage at his own expense upon his Unit and its appurtenant Limited Common Elements. It shall be each Co-Owner's responsibility to determine by personal investigation or from his own insurance advisors the nature and extent of insurance coverage adequate to his needs and thereafter to obtain insurance coverage for his personal property and any additional fixtures, equipment and trim located within his Unit or its appurtenant Limited Common Elements and for his personal liability for occurrences within his Unit or upon Limited Common Elements appurtenant to his Unit, and also for alternative living expenses in event of fire, and the Association shall have absolutely no responsibility for obtaining such coverages. The Association, as to all policies which it obtains, and all Co-Owners, as to all policies which they obtain, shall use their best efforts to see that all property and liability insurance carried by the Association or any Co-Owner shall contain appropriate provisions whereby the insurer waives its right of subrogation as to any claims against any Co-Owner or the Association.

(b) **Insurance of Common Elements and Fixtures.** All General Common Elements of the Condominium Project shall be insured by the Association against fire and other perils covered by a standard extended coverage endorsement, to the extent such coverage is appropriate to the kinds of improvements therein, in an amount equal to the current insurable replacement value, excluding foundation and excavation costs, 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 an agreed-amount basis for the entire Condominium Project with appropriate inflation riders in order that no co-insurance provisions shall be invoked by the insurance carrier in a manner that will cause loss payments to be reduced below the actual amount of any loss (except in the unlikely event of total Project destruction if the insurance proceeds failed, for some reason, to be equal to the total cost of replacement). 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 Co-Owners shall be enabled to judge the adequacy of coverage and, upon the taking of due Association procedures, to direct the Board at a properly constituted meeting to change the nature and extent of any applicable coverages, if so determined. Upon such annual re-evaluation and effectuation of coverage, the Association shall notify all Co-Owners of the nature and extent of all changes in coverage.

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

(d) **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, and the Co-Owners and their mortgagees, as their interests

may appear; provided, however, whenever repair 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 or reconstruction shall be applied for such repair or reconstruction.

**Section 2. Authority of Association to Settle Insurance Claims.** Each Co-Owner, by ownership of a Unit in the Condominium Project, shall be deemed to appoint the Association as his 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 Condominium Project, his Unit and the Common Elements appurtenant thereto, with such insurer as may, from time to time, provide such insurance for the Condominium Project. 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 therefore, to collect proceeds and to respect mortgagees, as their interests may appear (subject always to the Condominium Documents), to settle and compromise all claims arising under insurance coverage carried by the Association, to execute releases of liability and to execute all documents and to do all things on behalf of such Co-Owner and the Condominium as shall be necessary or convenient to the accomplishment of the foregoing.

## ARTICLE V

### RECONSTRUCTION OR REPAIR

**Section 1. Determination to Reconstruct or Repair.** If any part of the Condominium Premises shall be damaged, the determination of whether it shall be reconstructed or repaired shall be made in the following manner:

(a) **Partial Damage.** If the damaged property is a Common Element, the property shall be rebuilt or repaired unless it is determined by a unanimous vote of all of the Co-Owners in the Condominium that the Condominium shall be terminated.

(b) **Total Destruction.** If the Condominium is so damaged that no dwelling is habitable, the damaged property shall not be rebuilt unless 80% or more of the Co-Owners in value and in number agree to reconstruction by vote or in writing within ninety (90) days after the destruction.

**Section 2. Repair in Accordance with Plans and Specifications.** Any such reconstruction or repair shall be substantially 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 damage unless the Co-Owners shall unanimously decide otherwise.

### **Section 3. Co-Owner Responsibility for Repair.**

(a) **Definition of Co-Owner Responsibility.** If the damage is only to a part of a Unit which is the responsibility of a Co-Owner to maintain and repair, it shall be the responsibility of the Co-Owner to repair such damage in accordance with subsection (b) hereof. In all other cases, the responsibility for reconstruction and repair shall be that of the Association.

(b) **Damage to Interior of Unit.** Each Co-Owner shall be responsible for the reconstruction, repair and maintenance of his Unit, its appurtenant Limited Common Elements and all improvements located therein, all on a timely basis and to the condition existing prior to such damage.

**Section 4. Association Responsibility for Repair.** Except as otherwise provided in the Master Deed and in Section 3 hereof, the Association shall be responsible for the reconstruction, repair and maintenance of the General Common Elements. Immediately after the occurrence of a casualty causing damage to property for which the Association has the responsibility of maintenance, repair and reconstruction, 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 cost of reconstruction or repair required to be performed by the Association, or if at any time during such reconstruction or repair, or upon completion of 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 cost of reconstruction or repair of the damaged property in sufficient amounts to provide funds to pay the estimated or actual cost of repair. This provision shall not be construed to require replacement of mature trees and vegetation with equivalent trees or vegetation.

**Section 5. Timely Reconstruction and Repair.** If damage to Common Elements or a Unit (including without limitation the dwelling and other improvements located therewithin) adversely affects the appearance of the Project, the Association or Co-Owner responsible for the reconstruction, repair and maintenance thereof shall proceed with replacement of the damaged property without delay, and shall complete such replacement within 6 months after the date of the occurrence which caused damage to the property.

**Section 6. Roadway Maintenance, Repair and Administration.** It is the intent of this Section of the Bylaws to provide an effective and convenient manner for the maintenance, repair and administration of the Condominium private roadways so as to provide for the Co-Owners, the Developer, invitees, governmental agencies and public and private utilities safe and convenient ingress and egress for the Condominium development. Further, the Grand Traverse County Drain Commissioner has established certain drain controls and requires provisions to insure that drains and basins are clear and maintained. Finally, Long Lake Township (hereinafter referred to as "Township") has a private road ordinance which requires certain provisions within these Bylaws. This section is made and inserted within the Bylaws to accomplish these purposes.

(a) **Developer's Responsibility.** It shall be the Developer's sole responsibility to complete the Condominium private roadways, which shall include a second coat of asphalt; provided that, in order to maximize the life span and condition and to minimize the deterioration and adverse impact that heavy construction equipment will have on the Condominium private roadways, the second coat of asphalt shall be set upon recommendation of the firm constructing the Condominium private roadways. Notwithstanding the foregoing, the second coat of asphalt shall be commenced no later than three years from the date of commencement of private roadway construction; except that the Board of Directors of the association may, at their discretion, delay the deadline for construction in response to reasonable and valid request for such extension by the Developer. It is the purpose of this clause to emphasize that all responsibilities for completion of the roadway, including the final coat of asphalt as required, shall remain the Developer's responsibility and shall not, in any event, be that of the Association or any other entity, and that all responsibility for repair of the asphalt on any of the roads which is necessitated by damage resulting from normal use is the responsibility of the Developer until such time that the installation of the final coat of asphalt on that road is complete. Furthermore, the Developer is responsible for holding any utility company and contractor hired by that company to perform work on or adjacent to the roads in Cedar Valley Ridge liable for any damage to said road surface or roadbed.

