



LENAWE COUNTY TREASURER
TAX CERTIFICATE NO. 1963

STATE OF MICHIGAN - LENAWE COUNTY
RECORDED 10/15/2013 02:43:39 PM D.M.A
Carolyn S. Bater, REGISTER OF DEEDS \$338.00

OCT 15 2013

MARILYN J WOODS

MASTER DEED

THE PONDS OF BONNER HILLS

This Master Deed has been executed on OCT. 1ST., 2013 by Bon-Tec Development Company, LLC, a Michigan limited liability company ("DEVELOPER"), whose address is 28135 Groesbeck Highway, Mt. Clemens, Michigan 48043 pursuant to the Michigan Condominium Act (MCL 559.101, et seq., Public Act 59, Public Acts of 1978, as amended) ("ACT").

RECITALS

THAT DEVELOPER desires to establish a residential condominium project to be known as **THE PONDS OF BONNER HILLS** pursuant to plans approved by City of Tecumseh, Oakland County, Michigan on a parcel of land described in Article II of this Master Deed. The **THE PONDS OF BONNER HILLS** condominium project will consist of thirty two (32) single family site condominium units. The DEVELOPER desires, by the recording of this Master Deed, together with the Condominium By-Laws of **THE PONDS OF BONNER HILLS** attached as Exhibit A, the Condominium Subdivision Plan for **THE PONDS OF BONNER HILLS** attached as Exhibit B, and the Condominium By-Laws for **BONNER HILLS CONDOMINIUM COMMUNITY** attached as Exhibit C, all of which are incorporated by reference and made a part of this Master Deed, to establish this real property and the improvements and appurtenances now and in the future located on the real property as a condominium project under the provisions of the Michigan Condominium Act.

THAT DEVELOPER, by the execution and recording of this Master Deed, together with the Condominium By-Laws for **THE PONDS OF BONNER HILLS** attached as Exhibit A, Condominium Subdivision Plan for **THE PONDS OF BONNER HILLS** attached as Exhibit B, and Condominium By-Laws for **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** attached as Exhibit C, establishes **THE PONDS OF BONNER HILLS** as a condominium project under the Michigan Condominium Act. The DEVELOPER declares that **THE PONDS OF BONNER HILLS** shall be held, conveyed, mortgaged, encumbered, leased, rented, occupied, improved and utilized subject to the provisions of the ACT and the covenants, conditions, easements, restrictions, uses, limitations and affirmative obligations set forth in this Master Deed, including attached Exhibits A, B and C, shall be deemed to run with the land and be a burden and benefit to the DEVELOPER, its successors and assigns, and any persons acquiring or owning an interest in the real property, their grantees, successors, heirs, personal representatives and assigns.

In consideration of the establishment of **THE PONDS OF BONNER HILLS** as a condominium project, it is provided as follows:

338⁰⁰ Joseph Kapelczak
8615 Richardson Rd.
Walled Lk MI 48390

ARTICLE I
DEFINITIONS

1. General. There are terms utilized in this Master Deed and in various other documents relating to the condominium project such as the Articles of Incorporation of **THE PONDS OF BONNER HILLS CONDOMINIUM ASSOCIATION, INC.**, Condominium By-Laws of **THE PONDS OF BONNER HILLS CONDOMINIUM ASSOCIATION, INC.**, Condominium By-Laws of **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION, INC.**, deeds, mortgages, liens, land contracts, easements and other documents affecting the real property interests in the project. As used in such documents, the following definitions apply unless the context clearly indicates to the contrary.

- (a) "ACT" means the Michigan Condominium Act, as amended (MCL 559.101, et seq.; Public Act 59 of the Public Acts of 1978, as amended).
- (b) "Association", "Associations", "Condominium Association" or "Condominium Associations" mean the non-profit corporation or non-profit corporations organized under Michigan law for governance of the condominium project and are more specifically identified as follows:
 - (1) **THE PONDS OF BONNER HILLS CONDOMINIUM ASSOCIATION, INC.** is a non-profit corporation organized under Michigan law of which all the Co-Owners of the thirty two (32) single family site condominium units shall be members. This Association shall operate, manage and maintain the thirty two (32) single family site condominium units in the condominium project. Any action required of or permitted to **THE PONDS OF BONNER HILLS CONDOMINIUM ASSOCIATION, INC.** shall be exercised by its Board of Directors unless specifically reserved to its members by the Condominium Documents or Michigan law.
 - (2) **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION, INC.** is a non-profit corporation organized under Michigan law of which the thirty two (32) single family site condominium unit Co-Owners of **THE PONDS OF BONNER HILLS** condominium project and the forty seven (47) single family site condominium unit Co-Owners of **BONNER HILLS ESTATES** condominium project the attached condominium unit Co-Owners of **BONNER HILLS VILLAS** condominium project shall be members. This Association shall operate, manage and maintain the Shared General Common Elements as defined in this Master Deed. Any action required of or permitted to the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION, INC.** shall be exercised by its Board of Directors unless specifically reserved to its members by the Condominium Documents or Michigan law.
- (c) "Building Envelope for **THE PONDS OF BONNER HILLS**" means that portion of each of the thirty two (32) single-family site condominium units located in the condominium project and within which the Co-Owner may construct improvements such as a residence. There shall not be any structures built outside of the Building Envelope within each single-family condominium unit as shown on **THE PONDS OF BONNER**

HILLS Condominium Subdivision Plan attached as Exhibit B without the advance written approval of the **BONNER HILLS ESTATES CONDOMINIUM ASSOCIATION, INC.**, and City of Tecumseh, if applicable.

- (d) "Common Elements", where used without modification, shall mean the General Common Elements described in Article IV of this Master Deed.
- (e) "Condominium By-Laws" shall mean the corporate and Co-Owner's Association By-laws of **THE PONDS OF BONNER HILLS CONDOMINIUM ASSOCIATION, INC.**, and, where applicable, **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION, INC.** and more specifically as follows:
 - (1) **THE PONDS OF BONNER HILLS CONDOMINIUM ASSOCIATION, INC.'S** By-Laws are attached as Exhibit A to this Master Deed. These By-Laws are required to be recorded as part of the Master Deed under Section 3(8) of the **ACT**, as amended. These By-Laws shall also constitute the corporate By-Laws of the Co-Owners of the thirty two (32) single-family site condominium units in the project as provided under the Michigan Non-Profit Corporation Act.
 - (2) **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION, INC.'S** By-Laws are attached as Exhibit C to this Master Deed. These Bylaws are required to be recorded as part of the Master Deed under Section 3(8) of the **ACT**, as amended. These By-Laws shall also constitute the corporate By-Laws of the non-profit corporation in which all of the Co-Owners of the condominium units of **THE PONDS OF BONNER HILLS** condominium project and all of the Co-Owners of **THE PONDS OF BONNER HILLS** condominium project are the members and which shall have exclusive governance of the Shared General Common Elements as set forth in this Master Deed for **THE PONDS OF BONNER HILLS** condominium project, the Master Deed for **THE PONDS OF BONNER HILLS** condominium project and as provided under the Michigan Non-Profit Corporation Act.
- (f) "Condominium Documents" mean the Master Deed and all attached Exhibits, Articles of Incorporation of **THE PONDS OF BONNER HILLS CONDOMINIUM ASSOCIATION, INC.**, Condominium By-Laws of **THE PONDS OF BONNER HILLS CONDOMINIUM ASSOCIATION, INC.**, Articles of Incorporation of **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION, INC.**, Condominium By-Laws of **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION, INC.** and any other documents referred to or incorporated by this Master Deed that affect the rights and obligations of a Co-Owner in the condominium project.
- (g) "Condominium Project" means this **THE PONDS OF BONNER HILLS** condominium project established pursuant to the Michigan Condominium Act.
- (h) "Condominium Subdivision Plan for **THE PONDS OF BONNER HILLS**" means Exhibit B attached to this Master Deed.

- (i) "Condominium Unit" or "Unit" means that part of the condominium project designed and intended for separate ownership and use as described in this Master Deed.
- (j) "Co-Owner" or "Member" means a person, corporation, limited liability company, partnership, association, trust or any other legal entity or combination of legal entities who own legal or equitable title to a condominium unit in the project including the vendee of a land contract who is not in default on the purchase.
- (k) "Conservation Easement" means the Conservation Easement dated 27 day of JANUARY, 2005 between Bon-Tec Development Company, LLC as Donor/Owner and Raisin Valley Land Trust as Donee/Conservancy as recorded in Liber 2288 Page 909, Lenawee County Register of Deeds. The Conservation Easement controls the use of the nature preserve which is a shared common element between the Owners of Bonner Hills Villas and Bonner Hills Estates. The Conservation Easement is sometime referred to as Preservation Easement or Nature Preserve.
- (l) "DEVELOPER" means Bon-Tec Development Company, LLC, a Michigan limited liability company, which is the legal entity that has executed this Master Deed and includes its successors and assigns. The DEVELOPER is the Co-Owner of the real property dedicated as the condominium project and will develop the condominium project.
- (m) "First Annual Meeting" means the initial meeting at which the non-DEVELOPER Co-Owners of **THE PONDS OF BONNER HILLS** are permitted to vote for the election of all Directors of **THE PONDS OF BONNER HILLS CONDOMINIUM ASSOCIATION** and upon all of the matters which properly may be brought before the meeting of their Association. Such meeting (i) may be held at any time, in the DEVELOPER'S sole discretion, after fifty (50%) percent of the all units to be created are sold, and (ii) must be held within (a) fifty four (54) months from the date of the first unit conveyance or (b) one hundred twenty (120) days after seventy five (75%) percent of all units which may be created are sold, whichever date/event occurs first.
- (n) "General Common Elements" means those Common Elements of the condominium project described in Article IV which are for the use and enjoyment of all Co-Owners of **THE PONDS OF BONNER HILLS** and subject to such charges as may be assessed to defray the operational costs and maintenance of such General Common Elements and all of which are subject to the governance of **THE PONDS OF BONNER HILLS CONDOMINIUM ASSOCIATION, INC.**
- (o) "Limited Common Elements" means those Common Elements of the condominium project described in Article IV which are reserved for the exclusive use and enjoyment of the Co-Owners of a specified unit or units and subject to such financial charges as may be assessed to defray the operational costs of such Limited Common Elements.
- (p) "Master Deed" means this Master Deed for **THE PONDS OF BONNER HILLS** including Exhibits A, B and C which are attached and incorporated by reference.

- (q) "Mortgagee" means the individual, financial institution, corporation, limited liability company, partnership or other legal entity holding a first mortgage lien on an individual unit in **THE PONDS OF BONNER HILLS**.
- (r) "Percentage of Value" means the percentage assigned to each unit by this Master Deed and corresponds to the proportionate share of each Co-Owner in the Shared General Common Elements of the project. The Percentage of Value of a Co-Owner in the **THE PONDS OF BONNER HILLS CONDOMINIUM ASSOCIATION** and the Percentage of Value of the Co-Owner in the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** will determine the value of the Co-Owner's vote at any meetings of the respective Condominium Associations when voting by value.
- (s) "Shared General Common Elements" means those Common Elements of the **THE PONDS OF BONNER HILLS** condominium project and the **BONNER HILLS ESTATES** condominium project and the **BONNER HILLS VILLAS** condominium project described in Article IV which are shared for the use and enjoyment of all Co-Owners of **THE PONDS OF BONNER HILLS** and **BONNER HILLS ESTATES** and **BONNER HILLS VILLAS** and subject to such charges as may be assessed to defray the operational costs and maintenance of such Shared General Common Elements and all of which are subject to the governance of **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION, INC.**
- (t) "Transitional Control Date" means the date on which the Board of Directors of **THE PONDS OF BONNER HILLS CONDOMINIUM ASSOCIATION** take office pursuant to an election where the votes which may be cast by eligible Co-Owners unaffiliated with the **DEVELOPER** exceed the votes that may be cast by the **DEVELOPER**.

Terms which are not defined in this Article or Master Deed but are defined in the ACT shall have the meaning provided such terms in the ACT unless the context clearly indicates to the contrary. Whenever any reference is made to one gender, the same shall include a reference to any and all genders where such a reference would be appropriate. Whenever a reference is made to the singular, a reference shall also be included to the plural where such a reference would be appropriate.

ARTICLE II

LEGAL DESCRIPTION

1. Legal Description. The legal description of the real property which is dedicated as **THE PONDS OF BONNER HILLS** established by this Master Deed is as follows:

Land located in the City of Tecumseh, County of Lenawee, State of Michigan, described as:

PART OF THE SOUTH 1/2 OF THE SOUTHWEST 1/4 OF SECTION 35 T.5S., R.4E., CITY OF TECUMSEH, LENAWEE COUNTY, MICHIGAN, AND ALSO THAT PART OF LOT 59

OF "ASSESSOR'S PLAT NO. 6" AS RECORDED IN LIBER 14 OF PLATS, PAGE 15
LENAWEE COUNTY RECORDS, BEING MORE PARTICULARLY DESCRIBED AS
BEGINNING AT THE SOUTHWEST CORNER OF SAID SECTION 35; THENCE S88°04'17"W
407.60 FEET ALONG THE SOUTH LINE OF LOT 59 OF "ASSESSOR'S PLAT NO. 6;
THENCE N01°12'43"W 66.00 FEET ALONG THE EASTERLY R.O.W. LINE OF ROGERS
HIGHWAY; THENCE N88°04'17"E 407.39 FEET; THENCE N01°23'43"W 874.45 FEET;
THENCE N88°04'17"E, 215.89 FEET; THENCE S84°24'40"E, 61.96 FEET; THENCE
N33°50'18"E, 106.96 FEET; THENCE N60°35'35"E, 126.57 FEET; THENCE N76°04'11"E,
139.63 FEET; THENCE N85°17'50"E, 170.34 FEET; THENCE S41°26'23"E 73.24 FEET;
THENCE N88°32'47"E, 123.33 FEET; THENCE S01°27'13"E, 102.54 FEET; THENCE
S63°41'07"E, 124.39 FEET; THENCE S58°58'13"E, 50.21 FEET; THENCE S37°15'32"W,
46.48 FEET; THENCE S48°14'24"W, 34.48 FEET; THENCE S01°24'02"E 813.33 FEET TO
THE SOUTH LINE OF SAID SECTION 35; THENCE S88°13'53" W ALONG SAID SOUTH
LINE, 1025.04 FEET TO THE POINT OF BEGINNING. CONTAINING 24.77 ACRES.