If the roadways are damaged by a natural event (including but not limited to flooding, freeze thaw cracking, rushing water, earthquake, or tornado) the costs of repair will be proportionally shared by all Developer and non-developer Co-Owners.

(b) **Utility Repair Reimbursement.** In the event that Cherryland Rural Electric or any successor provider of electrical service to the Condominium shall, after construction, be required to utilize the private roadway for repair of previously installed utilities, the Association, and Co-Owners, on a pro-rata basis, shall be responsible for reimbursement for any repairs required to the roadway as a result of such repair.

(c) **Road Maintenance Committee and Roadway Manager.** The Board shall establish a Road Committee consisting of three members of the Association of Co-Owners. This Road Committee shall appoint one member of the Association to serve as a Roadway Manager, who shall also be a member of the Road Committee. The Roadway Manager shall be appointed for a one-year term. The Developer shall have the option to serve on the Road Maintenance Committee as long as the Developer owns at least one unit.

i) The Road Committee (or a representative member of the committee appointed by majority vote of the committee) shall inspect, at least once each Spring and once each Fall, the Condominium roadways. The Road Committee shall consider maintenance needs for the Condominium roadways, including, but not limited to the condition of pavement or asphalt, the road apron and edges, and the associated drainage facilities within or adjacent to the Condominium roadways. The Road Committee shall make a written report to the Board of Directors.

ii) The Board of Directors shall consider the report of the Road Committee and determine whether and what maintenance or repair of the Condominium roadways are appropriate to maintain them in accord with the purpose of this section. The Road Committee shall contact any person or firm appropriate to perform general maintenance including, but not limited to snow plowing and patching and to obtain maintenance or repair estimates. The Committee shall report to the Board of Directors the maintenance anticipated and monies necessary to complete the maintenance identified herein.

iii) If the report of the Road Committee establishes a need for a major maintenance project, the Road Committee shall obtain bids for the project or obtain a professional opinion as to the necessity for the repair. The Road Committee shall recommend to the Board of Directors any major maintenance need which may exist concerning the Condominium roadway. If a major Condominium roadway maintenance project is appropriate, the Board of Directors shall enter into a contract to perform said services and, if necessary, the Association shall levy a special assessment of Co-Owners to fund the major maintenance project. The Road Committee shall arrange and coordinate the work to be performed. The Board of Directors may pay the billings provided by the Roadway Manager from a road maintenance fund, the general budget, or by special assessment, if necessary.

(d) **Special Damage.** Notwithstanding anything herein to the contrary, a Co-Owner shall be solely responsible for any special damage caused to the roadway, basins or drains caused by that Co-Owner (or by that Co-Owner's guests or invitees). Special damages are defined as any unusual or extraordinary damage. If the responsible Co-Owner fails to make the repairs or fails to pay for the same within thirty (30) days of written notice of the same, the same remedies referenced in Article II, Section 5, above, shall be made available to the Association or to other Co-Owners who have paid for the same.

(e) **No Personal Liability.** The intent of these repair provisions is to provide for a mechanism to maintain the roadways of the Condominium and to comply with township requirements in that regard. The intent of this document is not to make any Co-Owner, the Association, or the Roadway Manager personally liable for any injuries or damages to person or property which could be cause in whole or in part by any failure of the roadway to be designed or maintained in a reasonable manner; as such, it is expressly agreed and determined that the Association, the Roadway Manager, the Developer, and any Co-Owner shall not be liable in any manner for any injury to person(s) or damage to property asserted to be caused in whole or in part by the design of the roadway and its appurtenances or by the failure of any person or entity to maintain the same. This provision shall in no manner lessen the obligation of a Co-Owner to pay for the repair and maintenance costs as provided herein.

(f) **Drain Maintenance.** The drainage system (basins, roadside ditches, etc.) in place and as requested by the Grand Traverse County Drain Commissioner shall be

maintained and the Co-Owners, through the Association, shall pro rata share the cost for the same. Further:

i) There shall be no alteration to the drainage ditches, basins or other features as required by the Drain Commission or Commissioner. The ditches and basins shall be kept free of fill, debris and other sedimentation.

ii) Decisions regarding drainage system maintenance shall be made by majority vote of the Association. Payment and enforcement of payment for same shall be identical to the process for Roadway Maintenance noted above.

iii) Decisions regarding work on the drainage system may also be determined by the Drain Commissioner of Grand Traverse County. Specifically, if the Drain Commissioner requires maintenance or construction work to be done, the Co-Owners, through the Association, agree to pay for such costs, the same as if the Association voted to do the work as noted above.

iv) The Association shall conduct routine maintenance of the stormwater retention areas and other stormwater management facilities within the development to continually meet the specifications of the stormwater plan approved by the Grand Traverse County Drain Commissioner's office. If the Association fails to do the required maintenance on the stormwater facilities, the Drain Commissioner's office reserves the right to request this maintenance to be done. The Association shall conduct routine maintenance of the stormwater retention areas and other stormwater management facilities within thirty (30) days of receipt of written notification that action is required, unless other acceptable arrangements are made with the Grand Traverse County Drain Commissioner, and shall conduct emergency maintenance within thirty-six (36) hours of written notification; in the event that the Association shall fail to act within these time frames, the Grand Traverse County Drain Commissioner may perform the needed maintenance and assess the costs therefor against the Association. All costs associated with the maintenance of the system, including such items as engineering or surveying, will be included in the assessment costs against the Association. The Drain Commissioner is hereby provided access around any and all retention basins for inspection and maintenance to be performed as specified above. In the event the retention basins within this Condominium Project become part of a county drain, that the rights, obligations, and duties and easements herein may be assigned to the pertinent agency or county officer.

(g) **Special Township Requirements Pertaining to Private Roads.** The following relate to special requirements of Long Lake Township and are expressly part of these Bylaws:

i) **Non-Interference.** No Co-Owner or other person shall in any manner prohibit or restrict in any way the normal ingress and egress and the use of

the Condominium roadways by any of the Co-Owners, their families, guests, delivery and emergency vehicles, or other invitees.

ii) **Township Right to Inspect Repair.** The Township is granted the right (but not the obligation) to inspect and repair the roadway, at the expense of the Co-Owners, through the Association. Further, the Township shall have the sole discretion whether to create a special assessment district to defray all costs incurred by the Township in repairing this private roadway and, in that regard, all Co-Owners agree:

(1) They are waiving all rights to challenge all aspects of the special assessment district; and

(2) These Roadway and Drain Maintenance provisions shall be deemed a petition or an adjunct to a petition for a special assessment district if such a petition is legally required or if the Township elects to initiate a special assessment district.

iii) **Easement to Township.** The Township is granted an easement over and across the Condominium roadways so as to allow the inspection and repair rights noted above and, further, for the installation, operation, inspection, maintenance, or removal of any public or private utility systems.

iv) **Advisory Notice to Co-Owners and Others.** Notwithstanding any provision in this document, you are notified that the Township of Long Lake is not obligated to perform regular inspections of the easement area or provide repairs or maintenance to the Condominium roads. Further, Long Lake Township is not responsible for the legality or enforcement of these Roadway and Drain Maintenance provisions.

v) **No change to the financing scheme for the Condominium, relative to road repair and maintenance may be made without the consent of Long Lake Township.**

vi) **These special township requirements apply equally to any adjoining township, who may have jurisdiction over any roads providing ingress/egress to the Condominium, specifically including Solon Township, Leelanau County, Michigan.**

**Section 7. Eminent Domain.** Section 133 of the Act and the following provisions shall control upon any taking by eminent domain:

(a) **Taking of Unit.** In the event of any taking of an entire Unit by eminent domain, the award for such taking shall be paid to the Co-Owner of such Unit and the mortgagee thereof,

as their interests may appear. 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 be come payable to any Co-Owner whose 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) **Taking of Common Elements.** If there is any taking of any portion of the Condominium 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 50% of the Co-Owners in number and in value shall determine whether to rebuild, repair or replace the portion so taken or to take such other action as they deem appropriate.

(c) **Continuation of Condominium After Taking.** 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.

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

**Section 8. Notification of FHLMC.** In the event any mortgage in the Condominium is held by the Federal Home Loan Mortgage Corporation ("FHLMC") then, upon request therefore by FHLMC, the Association shall give it written notice, at such address as it may direct, from time to time, 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 covered by a mortgage purchased in whole or in part by FHLMC exceeds \$1,000.

**Section 9. Priority of Mortgage Interests.** Nothing contained in the Condominium Documents shall be construed to give a Condominium Unit Owner, or any other party, priority over any rights of first mortgagees of Condominium Units pursuant to their mortgages 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 1. Residential Use.** Cedar Valley Ridge is a community of individually owned, private, single-family residences. Units and the Common Elements shall be used only for purposes consistent with the use of single-family residences. Neither the Units nor the Common Elements shall be used in violation of applicable zoning and other ordinances of Long Lake Township or in violation of other



pertinent laws and/or public regulations.

**Section 2. Rules and Regulations.** It is intended that the Board of Directors of the Association may make rules and regulations from time to time to reflect the needs and desires of the majority of the Co-Owners in the Condominium. Reasonable regulations consistent with the Michigan Condominium Act 59, the Master Deed and these Bylaws concerning the use, treatment and appearance of the Common Elements, the Units, any structures and landscaping within the Condominium, may be made and amended from time to time by any Board of Directors of the Association. Copies of all such rules, regulations and amendments thereto shall be furnished to all Co-Owners.

**Section 3. Purpose and Binding Effect.** The purpose of this Article is to assure the continued maintenance of the Condominium as a beautiful and harmonious residential development, and shall be binding upon the Developer, Association and upon all Co-Owners. Design standards are developed and shall be adhered to for protection of the physical and economic value of the land and improvements, the preservation of the natural beauty of the environment and the promotion of the highest standards of land development and architecture. It is recognized that there can be an infinite number of concepts and ideas for the development of Units consistent with the plan for the Condominium. The formulation of new or innovative concepts and ideas is encouraged. Further, the restrictions hereby placed upon the Condominium premises shall not be construed or deemed to create negative reciprocal covenants, easements or any restrictions upon the use of any contiguous land now or hereafter owned by Developer.

**Section 4. Building Limit.** A single dwelling, along with a multi-vehicle attached or detached garage, and up to one (1) detached storage building may be built on each unit in the Condominium. A detached storage building is defined as a structure having a roof and four walls. Its maximum size will be 320 square feet.

**Section 5. Design Standards.** In purchasing Units in Cedar Valley Ridge, all Co-Owners agree to uphold and abide by design standards defined in this section. All plans for exterior improvements to a Unit shall have prior written approval from the Design Review Committee (see Section 5 (a)). This includes, but is not limited to, new and existing dwellings, garages, detached buildings, site improvements, fences, walls, antennas, tree removal, earthwork. Any such plans for construction or alteration shall include plans for preservation of trees and other vegetation, soil conservation and restoration of the Condominium premises after construction or alteration to a condition satisfactory to the Association. Construction of any dwelling must also receive necessary approvals from the local public authority.

(a) **Design Review Committee.** A Design Review Committee comprised of three (3) members shall be established and continuously constituted throughout the life of the Condominium. The members of the Design Review Committee shall be appointed by and serve at the pleasure of the Board of Directors of the Association. The Design Review Committee shall propose design criteria for review and promulgation by the Board of Directors as part of the Association's rules and regulations.

(b) **Procedure.** The Co-Owner(s) application to improve their Unit and the Design Review Committee's approval or disapproval shall be in writing. No Co-Owner shall remove any trees, modify any terrain, construct, alter, or maintain any improvements on any Unit until all of the following have been completed and approved in writing by the Design Review Committee:

i) A site plan which includes a topographic survey (with elevations) showing distance to property side lines and finished grade elevation on which buildings, driveways,

landscaping, grading and drainage plans are located, prepared by a licensed surveyor, engineer, qualified licensed builder or licensed architect.

ii) One set of printed or digital construction drawings detailing floor plans, exterior elevations (all sides), deck, patio, and pool, etc., shall be provided to the Design Review Committee.

iii) Specifications for materials to be used on the exterior, color schemes, roof coverings, fences, and walls.

iv) An approximate construction schedule.

v) A written acknowledgment form signed by both Co-Owner(s) and their Architect and/or Construction Contractor wherein each acknowledges that he/she has read and understands the provisions of these Covenants and Restrictions in this Article.

(c) **Time Limit for Resolution of Design Concerns.** Applicants shall obtain a written receipt for date of submittal of plans from a Design Review Committee member or their duly appointed representative. If at any time a Co-Owner shall have submitted to the Design Review Committee complete plans and specifications in accordance with the provisions set forth herein for a structure or alteration, and the Committee has neither approved such plans and specifications within thirty (30) days from the date of submission and receipt of submission from Committee, nor notified the Unit owner of its objection within such thirty (30) day period, then such plans and specifications shall be deemed to have been approved by the Design Review Committee. In the event that a Unit owner shall file revised plans and specifications for a structure or alteration with the Design Review Committee after receiving objections from the Committee with respect to the original plans and specifications, and the Committee has neither approved them nor notified the Unit owner of further objections within thirty (30) days from the date of the revised submission, then such revised plans and specifications shall be deemed to have been approved by the Committee. If the Design Review Committee and the applicant shall be unable to resolve all design concerns within sixty (60) days after plans and specifications have been submitted to it, the Design Review Committee shall disapprove the application.