Together with, including and subject to any and all easements and restrictions of record, as well
as easements set forth in **THE PONDS OF BONNER HILLS** Condominium Subdivision Plan
attached as Exhibit B.

ARTICLE III

TITLE AND NATURE OF PROJECT

1. Project Title and Nature of Project. The condominium project shall be known as **THE PONDS OF BONNER HILLS** and designated as Lenawee County Condominium Subdivision Plan No. 70. The engineering plans, architectural plans and specifications including plans for all dwellings, condominium units, and improvements to be constructed in the project, were or will be approved by and are or will be on file with City of Tecumseh and Lenawee County. The improvements contained in the condominium project, including the number, boundaries, dimensions and area of each of the thirty two (32) single family residential site condominium units are set forth in **THE PONDS OF BONNER HILLS** Condominium Subdivision Plan attached as Exhibit B. The condominium project is being constructed in a single phase to be known as **THE PONDS OF BONNER HILLS**. **THE PONDS OF BONNER HILLS** is a residential community consisting of thirty two (32) single family site condominium units to be used as building sites for single family residences. Each unit of **THE PONDS OF BONNER HILLS** has been designed and is intended for separate ownership and individual use with each unit having direct access to a Shared Common Element of the condominium project for ingress and egress. Each Co-Owner in the condominium project shall enjoy the exclusive right to occupy their unit and shall have undivided and inseparable rights to share the Shared General Common Elements of the condominium project with other Co-Owners as designed by this Master Deed.
- 2.


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ARTICLE IV

COMMON ELEMENTS

1. Common Elements. The Common Elements of the condominium project are the General Common Elements and the Shared General Common Elements as described in **THE PONDS OF BONNER HILLS** Condominium Subdivision Plan attached as Exhibit B.

2. Shared General Common Elements. The Shared General Common Elements of **THE PONDS OF BONNER HILLS** condominium project are for the use and enjoyment of all Co-Owners of **THE PONDS OF BONNER HILLS** condominium project and the Co-Owners of **BONNER HILLS ESTATES** condominium project and all Co-Owners of **BONNER HILLS VILLAS** condominium project and are subject to such charges as may be assessed to defray the operational costs and maintenance of such Shared General Common Elements and all of which are subject to the governance of **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION, INC.** The Shared General Common Elements of **THE PONDS OF BONNER HILLS** condominium project and **BONNER HILLS ESTATES** condominium project and **BONNER HILLS VILLAS** condominium project consist of:

- (a) All of the private roads described in the Condominium Subdivision Plan attached as Exhibit B to the Master Deed for **THE PONDS OF BONNER HILLS** condominium project and the Condominium Subdivision Plan Attached as Exhibit B to the Master Deed for **BONNER HILLS ESTATES** condominium project and the Condominium Subdivision Plan Attached as Exhibit B to the Master Deed for **BONNER HILLS VILLAS** condominium project.
- (b) All utilities located within the utility easements described in the Condominium Subdivision Plan for **THE PONDS OF BONNER HILLS** condominium project and described in the Condominium Subdivision Plan for **BONNER HILLS ESTATE** condominium project and described in the Condominium Subdivision Plan for **BONNER HILLS VILLAS** Condominium Project.
- (c) The electrical wiring network and distribution system throughout **THE PONDS OF BONNER HILLS** condominium project and **BONNER HILLS ESTATES** condominium project and **BONNER HILLS VILLAS** condominium project as located within the easements described in the Condominium Subdivision Plan for **THE PONDS OF BONNER HILLS** and the Condominium Subdivision Plan for **BONNER HILLS ESTATES** and the Condominium Subdivision Plan for **BONNER HILLS VILLAS**, but excluding the electrical system facilities connected for individual units.
- (d) The natural gas line network and distribution system throughout **THE PONDS OF BONNER HILLS** condominium project and **BONNER HILLS ESTATES** condominium project and **BONNER HILLS VILLAS** condominium project as located within the easements described in the Condominium Subdivision Plan for **THE PONDS OF BONNER HILLS** and the Condominium Subdivision Plan for **BONNER HILLS ESTATES** and the Condominium Subdivision Plan for **BONNER HILLS VILLAS**, but excluding the gas line connection service for individual units.

- (e) The telephone, television and telecommunication wiring network and distribution system throughout **THE PONDS OF BONNER HILLS** condominium project and **BONNER HILLS ESTATES** condominium project and **BONNER HILLS VILLAS** condominium project as located within the easements described in the Condominium Subdivision Plan for **THE PONDS OF BONNER HILLS** and the Condominium Subdivision Plan for **BONNER HILLS ESTATES** and the Condominium Subdivision Plan for **BONNER HILLS VILLAS**, but excluding the telephone, television and telecommunication wiring network connections for individual units.
- (f) The storm and surface water drainage basins, detention basins and the storm and surface water drainage system throughout **THE PONDS OF BONNER HILLS** condominium project and **BONNER HILLS ESTATES** condominium project and **BONNER HILLS VILLAS** condominium project as located within the easements described in the Condominium Subdivision Plan for **THE PONDS OF BONNER HILLS** and the Condominium Subdivision Plan for **BONNER HILLS ESTATES** and the Condominium Subdivision Plan for **BONNER HILLS VILLAS**, but excluding any storm water connection for individual units.
- (g) The landscaping, irrigation, sprinkler system, entrance-way sign and lighting located with the private road easements described in the Condominium Subdivision Plan for **THE PONDS OF BONNER HILLS** and the Condominium Subdivision Plan for **BONNER HILLS ESTATES** and the Condominium Subdivision Plan for **BONNER HILLS VILLAS**, but excluding any landscaping, irrigation, sprinkler system and lighting for individual units.
- (h) The street lighting, if any, described in the Condominium Subdivision Plan for **THE PONDS OF BONNER HILLS** and the Condominium Subdivision Plan for **BONNER HILLS ESTATES** and the Condominium Subdivision Plan for **BONNER HILLS VILLAS**.
- (i) The municipal water system throughout **THE PONDS OF BONNER HILLS** condominium project and **BONNER HILLS ESTATES** condominium project and **BONNER HILLS VILLAS** condominium project as located within the easements described in the Condominium Subdivision Plan for **THE PONDS OF BONNER HILLS** and the Condominium Subdivision Plan for **BONNER HILLS ESTATES** and the Condominium Subdivision Plan for **BONNER HILLS VILLAS**, but excluding any water connection for individual units.
- (j) The municipal sanitary sewer system and facility throughout **THE PONDS OF BONNER HILLS** condominium project and **BONNER HILLS ESTATES** condominium project and **BONNER HILLS VILLAS** condominium project as located within the easements described in the Condominium Subdivision Plan for **THE PONDS OF BONNER HILLS** and the Condominium Subdivision Plan for **BONNER HILLS ESTATES** and the Condominium Subdivision Plan for **BONNER HILLS VILLAS**, but excluding any sanitary sewer connection for individual units.
- (k) Pedestrian paths within **THE PONDS OF BONNER HILLS** and within **BONNER HILLS ESTATES** and within **BONNER HILLS VILLAS** condominium project and

located with the Grand River Avenue right-of-way as described in the Condominium Subdivision Plan for **THE PONDS OF BONNER HILLS** and the Condominium Subdivision Plan **BONNER HILLS ESTATES** and the Condominium Subdivision Plan for **BONNER HILLS VILLAS**.

- (l) The preservation easement located within **BONNER HILLS ESTATES** condominium project described in the Condominium Subdivision Plan for **BONNER HILLS ESTATES** and subject to limitations and obligations contained therein..

Some or all of the utility lines, utility systems (including mains and service leads), and equipment may be owned by the local public authority or utility company that is providing the pertinent utility service. Accordingly, such utility lines, systems and equipment shall be Shared General Common Elements only to the extent of a Co-Owner's interest in such utility facilities, if any, and the **DEVELOPER** makes no warranty as to the nature or extent of such interest.

3. Maintenance of Shared General Common Elements. The Co-Owner members of **THE PONDS OF BONNER HILLS CONDOMINIUM ASSOCIATION, INC.** and the Co-Owner members of the **BONNER HILLS ESTATES CONDOMINIUM ASSOCIATION, INC.** and the Co-Owner members of the **BONNER HILLS VILLAS CONDOMINIUM ASSOCIATION, INC.** shall share the responsibility and liability for the maintenance, repair and replacement of the Shared General Common Elements. The administration and governance of the Shared General Common Elements shall be vested in **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION, INC.** All of the Co-Owners of **THE PONDS OF BONNER HILLS** Condominium Project and all of the Co-Owners of **BONNER HILLS ESTATES** Condominium Project and all of the Co-Owners of **BONNER HILLS VILLAS** Condominium Project shall be members of the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION, INC.** because the Shared General Common Elements are shared in common by the Co-Owners of **THE PONDS OF BONNER HILLS** Condominium Project and the Co-Owners of the **BONNER HILLS ESTATES** Condominium Project and the Co-Owners of the **BONNER HILLS VILLAS** Condominium Project. The contributions of the Co-Owners of **THE PONDS OF BONNER HILLS** and the contributions of the Co-Owners of the **BONNER HILLS ESTATES** and the contributions of the Co-Owners of **BONNER HILLS VILLAS** to the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION, INC.** for the repair, maintenance and replacement of the Shared General Common Elements shall be apportioned as follows:

- (a) The Co-Owner members of the single family site condominium units known as **THE PONDS OF BONNER HILLS** shall be liable in the aggregate amount of 44% of the cost of any maintenance, repair or replacement of any Shared General Comment Element.
- (b) The Co-Owner members of the single family site condominium units known as **BONNER HILLS ESTATES CONDOMINIUM ASSOCIATION, INC.** shall be liable in the aggregate amount of 35% of the cost of any maintenance, repair or replacement of any Shared General Common Element.
- (c) The Co-Owner members of the attached condominium units known as **BONNER HILLS VILLAS CONDOMINIUM ASSOCIATION, INC.** shall be liable in the aggregate amount of 31% of the cost of any maintenance, repair of replacement of any Shared General Common Element.

4. Use of Units and Shared General Common Elements. The Co-Owners shall not use their units or the Shared General Common Elements in any manner which would be inconsistent with the purposes of the condominium project or which would interfere with or impair the rights of any other Co-Owner in the use and enjoyment of their unit or the Shared General Common Elements. There shall not be any exemptions granted to a Co-Owner from contributing toward the expenses of administration of **THE PONDS OF BONNER HILLS CONDOMINIUM ASSOCIATION, INC.** and the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION, INC.** as defined in this Master Deed and the applicable Condominium By-Laws or any exemption granted from the payment of assessments against their unit by reason of a non-user waiver of use of the Shared General Common Elements or by abandonment of the their unit.

ARTICLE V

EASEMENTS

1. Road Easement for Ingress, Egress and Public Utilities. The Co-Owners shall maintain and participate in the maintenance of the private road easement and drainage facilities located within the road easement areas which are part of the Condominium Documents and incorporated by reference to this Master Deed. The private roads shall be maintained at all times according to the standards, rules, regulations and ordinances established by City of Tecumseh. In the event any private road becomes dedicated to the public, the Co-Owners of **THE PONDS OF BONNER HILLS** condominium project and **BONNER HILLS ESTATES** condominium project, the Co-Owners of **BONNER HILLS VILLAS** condominium project and the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION, INC.** will no longer be responsible for maintaining the road.

2. Storm Sewer, Storm Water and Storm Water Detention Basin Easements. The Co-Owners shall maintain and participate in the maintenance, repair and replacement of the storm sewer, storm water and storm water detention basin easements as depicted/designated on Exhibit B in this Master Deed.

3. Easements for Maintenance, Repair and Related Matters. There shall be permanent and perpetual easements reserved for and administered by **THE PONDS OF BONNER HILLS CONDOMINIUM ASSOCIATION, INC.** and the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION, INC.** for the maintenance, repair or replacement of Shared General Common Elements for which the respective Associations are responsible under this Master Deed and as described in Exhibit B and Exhibit C. There shall be permanent and perpetual easements through, over, under and across the condominium project property for the installation, maintenance, repair, replacement and inspection of all utilities in the condominium project by applicable governmental entities or utility companies as described in this Master Deed, Exhibit A, Exhibit B and Exhibit C. In the event any improvements located in the unit encroach upon a Shared General Common Element, easements shall exist for the maintenance, repair and replacement of such Shared General Common Elements for so long as such encroachment exists.