(d) **Increased Maintenance Assessment Due to Plans.** The Association may also, in its discretion as recommended by the Design Review Committee, require as a condition of approval of any plans, an agreement for special assessment of increased maintenance charges from any Co-Owner whose proposed dwelling and appurtenances and related improvements will cause the Association abnormal expenses in carrying out its responsibilities with respect thereto under the Master Deed.

(e) **Developer Rights and Assignment.** Developer's rights under this Article VI, may, in Developer's discretion, be assigned to the Association or other successor to Developer. During the Construction and Sales period, the Developer may construct any improvements upon the Condominium and premises that it may, in its sole discretion, elect to make without the necessity of prior consent from the Association or any other person or entity, subject only to the express limitations contained in the Condominium Documents.

(f) **Philosophy and Standards.** All designs shall adhere to a natural philosophy of architecture, which calls for the use of high quality natural and natural-look materials of earth-tone colors, integrated into the environment to contribute to the overall and natural beauty of the

premises and to fit in with the existing topography of the land. The Developer, Co-Owners and Association have agreed to the following, as minimum criteria:

1. Any building, structure or improvement, including subsequent alterations or modifications, shall be erected or constructed in substantial conformity with the plans, specifications and site plan approved by the Design Review Committee.
2. All construction shall be performed by licensed contractors.
3. No building shall be erected on any Unit except a single, private dwelling to be occupied by not more than one (1) family, for residential purposes only, with an attached or detached garage, or multi-vehicle garage. Detached garages are not considered outbuildings. Carports are specifically prohibited. Duplexes, multi-use areas and similar arrangements are prohibited. Only one dwelling may be erected on each Unit. No dwellings or permanent outbuildings shall be located upon any common areas.
4. Each single-story dwelling constructed on a Unit shall be of a permanent year-round type and have a minimum of 1,500 square feet of finished living area. In computing finished living area of a multi-level dwelling, all finished living areas located entirely above grade level shall be included in such computations; provided however that if any of the levels overlap each other, the square footage of only one such portion of overlapping areas shall be included in making the computation. A one and one-half or two-story dwelling shall have not less than 1,500 square feet of finished living area. Finished living area shall not include any garage, basement, porch, breezeway or entranceway, but may include any finished living area which is above such porch, breezeway or garage.
5. All buildings shall be limited to thirty-five (35) feet in height measured from the existing grade adjacent to the building foundation area as Long Lake Township regulates.
6. All exteriors will be of high-quality material: stone, brick, metal, vinyl with high quality wood or wood-look trim, cementitious siding, or natural wood. Exterior siding may be vertical, horizontal, rough sawed, or such other textures that may be approved by the Design Review Committee.
7. Mobile homes and manufactured homes, as defined by current industry standards shall not be permitted. Off-site construction using stick-built components, built in accordance with the current Michigan Residential Code, may be used in the construction of residences, garages and outbuildings.
8. Door frames, window frames, casings, sills and lintels will be of wood, concrete, stone, vinyl or metal clad (anodized or painted).
9. All construction materials shall satisfy all applicable building code requirements.
10. All roofing will be of high-quality roofing materials approved by the Design Review Committee. Roll roofing, tar paper, or other building paper left exposed will not be permitted on any roof, or on the exterior of any building.
11. All garages and outbuildings must be architecturally related to the dwelling and constructed only of materials permitted for the construction of residences.

12. All driveway surfaces must be finished in asphalt, concrete or pavers within 45 days of completion of residence (weather permitting).

13. All dwellings shall comply with all township setback requirements and all township height requirements.

14. No living trees over six (6) inches in diameter at two (2) feet above the ground shall be removed unless approved by the Design Review Committee.

15. No exterior cinder block or cement block dwelling shall be built. All dwellings shall be erected on permanent foundations of concrete, cement blocks, brick, or stone, or as approved by Design Review Committee. Any exposed foundation or retaining wall which exceeds 18 inches in height above finished grade must be constructed of or covered with an exterior finish material approved by the Design Review Committee.

16. All utilities, including telephone, electric and natural gas shall be underground from the private roadway to all structures. The exception is Lot 26 which requires propane gas. Overhead utility service is not permitted on any Unit. All utility meters shall be located to minimize visibility from roadway.

17. Swimming pools, hot tubs or whirlpools below grade or upon a deck, will be permitted subject to prior Design Review Committee written approval. All swimming pools, hot tubs and whirlpools must be constructed so that they drain in a manner approved by the Committee. Each Co-Owner shall be solely responsible to insure limited access to any pool, hot tub or whirlpool and shall be solely responsible for constructing or installing all necessary or required safety measures (including fences required by law). Any such fences will be in keeping with the natural woodlands environment and shall be pre-approved by the Design Review Committee.

18. The grade of the respective Units shall be maintained in harmony with the topography of the Project and with respect to adjoining Units. The desired finish grade elevation will be shown on the plan submitted for approval and will be subject to the decision of the Design Review Committee. No Co-Owner shall alter the grade of his property so as to cause an unnatural flow of water onto another Unit in the Condominium.

19. The location of all improvements shall be designed and located so as to be compatible with the natural surroundings and with the other Units.

20. All development of a Unit shall be further consistent, with all restrictions on use, as further delineated in Section 7, below. In the event that there should be any inconsistency, or differentiation between the requirements for development included in this Section, Restrictions on Use in Section 7, or restrictions or use limitations by Long Lake Township, the most restrictive of any conflicting requirements shall govern.

21. The Design Review Committee may waive or vary any of the restrictions contained herein in such cases as the Committee, in its sole judgment, shall deem to be in the best interest of the Condominium and the Co-Owners. Any waiver or variance that is a significant departure from the intent of the Bylaws will be brought to the Board of Directors for approval before a waiver is granted.

**Section 6. Construction Completion.** All dwellings shall be finished within one year from commencement of construction and no dwelling may be occupied until a Certificate of Occupancy is granted. The one-year period may be extended at the Board's discretion. Any and all excavation necessary to restore the Unit to its pre-construction status must be completed prior to receipt of a Certificate of Occupancy.

**Section 7. Restrictions on Use.** All of the Units in the Condominium shall be held, used and enjoyed subject to the following limitations and restrictions effective as of the recording date of this amended Article VI, Use and Restrictions:

(a) Wherever the term Unit is used in these restrictions the same shall mean the parcel of land deeded by the Grantor herein and if a Unit and portion of another Unit has been deeded, the entire parcel shall be considered a Unit.

(b) All Units in said Condominium shall be constructed and used for single-family dwellings only. No commercial uses are permissible.

(c) No Unit may be divided for the purpose of building additional residences or for any other use.

(d) No travel trailer, motor home, mobile home, camper, basement home, tent, shack, garage, barn, or other outbuildings on any Unit shall be used as a residence, either temporarily or permanently.

(e) Motor homes, travel trailers, campers, recreational vehicles, utility trailers or watercraft shall not be parked outside on any Unit except temporarily, which shall be defined as no more than thirty (30) days in any twelve (12) month period. Tarps or covering shall be of a neutral, earth-tone color.

(f) Except with the pre-approval of the Design Review Committee, no excavation or removal of living trees greater than six (6) inches in diameter at two (2) feet above the ground shall be made on any Unit nor shall any dirt be removed therefrom. "Topping" or excessive trimming also is not allowed, however, selective trimming and tree removal may be allowed for the enhancement of and preservation of views with the prior written consent of the Design Review Committee. All existing natural cover (wildflowers, groundcover, shrubs, etc.) shall be preserved wherever possible and practical. Anything to the contrary notwithstanding, plantings or lawn may not exceed 25% of the total lot area unless approved by the Design Review Committee. This provision shall not be deemed to eliminate or diminish a setback required by the Condominium Documents or the Long Lake Township Zoning Ordinance. Further, each Unit may include a garden designed in harmony with the landscaping of the lot, and of a size approved for the specific location by the Design Review Committee, and pursuant to other provisions of these restrictions.

(g) In the interest of preserving the existing stabilized condition of natural slopes, the owners shall maintain groundcover to prevent water and wind erosion to their Unit. All concentrated quantities of storm water from roof areas and paved surfaces shall be made to appropriately drain and disperse and shall not be allowed to drain into steep slopes or into road ditches.

(h) Natural groundcover, wood chips or other natural plantings that are indigenous to the wooded areas are encouraged. All lawn areas shall be regularly maintained. Woodpiles should be inconspicuous, and if covered, covered with brown material.

(i) All building exteriors shall be maintained in a neat, well-maintained condition.

(j) Mailboxes shall be compatible with the physical and natural beauty of the development. The Design Review Committee will address structure, design and placement of multiple mailboxes should the need arise.

(k) No outdoor property night light of any kind shall be permitted to cast its direct rays, or any indirect excessive glow, outward beyond any of the boundary Unit lines of the Unit on which it is installed.

(l) No sign of any kind shall be displayed to the public view on any Unit except one sign of not more than six square feet, advertising the property for sale, or signs used by a builder advertising the property during the Construction or Sales period.

(m) No perimeter fencing will be permitted to be installed on any Unit. Wooden decorative, protective, invisible, and screen fencing may be allowed with the approval of the Design Review Committee. Before any such fencing may be installed, the design, texture and color must first be submitted and approved for installation by the Design Review Committee. No chain link fences will be permitted on any Unit for any purpose or reason.

(n) No animals, livestock, or poultry shall be raised, bred, or kept on any Unit except that dogs, cats, and other type household pets may be kept, provided they are not kept, bred, or maintained for any commercial purposes.

(o) Household pets shall have such care as not to be objectionable or offensive, due to noise, odor, or unsanitary conditions. Household pets shall, at all times, be restrained and not allowed to roam free beyond Limited Common Elements related to the particular Unit. Any pets walked or at large with their owners in the general common areas of the Project, must be leashed at all times.

(p) All garbage and refuse and tree and lawn cuttings shall be promptly disposed of so that it will not be objectionable to neighboring property owners of Cedar Valley Ridge. No outside storage for refuse or garbage shall be maintained or used unless the same shall be properly concealed. Units shall not be used or maintained as dumping ground for rubbish, trash, or garbage. Waste shall not be kept except in sanitary containers which shall be kept out of view of the roadways and no trash, rubbish or garbage shall be burned outside. All equipment for the storage, or disposal of such material shall be kept in a clean and sanitary condition and shall be located not less than fifty (50) feet from rear lot line of the Unit. Garbage containers shall be wildlife proof and shall not be left at the road for pick up more than 24 hours in any one week.

(q) No offensive activity shall be performed on any Unit that would be an annoyance or nuisance to the community.

(r) No oil drilling, oil development, operating oil refining, quarrying, or mining operations of any kind shall be permitted upon, or in, any Unit nor shall oil wells, tanks, mineral

excavations, or shafts be permitted upon, or in, any Unit. No derrick, or other structure designed for use in boring oil, or natural gas shall be erected, maintained or permitted upon any Unit.

(s) Easements and rights-of-ways are reserved as shown on the recorded Master Deed for the installation or maintenance of telephone lines, electric lines, or conduits, sewer lines, gas lines, or water mains, for drainage purposes, or for the use of any public or private utility. The use of all, or part of such easements and rights-of-ways may be granted or assigned at any time hereafter by the Developer to any person, firm, governmental Unit or agency, or corporation furnishing any such service.

(t) The General Common Elements of the Condominium Project are further restricted by the Conservation Amendment to the Master Deed (Amendment 7 to the Master Deed, recorded January 20, 2015). The right to establish a Conservation Easement of the Condominium Project was abandoned by the Developer in a previous amendment.

(u) The restrictions and uses for the Condominium Units by a Co-Owner set forth within the Master Deed and these Bylaws are not intended to and do not obviate the necessity for each Co-Owner to comply with all applicable laws and regulations, including, but not limited to the Long Lake Township Zoning Ordinance. Each Co-Owner shall take reasonable efforts to comply with all provisions of the Long Lake Township Zoning Ordinance, including both use and dimension requirements (such as setbacks). If a Co-Owner deems a variance from the Long Lake Township Zoning Ordinance appropriate, he or she may submit an application for variance to the township based upon practical difficulty, unnecessary hardship, or other legally recognized basis; provided that, it shall first be presented to the Design Review Committee. The Design Review Committee shall determine whether the proposed variance would violate the provisions of the Condominium Documents, and what, if any, action will be required of the Co-Owner to comply with the Condominium Documents if the variance were granted by the Township. If the Design Review Committee determines that the requested variance will comply with the Condominium Documents if granted, or if the request will comply with the written Condominium Documents after a permitted amendment to said Condominium Documents, it shall issue a letter to the applicant Co-Owner reciting the Design Review Committee approval or approval with conditions or requirements and which the Co-Owner shall submit to Long Lake Township with his or her request for variance. It is not the purpose of this section to limit or sanction variance requests to Long Lake Township, but it is included as a part of these Bylaws at the request of Long Lake Township to avoid premature or inappropriate requests for variance by Co-Owners of the Condominium. Neither the Design Review Committee nor the Association Board of Directors is granted by this provision authority to enforce any provision of the Long Lake Township Zoning Ordinance.