(a) Reservation of Access Easements by DEVELOPER. The **DEVELOPER** reserves perpetual and non-exclusive easements for the benefit of itself and its successors, agents, employees, guests, invitees and independent contractors for the unrestricted use of the easements, roads, driveways and walkways in the condominium project for the purpose of ingress and egress.

- (b) Reservation of Utility Easements by DEVELOPER. DEVELOPER reserves perpetual and non-exclusive easements to enter upon and across the condominium property to lay pipe and cable as well as perform such other acts that are reasonably necessary to utilize, tap, construct, extend and enlarge all utility services or systems now located on the property described in Article II to service all or any portion of the condominium project.
- (c) Future Utility Easements. DEVELOPER also reserves the right at any time to grant easements for utilities over, upon, under, across and through the Shared General Common Elements of the project to appropriate governmental agencies or public utility companies and to transfer title to utilities to governmental agencies or to utility companies. Any such easement or transfer of title may be made by the DEVELOPER without the consent of any Co-Owner, Mortgagee or other person and shall be evidenced by an appropriate amendment to this Master Deed and Exhibit B and subsequently recorded in the Lenawee County Register of Deeds. All of the Co-Owners and Mortgagees of units and other persons interested in the condominium project shall be deemed to have irrevocably and unanimously consented to such amendment or amendments to this Master Deed as may be required to effectuate the grant of any easement or transfer of title.
- (d) Easements of DEVELOPER for Maintenance, Repair or Replacement. The DEVELOPER and all public or private utilities shall have perpetual and non-exclusive easements over, upon, under, across and through the condominium project, including all units and Shared General Common Elements, as may be necessary to fulfill any responsibilities of maintenance, repair or replacement which are required or permitted under the Condominium Documents or by law. These easements include the right of the DEVELOPER or public or private utilities to obtain access to a unit during reasonable hours and upon reasonable notice to the Co-Owner of the affected unit.

ARTICLE VI

UNIT DESCRIPTION AND PERCENTAGE OF VALUE

1. Description. A complete description of each condominium unit, units in the project, with elevations referenced to an official benchmark of the United States Geological Survey sufficient to relocate accurately the space enclosed by the description without reference to the structure itself, is provided in the Condominium Subdivision Plan for **THE PONDS OF BONNER HILLS** (Exhibit B) as surveyed by JCK & Associates, Inc.. Each unit is designated by a number and is defined within broken lines forming the outside perimeter of the building site boundaries as depicted on Exhibit B.

2. Percentages of Value. The percentages of value assigned to each unit in **THE PONDS OF BONNER HILLS** condominium project are as follows:

- (a) Percentage of Value of THE PONDS OF BONNER HILLS. The total value of **THE PONDS OF BONNER HILLS** condominium project is 100% with the thirty two (32) single family site condominium units having an equal Percentage of Value because the units are expected to have equal allocable expenses of the maintenance. The Percentage

of Value assigned to each unit shall be determinative of each Co-Owner's respective share of the General Common Elements of **THE PONDS OF BONNER HILLS** condominium project, the proportionate share of each respective Co-Owner in the expenses of administration of the condominium project and the value of each Co-Owner's vote at meetings of **THE PONDS OF BONNER HILLS CONDOMINIUM ASSOCIATION, INC.** as provided in the Condominium By-Laws for **THE PONDS OF BONNER HILLS**. The Percentage of Value assigned to each unit in **THE PONDS OF BONNER HILLS** be equal.

- (b) Percentage of Value of **BONNER HILLS CONDOMINIUM COMMUNITY**. The total value of the Shared General Common Elements governed by **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION, INC.** is 100%. The Co-Owners of the single family site condominium units of **THE PONDS OF BONNER HILLS CONDOMINIUM ASSOCIATION, INC.** shall have a Percentage of Value in the aggregate percentage of 44% with such aggregate percentage being further apportioned equally amongst the thirty two (32) Co-Owners of the single family site condominium units. The Co-Owners of the single family site condominium units of the **BONNER HILLS ESTATE CONDOMINIUM ASSOCIATION, INC.** shall have a Percentage of Value in the aggregate percentage of 35% with such aggregate percentage being further apportioned equally amongst the forty seven (47) Co-Owners of the single family site condominium units. The Co-Owners of the attached condominium units of **BONNER HILLS VILLAS CONDOMINIUM ASSOCIATION, INC.** shall have an aggregate Percentage Value of 31% with such aggregate percentage being further apportioned equally amongst the Co-Owners of the attached condominium units. The Percentage of Value assigned to each of the units shall be determinative of each Co-Owner's respective share of the Shared General Common Elements governed by **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION, INC.**, the proportionate share of each Co-Owner in the proceeds and the expenses of administration of **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION, INC.** and the value of each Co-Owner's vote at meetings of the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** as provided in the Condominium By-Laws for **BONNER HILLS CONDOMINIUM COMMUNITY**.

3. Modifications. The **DEVELOPER** may modify the number, size, style and location of a unit or of any Shared General Common Element appurtenant to a unit described in Exhibit B by an amendment solely adopted by the **DEVELOPER** or its successor without the consent of any Co-Owner, Mortgagee or other party as long as the modification does not unreasonably impair or diminish the appearance of the condominium project or the view, privacy or other significant attributes or amenities of other units that adjoin or are approximate to the modified unit or modified Shared General Common Element. The **DEVELOPER** shall not modify any unit that has been sold or is the subject of a binding purchase agreement without the consent of the Co-Owner or the purchaser and the Mortgagee of the affected unit. The **DEVELOPER** may also, in connection with any such amendment, readjust Percentages of Value for all units to give reasonable recognition to such a modification based on the method by which Percentages of Value for the condominium project were originally determined. However, no unit modified in accordance with this provision shall be conveyed until an amendment to the Master Deed has been recorded. All Co-Owners, Mortgagees and other parties in interest of units in the condominium project shall be deemed to have unanimously consented to any amendments necessary to effectuate such modifications and, subject to the limitations stated in this Master Deed, to the proportionate reallocation of Percentages of Value of existing units that the **DEVELOPER** or its successor determines is

necessary in conjunction with such modifications. All such interested parties irrevocably appoint the DEVELOPER or its successor as agent and attorney in fact to sign such amendments to the Master Deed and all other Condominium Documents as may be necessary to effectuate such modifications.

ARTICLE VII

Reserved.

ARTICLE VIII

Reserved.

ARTICLE IX

Reserved.

ARTICLE X

EXPANSION OF CONDOMINIUM (REINCORPORATION OF LAND WITHDRAWN)

1. Area of Future Development. THE PONDS OF BONNER HILLS condominium project established by this Master Deed is intended to be a multiple phase condominium project. However, as stated in Article IX, the condominium project may be contracted by withdrawing land or eliminating units. Any land withdrawn will be deemed an "area of future development."
2. Reincorporation of Land or Units. Notwithstanding any other provisions of this Master Deed and within a period ending not later than six (6) years from the date of the recording of this Master Deed, any portion of the area of future development (being land withdrawn under Article X) may be reincorporated into the condominium project and residential units may be constructed on such land. The location, nature, appearance, design and structural components of all such units shall be constructed as determined by the DEVELOPER in its sole discretion provided that such construction complies with the Master Deed and is approved by City of Tecumseh. There shall not be any unit created within the area of future development that is not restricted exclusively to residential use.
3. Re-expansion not mandatory. The DEVELOPER shall not be obligated to reincorporate the area of future development into the condominium project. The DEVELOPER may, in its discretion, establish all or a portion of the area of future development as a separate condominium project or any other form of development. There are no restrictions on the discretion of the DEVELOPER to re-expand the condominium project other than as explicitly stated in this Master Deed.

ARTICLE XI

CONTRACTION OF CONDOMINIUM

1. Right to Contract. As of the date this Master Deed is recorded, the DEVELOPER intends to establish a condominium project consisting of thirty two (32) units on the land described in Article II and as

described in the Condominium Subdivision Plan for **THE PONDS OF BONNER HILLS**, attached as Exhibit B. However, **DEVELOPER** reserves the right to establish a condominium project consisting of fewer than thirty two (32) units and to withdraw from the project all or some portion of the land described in Article II. The **DEVELOPER** reserves, from time to time, but within a period ending not later than six (6) years from the date of recording of this Master Deed, the authority to contract the condominium project to a number of units determined in its sole discretion but in no event shall the number of units be less than two (2).

2. Withdrawal of Land. The **DEVELOPER** also unconditionally reserves the right to withdraw from the condominium project such portion or portions of the land described in this Master Deed that is not reasonably necessary to provide access or otherwise serve the units included in the condominium project as may be contracted. **DEVELOPER** reserves the right to use the withdrawn land to establish, in its sole discretion, a separate condominium project or any other form of development. **DEVELOPER** reserves the right, subsequent to such withdrawal but prior to six (6) years from the date of the recording of this Master Deed, to expand the condominium project as so reduced to include all or any portion of the land previously withdrawn.

ARTICLE XII

CONVERTIBLE AREAS

1. Designation of Convertible Areas. **THE PONDS OF BONNER HILLS** Condominium Subdivision Plan (Exhibit B) may designate certain areas adjacent to the individual units as convertible areas, or, "this area to be built at a later date" within which the units and Shared General Common Elements may be modified.

2. Developer's Right to Modify Units and Shared General Common Elements. **DEVELOPER** reserves the right, in its sole discretion, during a period ending not later than six (6) years from the date of recording this Master Deed, to modify the size, location, design or elevation of units or Shared General Common Elements appurtenant or geographically approximate to such units within the convertible areas designated for such purposes on the Condominium Subdivision Plan so long as such modifications do not unreasonably impair or diminish the appearance of the condominium project or the view, privacy or other significant attribute or amenity of any unit which adjoins or is approximate to the modified unit or Shared General Element. Any such modification shall require the approval of City of Tecumseh.

3. Compatibility of Improvements. Improvements constructed within the convertible areas described on the Condominium Subdivision Plan shall be reasonably compatible with the structures on other portions of the **THE PONDS OF BONNER HILLS** condominium project and subject to the approval of City of Tecumseh.

ARTICLE XIII

OPERATIVE PROVISIONS REGARDING EXPANSION, CONTRACTION OR CONVERSION OF THE CONDOMINIUM PROJECT

1. General. Any expansion, contraction or conversion of **THE PONDS OF BONNER HILLS** condominium project pursuant to Articles XI and X as set forth above in this Master Deed shall be governed by the provisions stated in this Article. If any amendment changes the boundaries of a condominium unit or the

addition or elimination of condominium units, a re-plat of the Condominium Subdivision Plan shall be prepared and recorded assigning a condominium unit number to each condominium unit in the amended project. The re-plat of the Condominium Subdivision Plan shall be designated with a re-plat number issued by Lenawee County pursuant to Section 67 of the Michigan Condominium Act.

2. Amendment of Master Deed and Modification of Percentages of Value. Any expansion, contraction or conversion of this condominium project shall be given effect by appropriate amendments to this Master Deed as provided by law. The amendment or amendments to the Master Deed shall be prepared by the **DEVELOPER** and state the percentages of value set forth in Article VI which shall be proportionately readjusted when applicable in order to preserve the total value of one hundred percent (100%) for the condominium project resulting from such amendments to this Master Deed. The precise determination of the readjustments and percentages of value shall be at the discretion of the **DEVELOPER**. Readjustments in the percentages of value shall reflect a continuing reasonable relationship among percentages of value based upon the original methods of determining percentages of value for the condominium project.

3. Redefinition of Shared General Common Elements. Amendments to the Master Deed shall also contain such further definitions and redefinition of Common Elements or Shared General Common Elements as may be necessary to adequately describe, serve and provide access to the additional parcel or parcels being added to (or withdrawn from) the condominium project by such amendments. **DEVELOPER** shall have the right to change the nature of any Shared General Common Element previously included in the condominium project for any purpose reasonably necessary to achieve the purposes of this Article, including, but not limited to, the connection of roads and walkways in the condominium project to any roads or walkways that may be located on, or planned for the area of future development or the contractible area and to provide access to any unit that is located on or planned for the area of future development or the contractible area.

4. Right to Modify Floor Plans. **DEVELOPER** further reserves the right to amend and alter the floor plans and/or elevations of any buildings and/or units described in the attached Condominium Subdivision Plan. The nature and appearance of all such buildings and/or units shall be determined by the **DEVELOPER** subject to the approval of the City of Tecumseh.

5. Consolidating Master Deed. A Consolidating Master Deed shall be recorded pursuant to the Michigan Condominium Act when the condominium project is finally concluded as determined by the **DEVELOPER** in order to incorporate into one set of instruments all successive stages of development. The Consolidating Master Deed, when recorded, shall supercede the previously recorded Master Deed and all amendments to the Master Deed. The Consolidating Master Deed and plans showing the condominium project as built shall be recorded not later than one (1) year after completion of construction.

6. Consent of Interested Persons. Co-Owners and Mortgagees of the units and other persons interested or to become interested in the condominium project shall be deemed to have irrevocably and unanimsously consented to such amendments to this Master Deed as may be proposed by the **DEVELOPER** to effectuate the purposes of Article X and to any proportionate reallocation of percentages of value of existing units which the **DEVELOPER** may determine necessary in conjunction with such amendments. The interested persons irrevocably appoint the **DEVELOPER** as agent and attorney for the purpose of execution of such amendments to the Master Deed and all other documents necessary to effectuate the amendments. The amendments may be effected without the necessity of re-recording the entire Master Deed or the exhibits to the Master Deed and may incorporate by reference all or any pertinent portions of this Master Deed and the exhibits to the Master Deed.

7. Approvals by City of Tecumseh. Amendments to the Master Deed which effect or require any approvals granted by City of Tecumseh shall not be effective unless the proposed amendment has been approved in writing by City of Tecumseh and the approval is indicated on the amendment to the Master Deed as recorded.

8. Termination of Right to Construct Units in Undeveloped Portions of Condominium Project. If the DEVELOPER does not withdraw the undeveloped portions of the condominium project before expiration of six (6) years from the date the DEVELOPER exercised its rights with respect to either expansion, contraction or rights of convertibility, whichever right was exercised last, such lands shall remain part of the condominium project as Shared General Common Elements and all rights to construct units upon that land shall terminate. In such an event, if it becomes necessary to adjust percentages of value as a result of fewer units existing, the Co-Owners or the Association may bring an action to require revisions to the percentages of value pursuant to the methods of determining percentages of value as set forth in this Master Deed and the Act.

ARTICLE XIV

AMENDMENT AND TERMINATION

1. General. THE PONDS OF BONNER HILLS condominium project shall not be terminated or any of the provisions of this Master Deed, Exhibit A, Exhibit B or Exhibit C be amended except as expressly provided in this Master Deed but subject to approval of the City of Tecumseh where required by ordinance or reservation.

2. Amendment by DEVELOPER Before Sale of Units. DEVELOPER, with the consent of any interested Mortgagee, may unilaterally amend the Condominium Documents if there are no Co-Owners other than the DEVELOPER subject to approval of City of Tecumseh where required by ordinance or reservation. An amendment under this section shall become effective upon the recording of the amendment in the Lenawee County Register of Deeds.

3. Amendment of Non-Material Condition. The Condominium Documents may be amended without the consent of Co-Owners or Mortgagees for any purpose if the amendment does not materially alter or change the rights of a Co-Owner or Mortgagee subject to approval of City of Tecumseh where required by ordinance or reservation. The DEVELOPER, for itself and for the Condominium Association, expressly reserves the right to amend the Condominium Documents for such a purpose. Amendments which do not materially alter or change the rights of a Co-Owner or Mortgagee include, but are not limited to, amendments modifying the types and sizes of unsold units and their appurtenant Shared General Common Elements, correcting survey or other errors made in the Condominium Documents or for the purpose of facilitating mortgage loan financing for existing or prospective Co-Owners and to enable the purchase of insurance of such mortgage loans by any institutional participant in the secondary mortgage market which purchases or insures mortgages. An amendment that does not materially change the rights of a Mortgagee further includes, but is not limited to, any change in the condominium documents that, in the written opinion of an appropriately licensed real estate appraiser does not detrimentally change the value of any unit affected by the change.

4. Amendment of Material Condition. The Master Deed and any Condominium Document may be terminated or amended, even if the amendment will materially alter or change the rights of the Co-Owners or Mortgagees, either by agreement of the DEVELOPER as provided or reserved in this Article or by an affirmative vote of not less than two thirds (2/3) of the Co-Owners and two thirds (2/3) vote of the first Mortgagees subject to approval of City of Tecumseh where required by ordinance or reservation. A Co-Owner

shall have one vote for each unit owned including DEVELOPER as to those units created by the Master Deed but not yet conveyed to third parties. A Mortgagee shall have one vote for each first mortgage held. The required votes may be achieved by written consents or by votes at any regular annual meeting or a special meeting called for such purpose or a combination of votes and consents. Mortgagees are not required to appear at any meeting of Co-Owners except that their approval shall be solicited through written ballots. Any Mortgagee ballots not returned within ninety (90) days of mailing shall be counted as approval for the change. For purposes of this provision, the affirmative vote of two-thirds (2/3) of Co-Owners is considered two-thirds (2/3) of all Co-Owners entitled to vote as of the record date for such votes.

5. Notice to Co-Owner/Voting of Co-Owners Regarding Amendments of Condominium Documents. Co-Owners shall be notified of any proposed amendments to the Master Deed or condominium documents not less than ten (10) days before the amendment is recorded in the Lenawee County Register of Deeds.

6. Voting of Mortgagees Regarding Amendments to Condominium Documents. The procedure for the voting of Mortgagees of units on amendments to the Master Deed or any of the condominium documents is as follows:

- (a) The date on which the proposed amendment is approved by the requisite majority of Co-Owners is considered the "control date".
- (b) Only those Mortgagees who hold a duly recorded mortgage or a duly recorded assignment of a mortgage against one (1) or more condominium units in the condominium project on the control date is entitled to vote on the amendment. Each Mortgagee entitled to vote shall have one (1) vote for each condominium unit in the project that is subject to its mortgage or mortgages, without regard to how many mortgages the Mortgagee may hold on a particular condominium unit.
- (c) The association of Co-Owners shall give a notice to each Mortgagee entitled to vote containing all of the following:
 - (1) A copy of the amendment or amendments as passed by the Co-Owners.
 - (2) A statement of the date that the amendment was approved by the requisite majority of Co-Owners.
 - (3) An envelope addressed to the entity authorized by the Board of Directors for tabulating Mortgagee votes.
 - (4) A statement containing language in substantially the form described in subsection (d).
 - (5) A ballot providing spaces for approving or rejecting the amendment and a space for the signature of the Mortgagee or an officer of the Mortgagee.
 - (6) A statement of the number of condominium units subject to the mortgage or mortgages of the Mortgagee.

- (7) The date by which the Mortgagee must return its ballot.
- (d) The notice provided by subsection (c) shall contain a statement in substantially the following form:
- “A review of the association records reveals that you are the holder of one (1) or more mortgages recorded against title to one (1) or more units in **THE PONDS OF BONNER HILLS** condominium. The Co-Owners of the condominium adopted the attached amendment to the condominium documents on (control date). Pursuant to the terms of the condominium documents and/or the Michigan Condominium Act, you are entitled to vote on the amendment. You have one (1) vote for each unit that is subject to your mortgage or mortgages.
- The amendment will be considered approved by Mortgagees if it is approved by 66-2/3% of the Mortgagees. In order to vote, you must indicate your approval or rejection on the enclosed ballot, sign it, and return it not later than ninety (90) days from (the control date). Failure to timely return a ballot will constitute a vote for approval. If you oppose the amendment, you must vote against it.”.
- (e) The association of Co-Owners shall mail the notice required by subsection (c) to the Mortgagee at the address provided in the mortgage or assignment for notices by certified mail, return receipt requested, postmarked within thirty (30) days after the control date.
- (f) The amendment is considered to be approved by the mortgagees if it is approved by 66-2/3% of the Mortgagees whose ballots are received, or are considered to be received by the entity authorized by the Board of Directors to tabulate Mortgagee votes not later than one hundred (100) days after the control date. In determining the one hundred (100) days, the control date itself shall not be counted but the one-hundredth day shall be included unless the one-hundredth day is a Saturday, Sunday, legal holiday, or holiday on which the United States postal service does not regularly deliver mail, in which case the last day of the 100 days shall be the next day that is not a Saturday, Sunday, legal holiday, or holiday on which the United States postal service does not regularly deliver mail.
- (g) The association of Co-Owners shall maintain a copy of the notice, proofs of mailing of the notice, and the ballots returned by Mortgagees for a period of two (2) years after the control date.
- (h) Notwithstanding any provision of the condominium documents to the contrary, Mortgagees are entitled to vote on amendments to the condominium documents only under the following circumstances:
- (1) Termination of the condominium project.
 - (2) A change in the method or formula used to determine the percentage of value assigned to a unit subject to the Mortgagee’s mortgage.
 - (3) A reallocation of responsibility for maintenance, repair, replacement, or decoration of a condominium unit or the Shared General Common Elements from the Association of Co-

Owners to the condominium unit subject to the Mortgagee's mortgage.

- (4) Elimination of a requirement for the Association of Co-Owners to maintain insurance on the project as a whole or a condominium unit subject to the Mortgagee's mortgage or reallocation of responsibility for obtaining or maintaining, or both, insurance from the Association of Co-Owners to the condominium unit subject to the Mortgagee's mortgage.
- (5) The modification or elimination of an easement benefiting the condominium unit subject to the Mortgagee's mortgage.
- (6) The partial or complete modification, imposition, or removal of leasing restrictions for condominium units in the condominium project.

7. Termination by DEVELOPER Before Sale of Units. If there is no Co-Owner other than the DEVELOPER, the DEVELOPER, with the consent of any interested Mortgagee, may unilaterally terminate the condominium project subject to approval of City of Tecumseh where required by ordinance or reservation. A termination under this section shall become effective upon the recording of the termination document in the Lenawee County Register of Deeds.

8. Termination by Co-Owners and DEVELOPER. If there is a Co-Owner other than DEVELOPER, then the project may be terminated only by the agreement of the DEVELOPER and an affirmative vote of not less than two thirds (2/3) of the Co-Owners and two thirds (2/3) vote of the Mortgagees subject to approval of City of Tecumseh where required by ordinance or reservation. A Co-Owner shall have one vote for each unit owned including the DEVELOPER as to all units created by the Master Deed but not yet conveyed to third parties. A Mortgagee shall have one vote for each first mortgage held. The required votes may be achieved by written consents or by votes at any regular annual meeting or a special meeting called for such purpose or a combination of votes and consents.

- (a) The agreement of the required majority of Co-Owners and Mortgagees to the termination of the project shall be evidenced by their execution of the termination agreement or of ratification of the termination agreement. The termination shall become effective only when the ratification agreement is recorded in the Lenawee County Register of Deeds.
- (b) Upon the recording of the instrument terminating the condominium project, the property constituting the condominium project shall be owned by the Co-Owners as tenants in common and proportionate to their respective undivided interests in the Shared General Common Elements immediately before the recording. As long as the tenancy in common lasts, each Co-Owner or their heirs, successors or assigns shall have an exclusive right of occupancy of that portion of the property which formerly constituted the unit.
- (c) On recording of an instrument terminating a project, any rights the Co-Owners may have to the assets of the Association shall be in proportion to their respective undivided interests in the Shared General Common Elements immediately before recording except that common profit shall be distributed in accordance with the Condominium Documents and the ACT.
- (d) Notification of termination by first class mail shall be sent to all parties interested in the condominium project, including escrow agents, land contract vendors, creditors, lien

holders and prospective purchasers who may have deposited funds under purchase agreements for units.

9. Amendment by DEVELOPER of Rights Reserved for DEVELOPER in Master Deed. The DEVELOPER may also make material amendments unilaterally without the consent of any Co-Owner or Mortgagee for the specific purposes reserved by the DEVELOPER in the Master Deed subject to approval of City of Tecumseh where required by ordinance or reservation. DEVELOPER reserves the right to amend the Master Deed or any of the Exhibits for any of the following purposes:

- (a) To amend the Condominium By-Laws of **THE PONDS OF BONNER HILLS**, and Condominium By-Laws of **BONNER HILLS CONDOMINIUM COMMUNITY** subject to any restrictions on amendments contained in the respective By-Laws.
- (b) To correct mathematical errors, typographical errors, survey or plan errors, deviations in construction or any similar errors in the Master Deed or Condominium Documents and to correct errors in the boundaries or locations of improvements.
- (c) To clarify or explain the provisions of the Master Deed or its Exhibits.
- (d) To comply with the ACT or rules promulgated under the ACT.
- (e) To create, grant, make, define or limit easements affecting the condominium property described in Article II.
- (f) To record an "as built" condominium subdivision plan and/or consolidating Master Deed and/or to designate any improvement shown on the plan as "must be built", subject to any limitations or obligations imposed by the ACT.
- (g) To eliminate reference to any right which DEVELOPER has reserved to itself in the Master Deed.

The rights reserved to the DEVELOPER in the Master Deed, Condominium By-Laws of **THE PONDS OF BONNER HILLS**, Condominium By-Laws of **BONNER HILLS CONDOMINIUM COMMUNITY** or other Condominium Documents may not be amended except by or with the consent of the DEVELOPER.

10. Recording. Amendments to the Master Deed and its Exhibits shall not be effective until the amendment is recorded in the Lenawee County Register of Deeds. A copy of the recorded amendment shall be mailed to each Co-Owner and any document terminating this condominium project shall not be effective until the termination document is recorded in the Lenawee County Register of Deeds. A copy of the recorded termination document shall be mailed to each Co-Owner.

11. Costs. Any party, person or Co-Owner causing or requesting an amendment to the condominium documents shall be responsible for costs, expenses and reasonable attorney fees of the amendment except for amendments based upon a vote of a prescribed majority of Co-Owners or based on the Condominium By-Laws of **THE PONDS OF BONNER HILLS** or Condominium By-Laws of **BONNER HILLS CONDOMINIUM COMMUNITY** directing that such costs shall be deemed expenses of administration.

ARTICLE XV

ASSIGNMENT

1. General. Any or all of the rights and powers granted or reserved to the **DEVELOPER** in the Condominium Documents or By-Laws may be assigned by the **DEVELOPER** to any other entity or to the Condominium Associations. Any such assignment shall be made by appropriate instrument and recorded in the Lenawee County Register of Deeds.