## **Section 8. Reserved Rights of Developer.**

(a) **Developer's Rights in Furtherance of Development and Sales.** None of the restrictions contained in this Article VI shall apply to the commercial activities or signs or billboards, if any, of the Developer during the Construction and Sales Period or of the Association in furtherance of its power and purposes set forth herein and in its Articles of Incorporation, as the same may be amended from time to time. The Developer may construct any improvements upon the Condominium Premises that it may, in its sole discretion, elect to make without the necessity of prior consent from the Association or any other person or entity, including without limitation the Design Review Committee and rules and regulations promulgated thereby, subject only to the express limitations contained in the Condominium Documents. Notwithstanding anything to the contrary elsewhere herein contained, Developer shall have the right to maintain a

sales office, a business office, a construction office, model Units, storage areas and 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; and may continue to do so during the entire Construction and Sales Period. Developer shall restore the areas so utilized to habitable status upon termination of use.

(b) **Enforcement of Bylaws.** Throughout the Construction and Sales period, the Developer shall have the right to enforce these Bylaws in order to ensure 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, the Developer, or any entity to which it may assign this right, at its option, may elect to maintain, repair and/or replace any Common Elements and/or to do any landscaping required by these Bylaws and charge the cost thereof to the Association as an expense of administration.

## ARTICLE VII

### MORTGAGES

**Section 1. Notice to Association.** Any Co-Owner who mortgages his Unit shall notify the Association of the name and address of the mortgagee, and the Association shall maintain such information in a book entitled "Mortgages of Units." The Association may, at the written request of a mortgagee of any such Unit, report any unpaid assessments due from the Co-Owner of such Unit. The Association shall give to the holder of any first mortgage covering any Unit in the Project written notification of any default in the performance of the obligations of the Co-Owner of such Unit that is not cured within 60 days.

**Section 2. Insurance.** The Association shall notify each mortgagee appearing in said book of the name of each company insuring the Condominium against fire, perils covered by extended coverage, and vandalism and malicious mischief and the amounts of such coverage.

**Section 3. Notification of Meetings.** 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 Association and to designate a representative to attend such meeting.

## ARTICLE VIII

### VOTING

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



**Section 2. Eligibility to Vote.** No Co-Owner, other than the Developer, shall be entitled to vote at any meeting of the Association until he has presented evidence of ownership of a Unit in the Condominium Project to the Association. 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. The Developer shall be entitled to vote for each Unit which it owns.

**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. Such notice shall state the name and address 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 (and email address if the Co-Owner wishes to receive notifications thereby) 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.

**Section 4. Quorum.** The presence in person or by proxy of 50% of the Co-Owners in number and in value qualified to vote shall constitute a quorum for holding a meeting of the Association Co-Owners, except for voting on questions specifically required by the Condominium Documents to require a greater quorum. The written vote of any person furnished at or prior to any duly called meeting at which meeting said person is not otherwise present in person or by proxy shall be counted in determining the presence of a quorum with respect to the questions upon which the vote is cast.

**Section 5. Voting.** Votes may be cast only in person 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 Association Co-Owners. Cumulative voting shall not be permitted.

**Section 6. Majority.** A majority, except where otherwise provided herein, shall consist of a simple majority as defined in Article VIII, Section 6 (a). Whenever provided specifically herein, a majority may be required to exceed the simple majority hereinabove set forth and may require such majority to be one of both number and value of designated voting representatives present in person or by proxy, or by written vote, if applicable, at a given meeting of the Association Co-Owners.

- (a) A simple majority shall consist of more than 50% in value of those voting.
- (b) A 2/3 majority shall consist of more than 66 2/3 % in both number and value of all Co-Owners.

## ARTICLE IX

### MEETINGS

**Section 1. Place of Meeting.** Meetings of the Association of Co-Owners 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. Meetings of the Association shall be conducted in accordance with The Standard Code of Parliamentary Procedure, Robert's Rules of Order or some other generally

recognized manual of parliamentary procedure, when not otherwise in conflict with the Condominium Documents (as defined in the Master Deed) or the laws of the State of Michigan.

**Section 2. Annual Meetings.** Annual meetings of the Association of Co-Owners shall be held on a date approved by the Board of Directors at such time and place 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 X 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. Special Meetings.** It shall be the duty of the President of the Association to call a special meeting of the Co-Owners as directed by resolution of the Board of Directors or upon a petition signed by 1/3 of the Co-Owners presented to the Secretary of the Association. Notice of any special meeting shall state the time and place of such meeting and the purposes thereof. No business shall be transacted at a special meeting except as stated in the notice.

**Section 4. Notice of Meetings.** It shall be the duty of the Secretary of the Association (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 of the time and place where it is to be held, upon each Co-Owner of record, at least 10 days but not more than 60 days prior to such meeting. The mailing, postage prepaid, or emailing 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 Article VIII, Section 3 of these Bylaws, shall be deemed notice served. Any Co-Owner may waive notice required herein, but such waiver shall be in writing, signed by the Co-Owner, and filed in the records of the Association before deemed effective.

**Section 5. Adjournment.** 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 a time not less than 48 hours from the time the original meeting was called.

**Section 6. Order of Business.** The order of business at all meetings of the Association of Co-Owners shall be as follows:

- (a) roll call to determine the voting power represented at the meeting;
- (b) proof of notice of meeting or waiver of notice;
- (c) reading of minutes of preceding meeting;
- (d) reports of officers;
- (e) reports of committees;
- (f) appointment of inspector of elections (at annual meetings or special meetings held for purpose of election of Directors or officers);
- (g) election of Directors (at annual meeting or special meetings held for such purpose);
- (h) unfinished business; and
- (i) new business.

Meetings of the Association of Co-Owners 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 of the Association shall be President, Vice President, Secretary and Treasurer.

**Section 7. Action Without Meeting.** Any action which may be taken at a meeting of the Co-Owners (except for the election or removal of Directors) may be taken without a meeting by written ballot of the Co-Owners. Ballots shall be solicited in the same manner as provided in Section 4 for the giving of notice of meetings of Co-Owners. 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 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 Co-Owner 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.

**Section 8. Consent of Absentees.** The transactions at any meeting of Co-Owners, either annual or special, however called and noticed, shall be as valid as though made at a meeting duly held after regular call and notice, if a quorum be present either in person or by proxy; and if, either before or after the meeting, each of the Co-Owners not present in person or by proxy, signs a written waiver of notice, or a consent to the holding of such meeting, or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

**Section 9. Minutes, Presumption of Notice.** Minutes or a similar record of the proceedings of meetings of Co-Owners, when signed by the President or Secretary of the Association, 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.