ARTICLE XVI

LIMITATION OF ACTIONS

1. General. A person shall not maintain any action against the **DEVELOPER**, residential builder, licensed architect, contractor, sales agent or manager of **THE PONDS OF BONNER HILLS** condominium project arising out of the development or construction of the Shared General Common Elements, or the management, operation, or control of the condominium project, more than three (3) years from the transitional control date or two (2) years from the date the cause of action accrues, whichever occurs later.

ARTICLE XVII

AUTHORITY OF DEVELOPER

1. General. The **DEVELOPER** or any of its Members, collectively or individually, prior to the transitional control date, shall have the authority to enter into any agreements, contracts and understandings as the authorized representative of **THE PONDS OF BONNER HILLS CONDOMINIUM ASSOCIATION, INC.** and as authorized representative of the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION, INC.** including the adoption of Condominium By-Laws, Private Road Easement Agreements, Private Road Maintenance Agreements or any other documents necessary for the establishment of **THE PONDS OF BONNER HILLS** condominium project consistent with the terms and provisions of this Master Deed, City of Tecumseh Ordinances and the Michigan Condominium Act.

BON-TEC DEVELOPMENT COMPANY, LLC

Heidi Habuda
Heidi Habuda
Joseph C. Kapelusz
Joseph C. Kapelusz
Josiah C. Kappelczak
Josiah C. Kappelczak

BY: *[Signature]*
Quirino D'Alessandro, Managing Member
BY: *Member*

STATE OF MICHIGAN)
) ss.
COUNTY OF *Genawee*

The foregoing instrument was acknowledged before me this *1st* day of *October*, 2013,
by Quirino D'Alessandro, Managing Member for Bon-Tec Development Company, LLC, on
behalf of the limited liability company.

Adelaide Zalewski
_____, Notary Public
Macomb County, MI
Acting in *Genawee* County, MI
My commission expires: *Jan 29, 2018*



PREPARED BY AND WHEN RECORDED
RETURN TO:

Matthew C. Quinn, Esq.
Seglund Gabe Quinn Gatti & Pawlak
28345 Beck Road, Suite 401
Wixom, MI 48393

LIBER 2477 PAGE 0136 22 of 109

EXHIBIT "A"

CONDOMINIUM BY-LAWS
OF
THE PONDS OF BONNER HILLS

ARTICLE I
ASSOCIATION OF CO-OWNERS

1. Organization. **THE PONDS OF BONNER HILLS** is a residential condominium project located in City of Tecumseh, Lenawee County, Michigan and shall be administered by an Association of Co-Owners organized as a non-profit corporation under the laws of the State of Michigan. The Condominium Association will be responsible for the management, maintenance, operation and administration of the common elements, easements and affairs of the condominium in accordance with the Master Deed, Condominium By-Laws of **THE PONDS OF BONNER HILLS**, Condominium By-Laws of **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION**, Michigan Condominium Act (MCL 559.101, et seq.) and the laws of the State of Michigan. The Condominium Project is a single phase construction and consists of thirty two (32) single family site condominium units.

2. Compliance. All present and future Co-Owners, Mortgagees, lessees and other persons who may in any manner use the condominium project or any unit in the condominium project shall be subject to and comply with the Michigan Condominium Act, Master Deed, Articles of Incorporation for **THE PONDS OF BONNER HILLS**, Articles of Incorporation for **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION**, Condominium By-Laws for **THE PONDS OF BONNER HILLS**, Condominium By-Laws for **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION**, laws of the State of Michigan and any other condominium documents that pertain to the use and operation of the condominium property. The acceptance of a deed or conveyance, taking of a mortgage, the execution of a lease or the act of occupancy of a unit in the condominium project shall constitute an acceptance of the provisions of these condominium documents and an agreement to comply with the condominium documents.

3. Purpose of By-Laws of THE PONDS OF BONNER HILLS These Condominium By-Laws of **THE PONDS OF BONNER HILLS** shall govern the general operation, maintenance, administration, use and occupancy of the thirty two (32) single family site condominium units located in the condominium project and all activities shall be performed in accordance with the provisions of these Condominium By-Laws of **THE PONDS OF BONNER HILLS** and the condominium documents.

**ARTICLE II
DEFINITIONS**

1. General. There are terms utilized in the Master Deed and in various other documents relating to the condominium project such as the Articles of Incorporation of **THE PONDS OF BONNER HILLS**, Condominium By-Laws of **THE PONDS OF BONNER HILLS**, Condominium By-Laws of **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION**, deeds, mortgages, liens, land contracts, easements and other documents affecting the real property interests in the project. As used in such documents, the following definitions apply unless the context clearly indicates to the contrary.

- (a) "ACT" means the Michigan Condominium Act, as amended (MCL 559.101, et seq.; Public Act 59 of the Public Acts of 1978, as amended).
- (b) "Association", "Associations", "Condominium Association" or "Condominium Associations" mean the non-profit corporation or non-profit corporations organized under Michigan law for governance of the condominium project and are more specifically identified as follows:
 - (1) **THE PONDS OF BONNER HILLS** is a non-profit corporation organized under Michigan law of which all the Co-Owners of the thirty two (32) single family site condominium units shall be members. This Association shall operate, manage and maintain the thirty two (32) single family site condominium units in the condominium project. Any action required of or permitted to the **THE PONDS OF BONNER HILLS** shall be exercised by its Board of Directors unless specifically reserved to its members by the Condominium Documents or Michigan law.
 - (2) **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** is a non-profit corporation organized under Michigan law of which the thirty two (32) single family site condominium unit Co-Owners of **THE PONDS OF BONNER HILLS** and the forty seven (47) single family site condominium unit Co-Owners of **BONNER HILLS ESTATES** and the attached condominium unit Co-Owners of **BONNER HILLS VILLAS** condominium project shall be members. This Association shall operate, manage and maintain the Shared General Common Elements as defined in the Master Deed. Any action required of or permitted to the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** shall be exercised by its Board of Directors unless specifically reserved to its members by the Condominium Documents or Michigan law.
- (c) "Building Envelope for **THE PONDS OF BONNER HILLS**" means that portion of each of the thirty two (32) single-family site condominium units located in the condominium project and within which the Co-Owner may construct improvements such as a residence. There shall not be any structures built outside of the Building Envelope within each single-family condominium unit as shown on the **THE PONDS OF BONNER HILLS** Condominium Subdivision Plan attached as Exhibit B without the advance written approval of **THE PONDS OF BONNER HILLS** and City of Tecumseh, if applicable.

- (d) "Common Elements", where used without modification, shall mean the General Common Elements described in Article IV of the Master Deed.
- (e) "Condominium By-Laws" shall mean the corporate and Co-Owner's Association By-laws of **THE PONDS OF BONNER HILLS**, and, where applicable, **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** and more specifically as follows:
 - (1) **THE PONDS OF BONNER HILLS'** By-Laws are attached as Exhibit A to the Master Deed. These By-Laws are required to be recorded as part of the Master Deed under Section 3(8) of the Act, as amended. These By-Laws shall also constitute the corporate By-Laws of the Co-Owners of the thirty two (32) single-family site condominium units in the project as provided under the Michigan Non-Profit Corporation Act.
 - (2) **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION'S** By-Laws are attached as Exhibit C to the Master Deed. These Bylaws are required to be recorded as part of the Master Deed under Section 3(8) of the Act, as amended. These By-Laws shall also constitute the corporate By-Laws of the non-profit corporation in which all of the Co-Owners of condominium units of the **THE PONDS OF BONNER HILLS** condominium project and all of the Co-Owners of **BONNER HILLS ESTATE** and all of the Co-Owners of the **BONNER HILLS VILLAS** condominium project are the members and which shall have exclusive governance of the Shared General Common Elements as set forth in the Master Deed for **THE PONDS OF BONNER HILLS** condominium project and the Master Deed for **BONNER HILLS ESTATES** and the Master Deed for **BONNER HILLS VILLAS** condominium project as provided under the Michigan Non-Profit Corporation Act.
- (f) "Condominium Documents" mean the Master Deed, Articles of Incorporation of **THE PONDS OF BONNER HILLS**, Condominium By-Laws of **THE PONDS OF BONNER HILLS, INC.**, Articles of Incorporation of **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION**, Condominium By-Laws of **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** and any other documents referred to or incorporated by the Master Deed that affect the rights and obligations of a Co-Owner in the condominium project.
- (g) "Condominium Project" means this **THE PONDS OF BONNER HILLS** condominium project established pursuant to the Michigan Condominium Act.
- (h) "Condominium Subdivision Plan for **THE PONDS OF BONNER HILLS**" means Exhibit B attached to the Master Deed.
- (i) "Condominium Unit" or "Unit" means that part of the condominium project designed and intended for separate ownership and use as described in the Master Deed.
- (j) "Co-Owner" or "Member" means a person, corporation, limited liability company, partnership, association, trust or any other legal entity or combination of legal entities

who own legal or equitable title to a condominium unit in the project including the vendee of a land contract who is not in default on the purchase.

- (k) "DEVELOPER" means Bon-Tec Development Company, LLC, a Michigan limited liability company, which is the legal entity that has executed the Master Deed and includes its successors and assigns. The DEVELOPER is the Co-Owner of the real property dedicated as the condominium project and will develop the condominium project.
- (l) "First Annual Meeting" means the initial meeting at which the non-DEVELOPER Co-Owners of the Association are permitted to vote for the election of all Directors of their Association and upon all of the matters which properly may be brought before the meeting of their Association. Such meeting (i) may be held at any time, in the DEVELOPER'S sole discretion, after fifty (50%) percent of the units to be created are sold, and (ii) must be held within (a) fifty four (54) months from the date of the first unit conveyance or (b) one hundred twenty (120) days after seventy five (75%) percent of all units which may be created are sold, whichever date/event occurs first.
- (m) "Master Deed" means the Master Deed for **THE PONDS OF BONNER HILLS** including Exhibits A, B and C which are attached and incorporated by reference.
- (n) "Mortgagee" means the individual, financial institution, corporation, limited liability company, partnership or other legal entity holding a first mortgage lien on an individual unit in **THE PONDS OF BONNER HILLS**.
- (o) "Percentage of Value" means the percentage assigned to each unit by the Master Deed and corresponds to the proportionate share of each Co-Owner in the Common Elements of the project. The Percentage of Value of a Co-Owner in the **THE PONDS OF BONNER HILLS** and the Percentage of Value of the Co-Owner in the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** will determine the value of the Co-Owner's vote at any meetings of the respective Condominium Associations when voting by value.
- (p) "Shared General Common Elements" means those Common Elements of the **THE PONDS OF BONNER HILLS** condominium project and **BONNER HILLS ESTATES** condominium project and **BONNER HILLS VILLAS** condominium project described in Article IV which are shared for the use and enjoyment of all Co-Owners of **THE PONDS OF BONNER HILLS** and **BONNER HILLS ESTATES** and **BONNER HILLS VILLAS** and subject to such charges as may be assessed to defray the operational costs and maintenance of such Shared General Common Elements and all of which are subject to the governance of **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION**
- (q) "Transitional Control Date" means the date on which the Board of Directors of **THE PONDS OF BONNER HILLS** take office pursuant to an election where the votes which may be cast by eligible Co-Owners unaffiliated with the DEVELOPER exceed the votes that may be cast by the DEVELOPER.

Terms which are not defined in this Article or Master Deed but are defined in the Act shall have the meaning provided such terms in the Act unless the context clearly indicates to the contrary. Whenever any reference is made to one gender, the same shall include a reference to any and all genders where such a reference would be appropriate. Whenever a reference is made to the singular, a reference shall also be included to the plural where such a reference would be appropriate.

ARTICLE III ASSOCIATION MEMBERSHIP AND VOTING

1. **Membership.** Each present and future Co-Owner of a unit in the **THE PONDS OF BONNER HILLS** shall be a member of the **THE PONDS OF BONNER HILLS** and a member of the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** during the term of such ownership. No other person or entity shall be entitled to membership. The share of a member in the funds and assets of the **THE PONDS OF BONNER HILLS** and **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** may be assigned, pledged or transferred only as an appurtenance to the condominium unit.

2. **Voting Rights of Co-Owners in THE PONDS OF BONNER HILLS** Each Co-Owner of a unit in **THE PONDS OF BONNER HILLS** shall collectively be entitled to one vote for each unit owned when voting by number and one vote, the value of which shall equal the total of the percentages assigned to the **THE PONDS OF BONNER HILLS** units owned by the Co-Owner as stated in the Master Deed, when voting by value. Voting shall be by number except when voting is specifically required to be both by value and by number. Cumulative voting is not permitted. Co-Owners of units in **THE PONDS OF BONNER HILLS** and the **DEVELOPER** are entitled to vote. A Co-Owner, other than the **DEVELOPER**, may not vote at a meeting of **THE PONDS OF BONNER HILLS** until the Co-Owner presents written evidence of ownership of a **THE PONDS OF BONNER HILLS** condominium unit in the condominium project. A Co-Owner may not vote before the initial meeting of members except for elections held pursuant to Article III of these Condominium By-Laws for **THE PONDS OF BONNER HILLS**. The **DEVELOPER** may only vote for those units to which title is owned by the **DEVELOPER** and for which the **DEVELOPER** is paying the full monthly assessment in effect when the vote is cast. If required by **THE PONDS OF BONNER HILLS**, a person entitled to cast a vote may be designated by a certificate signed by all record owners of the unit and filed with the Secretary of **THE PONDS OF BONNER HILLS** that this person is the designated representative to cast the vote for the unit and receive all notices and other communications from **THE PONDS OF BONNER HILLS**. Such a certificate shall state the name and address of the designated representative, the number of units owned and the name and address of the parties who are the legal Co-Owners. The certificate shall be valid until revoked, superseded by a subsequent certificate or until ownership of the subject unit changes.

3. **Voting Rights in BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** Each Co-Owner of a unit in **THE PONDS OF BONNER HILLS** shall be a member in **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** and collectively be entitled to one vote for each unit owned when voting by number and one vote, the value of which shall equal the total of the percentages assigned to the units owned by the Co-Owners as stated in the Master Deed, when voting by value. Voting shall be by number, except when voting is specifically required to be both by value and by number. Cumulative voting is not permitted. Co-Owners of units in the condominium project and the **DEVELOPER** are entitled to vote. A Co-Owner, other than the **DEVELOPER**, may not vote at a meeting of the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** until the Co-Owner presents written evidence of ownership of a condominium unit in the condominium project. A Co-Owner may not vote before the initial meeting of members except for elections held pursuant to Article III of the Condominium By-Laws for **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION**. The **DEVELOPER** may only vote

for those units to which title is owned by the **DEVELOPER** and for which the **DEVELOPER** is paying the full monthly assessment in effect when the vote is cast. If required by the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION**, a person entitled to cast a vote may be designated by a certificate signed by all record owners of the unit and filed with the Secretary of the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** that this person is the designated representative to cast the vote for the unit and receive all notices and other communications from the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION**. Such a certificate shall state the name and address of the designated representative, the number of units owned and the name and address of the parties who are the legal Co-Owners. The certificate shall be valid until revoked, superseded by a subsequent certificate or until ownership of the subject unit changes.

4. Method of Voting. Votes may be cast in person or by proxy. Proxies shall be valid only for the particular meeting designated and for any adjournment of that meeting. Proxies must be filed with the **THE PONDS OF BONNER HILLS** and/or the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** before the appointed time of the meeting. Any Co-Owner entitled to vote at a meeting may also appear and vote telephonically or by other reasonably accepted and reliable form of media communication.

5. Majority. At any meeting of members of **THE PONDS OF BONNER HILLS** at which a quorum is present, 51% of the Co-Owners entitled to vote and present under the terms of these **THE PONDS OF BONNER HILLS** Condominium By-Laws, in accordance with the percentages allocated to each **THE PONDS OF BONNER HILLS** condominium unit in the Master Deed for the condominium project, shall constitute a majority for the approval of any matters presented at the meeting except as otherwise required in the Master Deed, Articles of Incorporation for **THE PONDS OF BONNER HILLS**, Condominium By-Laws for **THE PONDS OF BONNER HILLS**, Michigan Condominium Act or by Michigan law.

ARTICLE IV MEETINGS AND QUORUM OF THE PONDS OF BONNER HILLS

1. First Meeting of Members of THE PONDS OF BONNER HILLS. The first meeting of the members of **THE PONDS OF BONNER HILLS** may be convened only by the **DEVELOPER** and may be called at any time within one hundred twenty (120) days after the conveyance of legal or equitable title to non-developer Co-Owners of 50% of the units that may be created; and must be held within fifty four (54) months after the first conveyance of legal or equitable title to a non-developer Co-Owner of a unit in the Condominium Project or one hundred twenty (120) days after 75% of all units which may be created are sold, whichever date/event occurs first. The **DEVELOPER** may call meetings of members of **THE PONDS OF BONNER HILLS** for informational or other appropriate purposes before the first meeting. Such informational meeting shall not be construed as the first meeting of members. The date, time and place of such first meeting of members shall be set by written notice of the **DEVELOPER** to each Co-Owner and shall provide at least ten (10) days notice before the meeting date.

2. Annual Meetings. Annual meetings of members of **THE PONDS OF BONNER HILLS** shall be held at a time and place established by the Board of Directors in each succeeding year after the year in which the first annual meeting is conducted. At least ten (10) days written notice of the time, place and purpose of the annual meeting shall be mailed to each member entitled to vote at the meeting. At such annual meetings, the Board of Directors shall be elected by ballot of the members in accordance with Article VI of these Condominium By-Laws for **THE PONDS OF BONNER HILLS**. The members shall also transact such other

business of **THE PONDS OF BONNER HILLS** as may properly come before them or be introduced at such annual meetings.

3. **Special Meetings.** The President shall have the exclusive authority to call a special meeting of members if such a special meeting has been directed by resolution of the Board of the Directors or upon a petition signed by one third (1/3) of the members presented to the Secretary of **THE PONDS OF BONNER HILLS**. At least ten (10) days written notice of the time, place and purpose of the special meeting shall be mailed to each member entitled vote at the special meeting. There shall not be any business conducted at a special meeting except as stated in the notice of the special meeting.

4. **Notice of Meetings.** The Secretary shall mail the notice of any annual meeting or special meeting to each Co-Owner at least ten (10) days before any such meeting.

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 date and time approved by the Co-Owners in attendance at least ten (10) days after the existing meeting.

6. **Quorum.** The presence in person, or by proxy, of 35% of the owner's qualified to vote, in number and in value, shall constitute a quorum for holding a meeting of the members of the association, except for voting on questions specifically required by the Project 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 question upon which the vote is cast.

ARTICLE V ADVISORY COMMITTEE OF THE PONDS OF BONNER HILLS

1. **General.** Within one (1) year after conveyance of legal or equitable title to the first unit in the condominium project to a purchaser or within one hundred twenty (120) days after conveyance of legal or equitable title to Co-Owners of one third (1/3) of the total number of units created, whichever date/event occurs first, the **DEVELOPER** shall appoint three non-**DEVELOPER** Co-Owners to serve as an Advisory Committee for **THE PONDS OF BONNER HILLS**. The purpose of the Advisory Committee shall be to facilitate communications between the temporary Board of Directors and the non-**DEVELOPER** Co-Owners to aid in the transfer of control to **THE PONDS OF BONNER HILLS, INC.** The Advisory Committee for **THE PONDS OF BONNER HILLS** shall cease to exist automatically when the non-**DEVELOPER** Co-Owners have the requisite voting authority to elect a majority of the Board of Directors of **THE PONDS OF BONNER HILLS**. The **DEVELOPER** may remove and replace any member of the Advisory Committee for **THE PONDS OF BONNER HILLS** who has not been elected by the Co-Owners at the discretion of the **DEVELOPER**.

ARTICLE VI BOARD OF DIRECTORS, OFFICERS AND ADMINISTRATION OF THE PONDS OF BONNER HILLS

1. **Board of Directors.** The business, property and affairs of **THE PONDS OF BONNER HILLS** shall be managed by the Board of Directors. The composition of the first Board of Directors and successor Board of Directors shall be established as provided in this Article. The members of the Board of Directors of

THE PONDS OF BONNER HILLS CONDOMINIUM ASSOCIATION, INC. elected at and after the first annual meeting of the members of **THE PONDS OF BONNER HILLS** must be members of **THE PONDS OF BONNER HILLS** Directors shall serve without compensation.

2. Election of Directors.

- a. First Board of Directors. The First Board of Directors shall be appointed by the **DEVELOPER** and shall consist of three (3) persons. The first Board of Directors shall manage the affairs of **THE PONDS OF BONNER HILLS, INC.** until the appointment of the first non-**DEVELOPER** Co-Owner to the Board of Directors. All actions of the First Board of Directors of **THE PONDS OF BONNER HILLS, INC.** before the first meeting of members shall be binding on **THE PONDS OF BONNER HILLS, INC.** as though the actions had been authorized by the Board of Directors elected by the members of **THE PONDS OF BONNER HILLS, INC.** at the initial meeting or any subsequent meeting as long as such actions are within the scope of the powers and duties that may be exercised by the Board of Directors as provided in the condominium documents.
- b. Appointment of Non-DEVELOPER Co-Owners to Board Prior to First Annual Meeting. Not later than one hundred twenty (120) days after conveyance of legal or equitable title to non-**DEVELOPER** Co-Owners of 25% of the total number of units in the condominium project, one out of the three Directors for **THE PONDS OF BONNER HILLS, INC.** shall be selected by non-**DEVELOPER** Co-Owners. When the required percentage of conveyances has been reached, the **DEVELOPER** shall notify the non-**DEVELOPER** Co-Owners and request that they hold a meeting and elect the required Director. Upon certification to the **DEVELOPER** by the Co-Owners of the identity of the Director selected, the **DEVELOPER** shall immediately appoint such Director to the Board of Directors to serve until the first annual meeting of members unless the non-**DEVELOPER** Director position becomes vacant by reason of removal, resignation, incapacity, death or other cause.
- c. Election of Directors At and After First Annual Meeting.
 - (1) Not later than one hundred twenty (120) days after conveyance of legal or equitable title to non-**DEVELOPER** Co-Owners of 75% of the total number of the units in the condominium project, the non-**DEVELOPER** Co-Owners shall select all Directors to the Board of Directors of **THE PONDS OF BONNER HILLS** except that the **DEVELOPER** shall have the right to designate at least one Director as long as the units that remain titled in the **DEVELOPER** equal at least 10% of all units in the condominium project. When the 75% conveyance level is obtained, a meeting of Co-Owners of **THE PONDS OF BONNER HILLS** shall be promptly convened to effectuate this provision even if the first annual meeting has already occurred.
 - (2) Not later than fifty four (54) months after the first conveyance of legal or equitable title to a non-**DEVELOPER** Co-Owner of a unit in the condominium project and regardless of the percentage of units which have been conveyed, the

non-DEVELOPER Co-Owners have the right to elect a number of members of the Board of Directors of **THE PONDS OF BONNER HILLS** equal to the percentage of units then owned in the condominium project by them and the DEVELOPER has the right to elect a number of members of the Board of Directors equivalent to the percentage of units owned by the DEVELOPER in the project and for which all assessments are payable/paid by the DEVELOPER. Selection may increase, but shall not reduce, the minimum election and designation rights otherwise established in subsection (1) of this provision. Application of this subsection does not require an increase in the number of the Directors comprising the Board of Directors of **THE PONDS OF BONNER HILLS**. If a fractional number is produced, then a fractional election result 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 of **THE PONDS OF BONNER HILLS** that the non-DEVELOPER Co-Owners has the right to elect. Application of this subsection shall not eliminate the right of the DEVELOPER to designate one Director as provided in subsection (1).

- (3) At the first annual meeting of members, the number of Directors comprising the Board of Directors for **THE PONDS OF BONNER HILLS** shall be increased to five Directorships. The Directors shall be elected by majority vote of the Co-Owners/members. The Directors shall hold office until their successors have been elected at subsequent annual meetings of Co-Owners/members.
- (4) Once the Co-Owners of **THE PONDS OF BONNER HILLS** have acquired the right to elect a majority of the Board of Directors of **BONNER HILLS CONDOMINIUM COMMUNITY**, annual meetings of Co-Owners to elect Directors and conduct other **THE PONDS OF BONNER HILLS** business shall be held in accordance with the provisions of this Article VI of these Condominium By-Laws of **THE PONDS OF BONNER HILLS**.

3. **Powers and Duties.** The Board of Directors of **THE PONDS OF BONNER HILLS** shall have the powers and duties necessary for the administration of the affairs of **THE PONDS OF BONNER HILLS** and may do all things which are not prohibited by the condominium documents. The powers and duties to be exercised by the Board of Directors of **THE PONDS OF BONNER HILLS** shall include, but not be limited to, the following:

- a. To manage and administer the business affairs of **THE PONDS OF BONNER HILLS** and to maintain the condominium project and Common Elements of the condominium project as stated in the Master Deed.
- b. To develop an annual budget for **THE PONDS OF BONNER HILLS** and to levy, collect and disburse assessments against and from the members of **THE PONDS OF BONNER HILLS** and to use the proceeds for the purposes of **THE PONDS OF BONNER HILLS** and to impose late charges for non-payment of **THE PONDS OF BONNER HILLS** assessments.
- c. To prepare and distribute an annual financial statement to the Co-Owners of **THE PONDS OF BONNER HILLS**. The annual financial statement shall contain an itemized

statement of the income, expenses, related budget reports and such other reports as the Board of Directors may deem necessary.

- d. To procure and maintain insurance and to collect and allocate any insurance proceeds.
- e. To maintain, repair, restore or rebuild the Common Elements of the condominium project and any improvements located in the condominium project as provided in the Master Deed.
- f. To negotiate on behalf of **THE PONDS OF BONNER HILLS** and Co-Owners in regard to the taking of any of the condominium project property by eminent domain or condemnation.
- g. To employ, supervise and discharge persons, firms, corporations or agents who have been engaged in the management, operation, maintenance and administration of the condominium project and **THE PONDS OF BONNER HILLS**
- h. To adopt and amend rules and regulations of the condominium project and **THE PONDS OF BONNER HILLS** that is consistent with the Master Deed, Articles of Incorporation for **THE PONDS OF BONNER HILLS**, Condominium By-Laws of **THE PONDS OF BONNER HILLS**, condominium documents and the Michigan Condominium Act.
- i. To open bank accounts, borrow money and issue evidences of indebtedness to further the purposes of **THE PONDS OF BONNER HILLS** including, but not limited to, mortgages, security agreements, pledges or liens on **THE PONDS OF BONNER HILLS** condominium project property provided that any such mortgage, security agreement, pledge or other lien instrument on **THE PONDS OF BONNER HILLS** condominium project property shall be approved by an affirmative vote of 60% of all members of **THE PONDS OF BONNER HILLS**
- j. To establish committees, subcommittees or other advisory entities for the purpose of implementing the administration of **THE PONDS OF BONNER HILLS**, and to delegate to such committees the functions and responsibilities which are reserved exclusively for the Board of Directors of **THE PONDS OF BONNER HILLS** in the condominium documents.
- k. To grant permits and licenses for the use of the Common Elements and purposes consistent with the condominium documents and the Michigan Condominium Act.
- l. To authorize the signing of contracts, deeds of conveyance, easements and rights-of-way affecting any **THE PONDS OF BONNER HILLS** real property or personal property of the condominium project on behalf of the Co-Owners.
- m. To repair, restore or rebuild the Common Elements of the condominium project property and any improvements located on the Common Elements that may be damaged or destroyed by fire or other casualty as provided in the Master Deed.