## ARTICLE X

### BOARD OF DIRECTORS

**Section 1. Number and Qualification of Directors.** The affairs of the Association shall be governed by a Board of five (5) Directors, all of whom must be Co-Owners of the Association or officers, partners, trustees, employees or agents of Co-Owners of the Association. Directors shall serve without compensation.

## **Section 2. Election of Directors.**

(a) The Developer shall have the right to designate at least one Director as long as the Developer shall continue to own at least one (1) Unit in the Project.

(b) The non-Developer Co-Owners have the right to elect a number of members of the Board of Directors equal to the percentage of Units they own, and the Developer has the right to elect a number of members of the Board of Directors equal to the percentage of Units which are owned by the Developer and for which all assessments are payable by the Developer. This election may increase, but shall not reduce, the minimum election and designation rights otherwise established in subsection (a). Application of this subsection does not require a change in the size of the Board of Directors.

(c) If the calculation of the percentage of members of the Board of Directors that the non-Developer Co-Owners have the right to elect under subsection (a), or if the product of the number of members of the Board of Directors multiplied by the percentage of Units held by the non-Developer Co-Owners under subsection (b) results in a right of non-Developer Co-Owners to elect a fractional number of members of the Board of Directors, then a fractional election right of 0.5 or greater shall be rounded up to the nearest whole number, which number shall be the number of members of the Board of Directors that the non-Developer Co-Owners have the right to elect. After application of this formula the Developer shall have the right to elect the remaining members of the Board of Directors. Application of this subsection shall not eliminate the right of the Developer to designate one (1) member as provided in subsection (a).

(d) At each Annual Meeting, two (2) or three (3) Directors shall be elected to replace the two (2) or three (3) Directors whose terms expire. The term of office of each Director shall be two (2) years. The term of the newly elected members of the Board of Directors will commence on the first day of January following the Annual Meeting of the Association of Co-Owners at which they are elected and will continue through the end of December of the following year. The Directors shall hold office until their successors have been elected and take office.

**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.

**Section 4. Other Duties.** In addition to the foregoing duties imposed by these Bylaws or any further duties which may be imposed by resolution of the Association of Co-Owners, the Board of Directors shall be responsible specifically for the following:

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

(b) To levy and collect assessments from the Co-Owners and to use the proceeds thereof for the purposes of the Association.

(c) To carry insurance and collect and allocate the proceeds thereof.

(d) To rebuild Common Element improvements after casualty.

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

(f) To 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.

(g) To borrow money and issue evidences of indebtedness in furtherance of any or all of the purposes of the business 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 75% of the Association of Co-Owners in number and in value.

(h) To make rules and regulations in accordance with Article VI, Section 2 of these Bylaws. Any such rules, regulations and policies shall become effective when approved by a majority vote of Board members. The Association of Co-Owners may cancel any rule, regulation or policy by a majority vote at a regular or special meeting of the Association of Co-Owners.

(i) 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.

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

(k) To collect from each Co-Owner any assessments levied against Units pursuant to the terms of any Declaration of Easements which confers benefits and imposes burdens on the Units.

**Section 5. Management Agent.** The Board of Directors may (but shall not be required to) employ for the Association a professional management agent (which may include the Developer or any person or entity related thereto) 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 Condominium Documents required to be performed by or have the approval of the Board of Directors or the Association of Co-Owners. In no event shall the Board be authorized to enter into any contract with a professional management agent, or any other contract providing for services by the Developer, sponsor or builder, 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.

**Section 6. Vacancies.** Vacancies in the Board of Directors caused by any reason other than the removal of a Director by a vote of the Association of Co-Owners shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum, except that the Developer shall be solely entitled to fill the vacancy of any new Director whom it is permitted in the first instance to designate. Each person so elected shall be a Director until a successor is elected at the next annual meeting of the Association.

**Section 7. Removal.** At any regular or special meeting of the Association duly 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 more than 50% in number and in value of all of the Co-Owners 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 50% requirement set forth in Article VIII, Section 4. Any Director whose removal has been proposed by the Co-Owners shall be given an opportunity to be heard at the meeting. The Developer may remove and replace any or all of the Directors selected by it at any time or from time to time in its sole discretion.

**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, telephone or email, 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, telephone or email, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of two Directors.

**Section 10. 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 11. Quorum.** At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, less than a quorum is 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 joinder of a Director in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such Director for purposes of determining a quorum.

**Section 12. Actions of the Board of Directors.** The actions of the first Board of Directors of the Association or any successors thereto selected or elected shall be binding upon the Association so long as such actions are within the scope of the powers and duties which may be exercised generally by the Board of Directors as provided in the Condominium Documents.

**Section 13. Fidelity Bonds.** The Board of Directors shall require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be expenses of administration. This requirement for fidelity bonds may be waived by a majority vote of the Board.

## ARTICLE XI

### OFFICERS

**Section 1. Officers.** The principal officers of the Association shall be a President, who shall be a member of the Board of Directors, a Vice President, a 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 that of President and Vice President may be held by one person.

**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 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. No such removal action may be taken, however, unless the matter shall have been included in the notice of such meeting. The officer who is proposed to be removed shall be given an opportunity to be heard at the meeting.

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

**Section 5. 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 do so on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed by the Board of Directors.

**Section 6. Secretary.** The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the Association of Co-Owners; shall have charge of the corporate seal, if any, and of such books and papers as the Board of Directors may direct; and shall, in general, perform all duties incident to the office of the Secretary.

**Section 7. Treasurer.** The Treasurer shall have responsibility for the Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. 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.

**Section 8. 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

### SEAL

The Association may (but need not) have a seal. If the Board determines that the Association shall have a seal, then it shall have inscribed thereon the name of the Association, the words "corporate seal," and "Michigan."

## ARTICLE XIII

### FINANCE

#### **Section 1. Records.**

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 open for inspection by the Co-Owners and their mortgagees during reasonable working hours. The Association shall prepare and distribute to each Co-Owner at least once a year a financial statement, the contents of which shall be defined by the Association. Any institutional holder of a first mortgage lien on any Unit in the Condominium shall be entitled to receive a copy of such annual reviewed financial statement within ninety (90) days following the end of the Association's fiscal year upon request therefor.