- n. To assert, defend or settle claims on behalf of all Co-Owners in connection with the Common Elements of the condominium project as permitted or authorized in the Master Deed.
- o. To enforce any and all provisions of the condominium documents.
- p. To perform such other duties as may be required or necessary or imposed by resolutions of the members of **THE PONDS OF BONNER HILLS**

4. Management Agent. The Board of Directors may employ a professional management agent for **THE PONDS OF BONNER HILLS** to perform such duties and services as the Board shall authorize. The **DEVELOPER** may serve as professional managing agent if appointed by the Board of Directors but only prior to the Transitional Control Date. Upon the Transitional Control Date, or within ninety (90) days after the Transitional Control Date, the Board of Directors may terminate any service or management contract with the **DEVELOPER**. In no event shall the Board of Directors be authorized to enter into any contract with a professional management agent or any contract providing for services by the **DEVELOPER**, sponsor or builder, in which the maximum term is greater than one (1) year or which is not terminable by **THE PONDS OF BONNER HILLS** upon ninety (90) days written notice to the other party and no such contract shall violate the provision of Section 55 of the Michigan Condominium Act.

5. Vacancies on Board of Directors. Vacancies on the Board of Directors which occur after the Transitional Control Date caused by any reason other than the removal of a Director by a vote of the members of **THE PONDS OF BONNER HILLS** shall be filled by vote of the majority of the remaining Directors except that the **DEVELOPER** shall be solely entitled to fill the vacancy of any Director whom it is permitted to designate under the condominium documents. Any person elected to a vacancy shall be a Director until his successor is elected at the next annual meeting of the members of **THE PONDS OF BONNER HILLS**. Vacancies among non-**DEVELOPER** Co-Owner elected Directors which occur prior to the Transitional Control Date may be filled only through election by non-**DEVELOPER** Co-Owners and shall be filled in the manner specified in Section 2(b) of this Article.

6. Removal. At any regular or special meeting of **THE PONDS OF BONNER HILLS** called pursuant to the requisite notice, 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 value of all of the Co-Owners of **THE PONDS OF BONNER HILLS**. A successor Director may immediately be elected to fill any vacancy created by removal. The quorum requirement for purpose of filling any vacancy shall be 50% in number and value. A 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. Likewise, any Director selected by the non-**DEVELOPER** Co-Owners to serve before the first annual meeting may be removed before the first annual meeting in the same manner set forth in this paragraph 6.

7. First Meeting. The first meeting of a newly elected Board of Directors of **THE PONDS OF BONNER HILLS** shall be held within ten (10) days of election at such place and time as shall be fixed by the Directors at the meeting in which they were elected and notice of the first meeting will not be necessary in order to legally constitute such meeting provided a majority of the Board of Directors of **THE PONDS OF BONNER HILLS** shall be present.

8. Regular Meetings. Regular meetings of the Board of Directors may be held at such places and times as shall be determined by a majority of the Directors but at least two (2) such meetings shall be held annually. Notice of regular meetings of Board of Directors shall be given to each Director by written or oral communication at least ten (10) days prior to the date of such meeting.

9. Special Meetings. Special meetings of the Board of Directors may be called by the President on three (3) days written notice to each Director. The notice of the special meeting shall state the place, time and purpose of the meeting. Special meetings may also be called by the President or Secretary on written request of two (2) or more Directors. The business conducted at the special meeting of Directors shall be limited to the purpose contained in the notice of the special meeting.

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 place, time and purpose of the meeting. If all of the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting unless otherwise restricted to the purpose of a special meeting.

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 actions 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 place and time as may be determined by the Directors present. At any such adjourned meeting, any business which may have been transacted at the meeting as originally called may be transacted without further notice. Joinder of a Director in the action of a meeting by signing and concurring to the minutes of such meeting shall constitute the presence of such Director for purposes of determining a quorum.

ARTICLE VII OFFICERS

1. Officers. The principal officers of **THE PONDS OF BONNER HILLS** shall be a President, a Vice President, a Secretary and a Treasurer. The President shall be a member of the Board of Directors as a condition of the office of Presidency. The Directors may appoint such other officers as may be necessary in its discretion. Any two offices may be held by a single person.

- a. President. The President shall be the Chief Executive Officer of **THE PONDS OF BONNER HILLS**. The President shall preside at all meetings of the Condominium Association and the Board of Directors. He shall have all the general powers and duties which are usually vested in the office of President of a non-profit corporation including, but not limited to, the authority to appoint committees from among the members of **THE PONDS OF BONNER HILLS** Association and perform such other actions as may be necessary to conduct the business affairs of **THE PONDS OF BONNER HILLS**.
- b. Vice President. The Vice President shall perform the duties of President whenever the President shall be absent or unable to act. The Vice President shall also perform such other duties as may be directed by the President or Board of Directors.

- c. **Secretary.** The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the members of **THE PONDS OF BONNER HILLS**. The Secretary shall have charge of the corporate books and documents of **THE PONDS OF BONNER HILLS**. The Secretary shall also perform such other duties as may be directed by the President or Board of Directors.
 - d. **Treasurer.** The Treasurer shall have the responsibility for operation, management and preservation of the funds and securities of **THE PONDS OF BONNER HILLS**. The Treasurer shall also be responsible for maintaining full and accurate accounts of all receipts and disbursements in the financial books and records of **THE PONDS OF BONNER HILLS**. The Treasurer shall also be responsible for the deposit of any and all monies and other valuable effects in the name and credit of **THE PONDS OF BONNER HILLS**. The Treasurer shall also perform such other duties as may be directed by the President or Board of Directors.
2. **Election.** The officers of **THE PONDS OF BONNER HILLS** shall be elected annually by the Board of Directors at the organizational meeting of each new Board of Directors. The officers shall hold office at the pleasure of the Board of Directors.
 3. **Removal.** Any officer of **THE PONDS OF BONNER HILLS** may be removed, with or without cause, upon affirmative vote of the majority of the members of the Board of Directors of **THE PONDS OF BONNER HILLS**. An officer may be removed at any regular meeting of the Board of Directors or any special meeting of the Board called for such purpose. Any removal action must be stated 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. The Board of Directors may immediately elect the successor to any officer removed at any general or special meeting for that purpose.
 4. **Duties.** The officers of **THE PONDS OF BONNER HILLS** shall have such other duties, powers, responsibilities and authority as authorized by the Board of Directors of **THE PONDS OF BONNER HILLS**.

**ARTICLE VIII
INDEMNIFICATION OF DIRECTORS AND OFFICERS
OF THE PONDS OF BONNER HILLS**

1. **Indemnification.** The directors and officers of **THE PONDS OF BONNER HILLS** shall be indemnified for liabilities and expenses, including reasonable attorney fees, incurred by or imposed upon such directors and officers as a result of any legal or administrative proceedings to which such director or officer was a party or is a party or is threatened to be a party. The Board of Directors shall approve any and all director and officer indemnification. Indemnification of such directors and officers shall be provided regardless of whether a person is a director or officer at the time such expenses are incurred. Indemnification is expressly excluded for willful or wanton misconduct or gross negligence as required by the Michigan Condominium Act. The Board of Directors shall provide at least ten (10) days notice to the Co-Owners of any indemnification payment to a director or officer that has been approved by the Board of Directors. The Board of Directors is also authorized to carry directors' and officers' liability insurance in such amounts as deemed to be reasonable and appropriate in its discretion. The right of indemnification for directors and officers as provided in this provision

shall be in addition to and not exclusive of any statutory rights of indemnification to which such director or officer may be entitled under the Michigan Non-Profit Business Corporation Act.

ARTICLE IX FINANCE AND ACCOUNTING RECORDS

1. **Records.** **THE PONDS OF BONNER HILLS** shall maintain detailed books of account showing all expenditures and receipts of administration and which shall specify the maintenance and repair expenses of the Common Elements and such other expenses incurred by or on behalf of **THE PONDS OF BONNER HILLS** and the Co-Owners of **THE PONDS OF BONNER HILLS**. The accounting records and all other **THE PONDS OF BONNER HILLS** records shall be available for inspection by the Co-Owners and their Mortgagees during reasonable working hours. **THE PONDS OF BONNER HILLS** shall prepare and distribute a financial statement at least once a year to each Co-Owner of **THE PONDS OF BONNER HILLS**. The accounting records shall be reviewed at least annually by a qualified independent auditor. Mortgagees of any **THE PONDS OF BONNER HILLS** condominium unit in the condominium project shall be entitled to receive a copy of such annual reviewed financial statement within ninety (90) days following the end of the tax reporting period of **THE PONDS OF BONNER HILLS** upon written request. The costs of any such review and any accounting expenses shall be expenses of administration. If an audited financial statement is not available, any Mortgagee of a **THE PONDS OF BONNER HILLS** condominium unit in the condominium project shall be allowed to have an audited financial statement prepared at its own expense.

- (a) Expenditures effecting the administration of **THE PONDS OF BONNER HILLS** shall include costs incurred in the satisfaction of any liability arising within, caused by or connected with, the Common Elements or the administration of **THE PONDS OF BONNER HILLS** condominium project. Receipts affecting the administration **THE PONDS OF BONNER HILLS** shall include all sums as the proceeds of, or pursuant to, a policy of insurance securing the interests of the Co-Owners against liabilities or losses arising within, caused by or connected with the Common Elements or the administration of **THE PONDS OF BONNER HILLS**

2. **Tax Reporting Period.** The calendar year shall be the annual tax reporting period for **THE PONDS OF BONNER HILLS**. The tax reporting period of the corporation may be changed by the Board of Directors according to the regulations of the Internal Revenue Code.

3. **Financial Institution.** The funds of **THE PONDS OF BONNER HILLS** shall be deposited in an established and federally insured financial institution as designated by its Board of Directors. The monies of **THE PONDS OF BONNER HILLS** may be withdrawn by check or order of such officers, employees or agents as may be designated by resolution of its Board of Directors. Funds of **THE PONDS OF BONNER HILLS** may be invested in accounts or deposited to certificates of such federally insured financial institutions or in interest bearing obligations of the United States government.

ARTICLE X ASSESSMENTS

1. **General.** The expenses arising from the management, administration and operation of **THE PONDS OF BONNER HILLS** pursuant to its authorizations and responsibilities as set forth in the condominium documents and the Michigan Condominium Act shall be levied by **THE PONDS OF BONNER**

HILLS against the units and Co-Owners of **THE PONDS OF BONNER HILLS** units in the condominium project as more fully set forth in this Article.

2. Assessments for Shared General Common Elements. Costs incurred by **THE PONDS OF BONNER HILLS** in satisfaction of any liability associated with the Shared General Common Elements or the administration of the condominium project shall constitute expenditures affecting the administration of the condominium project and the administration of the Shared General Common Elements vested in **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION**. All sums received as the proceeds of any policy of insurance securing the interest of the Co-Owners against liabilities or losses associated with the Shared General Common Elements or administration of the condominium project shall constitute receipts affecting the administration of the condominium project within the meaning of Section 54(4) of the Michigan Condominium Act.

3. Regular Assessments. The Board of Directors shall establish an annual budget in advance of each operating year and such budget shall include the estimated funds required to defray expenses for the proper operation, management and maintenance of **THE PONDS OF BONNER HILLS** condominium project including a reasonable allowance for contingencies and reserves. Each purchaser of a **THE PONDS OF BONNER HILLS** condominium unit in the condominium project is required to pay **THE PONDS OF BONNER HILLS** an amount equal to two (2) months regular assessment as a non-refundable working capital contribution. An adequate reserve fund for maintenance, repairs and replacement of those General Common Elements or Shared General Common Elements that must be replaced on a periodic basis shall be established in the budget and must be funded by regular periodic payments as set forth in Section 12 below rather than by special assessments. The budget shall also allocate and assess these expenses against all Co-Owners of the units in **THE PONDS OF BONNER HILLS** in accordance with the Percentage of Value allocated to each unit by the Master Deed on a monthly basis. In the absence of Co-Owner approval as provided in these Condominium By-Laws of **THE PONDS OF BONNER HILLS**, the Board of Directors may increase such regular assessments, in its discretion, but only if one or more of the following conditions is met:

- a. The Board of Directors finds the budget as originally adopted to be insufficient to pay the costs of operating and maintaining the General Common Elements or Shared General Common Elements.
- b. It is necessary to provide for the repair or replacement of existing General Common Elements or Shared General Common Elements.
- c. The Board of Directors decides to purchase additions to the General Common Elements or Shared General Common Elements of which the cost may not exceed the sum of \$5,000 per unit annually whichever amount is less.
- d. An emergency or unforeseen development necessitates an increase in the regular assessment.