The books of account shall be reviewed internally when annual revenues are \$20,000 or less. When annual revenues exceed \$20,000, the Association of Co-Owners' books, records, and financial statements shall be independently audited or reviewed annually by a certified public accountant as required by the Act. The audit or review shall be performed in accordance with the statements on auditing standards or the statements on standards for accounting and review services, respectively, of the American Institute of Certified Public Accountants. The Association of Co-Owners may opt out of this CPA audit/review requirement, on an annual basis, by an affirmative vote of a majority of Co-Owners as described in Article VIII, Section 6. The costs of any such review and any accounting expenses shall be the expense of the Association of Co-Owners.

**Section 2. Fiscal Year.** The fiscal year of the Association shall be an annual period commencing on a date as 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. Bank.** Funds of the Association shall be deposited in such bank or savings association as may be designated by the Directors and shall be withdrawn only upon the check or other instrument of such officers, employees or agents as are designated by resolution of the Board of Directors from time to time. The funds may be invested from time to time in accounts or deposit certificates of such bank or savings association as are insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation and may also be invested in interest-bearing obligations of the United States Government. Funds designated for capital improvement may be invested in appropriate investment vehicles as defined under a separate document, the "CVRHOA Investment Policy Statement", which is approved by the Board of Directors, adopted March 3, 2016 as amended.



## ARTICLE XIV

### INDEMNIFICATION OF OFFICERS AND DIRECTORS

Directors and officers of the Association shall be indemnified by the Association against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon them in connection with any proceeding to which they may be a party or in which they may become involved by reason of their being or having been a Director or officer of the Association, whether or not they are 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 their duties; provided that, in the event of any claim for reimbursement or indemnification hereunder based upon a settlement by the Director or officer seeking such 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 10 days prior to payment of any indemnification which it has approved, the Board of Directors shall notify all Co-Owners thereof. Further, the Board of Directors is authorized to carry Officers' and Directors' liability insurance covering acts of the Officers and Directors of the Association in such amounts as it shall deem appropriate.

## ARTICLE XV

### AMENDMENTS

**Section 1. Proposal.** 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 may be proposed by 1/3 or more in number of the Co-Owners by instrument in writing signed by them.

**Section 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 these Bylaws.

**Section 3. Voting.** These Bylaws may be amended by the Co-Owners at any regular annual meeting or a special meeting called for such purpose by an affirmative vote of not less than two-thirds (66 2/3%) of all Co-Owners in number and in value. No consent of mortgagees shall be required to amend these Bylaws unless such amendment would materially alter or change the rights of such mortgagees, in which event the approval of two-thirds (66 2/3%) of mortgagees shall be required with each mortgagee to have one vote for each mortgage held.

**Section 4. When Effective.** Any amendment to these Bylaws shall become effective upon recording of such amendment in the office of the Grand Traverse County Register of Deeds.

**Section 5. Binding.** A copy of each amendment to the Bylaws shall be furnished to every Association of Co-Owners 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 received a copy of the amendment.

## ARTICLE XVI

### 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 XVII

### DEFINITIONS

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

## ARTICLE XVIII

### REMEDIES FOR DEFAULT

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

**Section 1. Legal Action.** Failure to comply with any of the terms or provisions of the Condominium Documents 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.

**Section 2. Recovery of Costs.** In any proceeding arising because of an alleged default by a Co-Owner, the Association, if successful, shall be entitled to recover the costs of the proceeding and such reasonable attorneys' fees (not limited to statutory fees) as may be determined by the court, but in no event shall any Co-Owner be entitled to recover such attorneys' fees. The court may, in its discretion, award the Association reasonable attorney fees for the defense of a claim or counterclaim brought by a Co-Owner, such awarded fees also constituting a lien on the Unit.

**Section 3. Removal and Abatement.** 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. The Association shall have no liability to any Co-Owner arising from the exercise of its removal and abatement power authorized herein.

**Section 4. Assessment of Fines.** The violation of any of the provisions of the Condominium Documents by any Co-Owner shall be grounds for assessment by the Association of monetary fines for

such violations, pursuant to rules and regulations duly adopted by the Board of Directors of the Association.

**Section 5. 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 6. Cumulative Rights, Remedies and Privileges.** 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 7. Enforcement of Provisions of Condominium Documents.** A Co-Owner may maintain an action against the Association and its Officers and Directors to compel such persons to enforce the terms and provisions of the Condominium Documents. A Co-Owner may maintain an action against any other Co-Owner for injunctive relief or for damages or any combination thereof for noncompliance with the terms and provisions of the Condominium Documents or the Act.

## ARTICLE XIX

### RIGHTS RESERVED TO DEVELOPER

Any or all of the rights and powers granted or reserved to the Developer in the Condominium Documents or by law, including the right and power to approve or disapprove any act, use, or proposed action or any other matter or thing, may be assigned by it to any other entity or to the Association. Any such assignment or transfer shall be made by appropriate instrument in writing in which the assignee or transferee shall join for the purpose of evidencing its consent to the acceptance of such powers and rights and such assignee or transferee shall thereupon have the same rights and powers as herein given and reserved to the Developer. Any rights and powers reserved or retained by Developer or its successors shall expire and terminate, if not sooner assigned to the Association, at the conclusion of the Construction and Sales Period as defined in Article III of the Master Deed. The immediately preceding sentence dealing with the expiration and termination of certain rights and powers granted or reserved to the Developer is intended to apply, insofar as the Developer is concerned, only to Developer's rights to approve and control the administration of the Condominium and shall not, under any circumstances, be construed to apply to or cause the termination and expiration of any real property rights granted or reserved to the Developer or its successors and assigns in the Master Deed or elsewhere (including, but not limited to, access easements, utility easements and all other easements created and reserved in such documents which shall not be terminable in any manner hereunder and which shall be governed only in accordance with the terms of their creation or reservation and not hereby).

ARTICLE XX

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

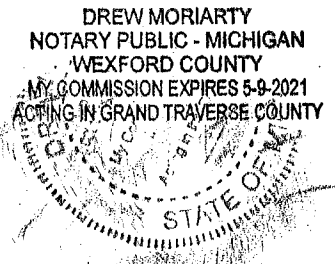
Date: 10-8-19

By: [Signature]  
Daniel P. Callahan, President  
Cedar Valley Ridge Association of Co-Owners

STATE OF MICHIGAN )  
 )ss  
COUNTY OF GRAND TRAVERSE)

The foregoing instrument was acknowledged before me this 8<sup>th</sup> day of October 2019 by Daniel P. Callahan, President, Cedar Valley Ridge Association of Co-owners, on behalf of said corporation.

[Signature]  
Notary Public: Drew Moriarty  
Grand Traverse County, Michigan  
My commission expires: 05/09/2021



Drafted by:  
Susan K. Sherman, Secretary  
Cedar Valley Ridge Association of Co-Owners  
2700 E. Cedar Valley Road  
Traverse City, MI 49684  
231-228-7207