Any increase in regular assessments other than under these conditions shall be considered a special assessment requiring a 60% or more in number and in value vote of the Co-Owners of **THE PONDS OF BONNER HILLS**.

4. Apportionment of Regular Assessments. All regular assessments levied against **THE PONDS OF BONNER HILLS** units for administration expenses shall be apportioned among and paid by the Co-

Owners of **THE PONDS OF BONNER HILLS** equally, in advance, without any increase or decrease in any rights to use the General Common Elements or Shared General Common Elements of the condominium project. The expense of administration shall include those expenses that the Board of Directors deems proper to operate and maintain **THE PONDS OF BONNER HILLS** condominium project under the powers and duties delegated to the Board under these Condominium By-Laws for **THE PONDS OF BONNER HILLS** and the condominium documents and may include amounts to be set aside for working capital for the condominium project, general operating reserve for the condominium project and for a reserve to replace any deficit in the expenses of administration incurred in any prior year or years. Any reserves established by the Board of Directors before the first meeting of members shall be subject to approval by the members at the first meeting. The Board of Directors shall advise each Co-Owner in writing of the amount of the expense of administration payable by the Co-Owner and shall furnish copies of each budget on which the expenses of administration are based to all Co-Owners. Failure to deliver a copy of the budget to each Co-Owner shall not affect the liability of any Co-Owner for any existing or future assessments.

5. Payment of Regular Assessments. All regular assessments levied in accordance with this provision shall be payable by the non-DEVELOPER Co-Owners in twelve (12) equal monthly installments commencing with the acquisition of legal title to a unit by a Co-Owner. The Board of Directors may, in its sole discretion, elect to collect the regular assessments on an annual basis. The Board of Directors may increase the general assessment or levy such additional assessment or assessments as it shall deem necessary but only for the purposes set forth in Section 3 above. The discretionary authority of the Board of Directors to levy general assessments pursuant to this subparagraph shall rest exclusively with the Board of Directors for the benefit of **THE PONDS OF BONNER HILLS** and its members and shall not be enforceable by any creditors of **THE PONDS OF BONNER HILLS** or the creditors of its members.

6. Special Assessments. Special assessments may be levied by the Board of Directors at any time following approval by 60% or more in number and in value of all Co-Owners of **THE PONDS OF BONNER HILLS**. The discretionary authority of the Board of Directors to levy special assessments pursuant to this subparagraph is solely for the benefit of **THE PONDS OF BONNER HILLS** and members of **THE PONDS OF BONNER HILLS** and shall not be enforceable by any creditors of **THE PONDS OF BONNER HILLS** or the creditors of its members.

7. Collection of Assessments. Each **THE PONDS OF BONNER HILLS** Co-Owner shall be personally obligated to pay all assessments levied on the Co-Owner's unit during the time the Co-Owner owns the unit. A Co-Owner shall be in default on the payment of any assessment if the assessment is not paid to **THE PONDS OF BONNER HILLS** in full on or before the due date of such payment. If any Co-Owner defaults in paying an assessment or installment of any assessment, interest at the rate of 7% percent per annum shall be charged on the assessment from the due date until the assessment or installments in default are paid in full. The Board of Directors may also impose reasonable fines for late payment of assessments in addition to such interest. Payments on account of assessments in default shall be applied first to costs of collection and enforcement of payment including actual attorney fees (not limited to statutory attorney fees); second, to any interest, charges and fines for late payment; third, to installments and amounts of the assessment which are in default in the order of their due dates. Unpaid assessments shall constitute a lien on the unit owned by the delinquent Co-Owner. The lien of **THE PONDS OF BONNER HILLS** for unpaid assessments shall have priority over all other liens except federal or state tax liens and sums unpaid on a first mortgage of record which has been recorded before any notice of lien has been recorded by **THE PONDS OF BONNER HILLS**

8. Enforcement of Collection of Assessments. **THE PONDS OF BONNER HILLS** may enforce the collection of unpaid assessments from a Co-Owner as may be provided under Michigan law including, but not limited to, the following:

- a. Remedies. **THE PONDS OF BONNER HILLS** may enforce collection of delinquent assessments by litigation 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 the Co-Owner's unit, **THE PONDS OF BONNER HILLS** shall have the right to declare all unpaid installments of the annual assessment for the pertinent year to be immediately due and payable. **THE PONDS OF BONNER HILLS** also may discontinue the furnishing of any **THE PONDS OF BONNER HILLS** paid services to a Co-Owner who is in default on the payment of any assessment provided that fifty (50) days written notice is mailed to such Co-Owner. A Co-Owner who is in default shall not be entitled to utilize any of the General Common Elements or Shared General Common Elements of the condominium project and shall not be entitled to vote at any meeting of **THE PONDS OF BONNER HILLS** as long as such default continues provided that the Co-Owner shall be assured of ingress and egress to his unit regardless of default. The remedies set forth in this provision shall not preclude **THE PONDS OF BONNER HILLS** from exercising such other legal or equitable remedies as may be available to **THE PONDS OF BONNER HILLS**
- b. Lien Foreclosure Proceedings. **THE PONDS OF BONNER HILLS** may enforce collection of unpaid assessments by foreclosing the lien securing payment of any assessment as provided in MCL 559.208 or any similar statute or amendment which may be enacted after the date of these Condominium By-Laws of **THE PONDS OF BONNER HILLS**. The provisions of Michigan law pertaining to foreclosure of mortgages by judicial action or by advertisement are incorporated 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. In a foreclosure action, a receiver may be appointed and reasonable rent for the unit of the delinquent Co-Owner may be collected from the Co-Owner or anyone claiming possession under the Co-Owner. Any Co-Owner or any other person or entity who has an interest in the unit shall be deemed to have authorized and empowered **THE PONDS OF BONNER HILLS** to institute a foreclosure action as well as waiving notice of any foreclosure proceedings brought by **THE PONDS OF BONNER HILLS** for non-payment of assessments and a hearing on same prior to the foreclosure sale of the subject unit. The **BONNER HILLS CONDOMINIUM ASSOCIATION** shall be entitled to reasonable interest, expenses, costs and attorney fees for foreclosure by advertisement or judicial action. The redemption period for a foreclosure is six (6) months from the date of sale unless the property is abandoned, in which event the redemption period is one month from the date of sale.
- c. Notice of Enforcement Action. **THE PONDS OF BONNER HILLS** shall provide a notice of lien by first class mail addressed to any delinquent Co-Owner that one or more installments of any general assessment or special assessments levied against the subject unit is or are delinquent and that **THE PONDS OF BONNER HILLS** may invoke any of its available remedies, including foreclosure of its lien, if the default is not cured

within ten (10) days after the date of mailing of the notice of lien. **THE PONDS OF BONNER HILLS** shall not institute litigation for a money judgment or foreclose on the lien of a delinquent Co-Owner until written notice of lien has been provided to the Co-Owner and the ten (10) day cure period has elapsed. **THE PONDS OF BONNER HILLS** shall record the notice of lien in the Lenawee County Register of Deeds after the expiration of the ten (10) day cure period. If the delinquency is not cured within the ten (10) day period, **THE PONDS OF BONNER HILLS** may foreclose its lien or take such remedial action as may be available under these Condominium By-Laws of **THE PONDS OF BONNER HILLS** or Section 108 of the Michigan Condominium Act.

- d. Expenses of Collection. The expenses incurred in the collection of any unpaid assessments, including reasonable interest, expenses, costs and attorney fees (not limited to statutory attorney fees) and advances for taxes or other liens paid by **THE PONDS OF BONNER HILLS** to protect and secure its lien shall be chargeable to the Co-Owner in default and shall be secured by the lien on the Co-Owner's unit as provided in the Michigan Condominium Act.
- e. Liability for Expenses of Collection. The Co-Owner of a condominium unit subject to foreclosure pursuant to this Section 8, and any purchaser, grantee, successor or assignee of the Co-Owner's interest in the condominium unit, is liable for assessments by **THE PONDS OF BONNER HILLS** chargeable to the condominium unit that became due before expiration of the period of redemption together with interest, advances made by the Association for taxes or other liens to protect its lien, costs and attorney fees incurred in their collection.

9. Liability of Mortgagees. In the event a first Mortgagee of an **THE PONDS OF BONNER HILLS** unit acquires title pursuant to remedies provided in the mortgage or by deed in lieu of foreclosure or is the purchaser at any foreclosure sale, it shall take the unit free of any claims for unpaid assessments or charges against the mortgaged unit which accrued prior to the time the Mortgagee acquired title to the unit.

10. Waiver of Use or Abandonment of Unit. A Co-Owner of **THE PONDS OF BONNER HILLS** may not exempt the unit from liability for his contribution toward the expenses of administration or any assessment by waiver of the use or enjoyment of any of the Common Elements or by abandonment of the unit.

11. Obligations of the DEVELOPER. The **DEVELOPER** shall maintain and pay a prorata share of the expenses of maintenance of **THE PONDS OF BONNER HILLS** units that are owned by the **DEVELOPER**. The **DEVELOPER'S** prorata share of these expenses will be based upon the ratio of all **THE PONDS OF BONNER HILLS** units owned by the **DEVELOPER** but excluding any **THE PONDS OF BONNER HILLS** units on which there is a completed residence at the time the expense is incurred to the total number of **THE PONDS OF BONNER HILLS** units then in the condominium project. The **DEVELOPER**, although a Co-Owner and member of **THE PONDS OF BONNER HILLS**, will not be responsible for the payment of any regular or special assessments except for those **THE PONDS OF BONNER HILLS** units on which there is a completed residence certified for occupancy by the governing municipality. **DEVELOPER** shall not be liable for any assessment levied to purchase any **THE PONDS OF BONNER HILLS** unit from the **DEVELOPER** or to finance any litigation or claim against the **DEVELOPER** including any cost to investigate or prepare such a claim.

12. Reserve for Major Repairs and Replacement. **THE PONDS OF BONNER HILLS** shall maintain a reserve fund for major repairs and replacement of General Common Elements or Shared General Common Elements in an amount equal to at least 10% of **THE PONDS OF BONNER HILLS CONDOMINIUM ASSOCIATION'S** current annual budget on a non-cumulative basis. The reserve fund shall be used only for major repairs and replacement of General Common Elements or Shared General Common Elements. **THE BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** or **THE PONDS OF BONNER HILLS** may determine that a greater amount should be set aside for additional reserve funds.

13. Construction Lien. A construction lien otherwise arising under Act No. 497 of the Michigan Public Acts of 1980, as amended, (MCL 570.1101 et seq.) shall be subject to Section 132 of the Act.

14. Personal Property Assessments/Personal Property Taxes. **THE PONDS OF BONNER HILLS** shall be the designated entity in possession of any personal property of **THE PONDS OF BONNER HILLS** that is owned or possessed in common by the Co-Owners of **THE PONDS OF BONNER HILLS**. Personal property taxes assessed on such **THE PONDS OF BONNER HILLS** property shall be expenses of administration.

15. Statement of Unpaid Assessments. The purchaser of any **THE PONDS OF BONNER HILLS** unit may request a statement from **THE PONDS OF BONNER HILLS** as to the outstanding amount of any unpaid assessments as to the subject unit. Upon written request to **THE PONDS OF BONNER HILLS** accompanied by a copy of the executed purchase agreement pursuant to which the purchaser proposes to acquire a unit, **THE PONDS OF BONNER HILLS** shall provide a written statement of such unpaid assessments, interest, late charges, fines, costs and attorney fees against the seller or grantor as may exist or a statement that no such unpaid assessments exist, which shall be binding upon **THE PONDS OF BONNER HILLS** for the period stated in the document. Upon payment of the amount stated in the document, the lien of **THE PONDS OF BONNER HILLS** for unpaid assessments as to the subject 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, interest, late charges, fines, costs and attorney fees and the lien securing such unpaid assessments, interest, late charges, fines, costs and attorney fees enforceable against such purchaser and the subject unit to the extent provided by the Act. Under the Act, unpaid assessments, interest, late charges, fines, costs and attorney fees constitute a lien upon the unit and the proceeds of the sale prior to all claims except real property taxes and first mortgages of record.

16. Lawsuit Defense Expenses. Any Co-Owner bringing an unsuccessful lawsuit against **THE PONDS OF BONNER HILLS** and/or its Board of Directors contesting the administration of the affairs of **THE PONDS OF BONNER HILLS**, which determines that the administrative action is consistent with the provisions contained in the project documents, shall be chargeable for all expenses and reasonable attorney fees incurred by **THE PONDS OF BONNER HILLS**. Such expenses may be collected by the **THE PONDS OF BONNER HILLS** in the same manner as an assessment.

ARTICLE XI REAL ESTATE TAXES

1. Real Estate Taxes and Governmental Special Assessments. After the year when the construction of a residence on a unit is completed, all real property taxes and governmental special assessments on the property shall be assessed against the individual units and not upon the total property of the condominium project or any part of the condominium project. Real property taxes and governmental special assessments shall

become a lien against the condominium property after the initial year and shall be administration expenses to be assessed against the units according to their Percentages of Value as allocated in the Master Deed. Assessments for subsequent real property taxes or governmental special assessments to a specific unit shall be assessed only to that unit. Each unit shall be considered a separate unit of real property for the purpose of real property taxes and governmental special assessments and shall not be combined with any other units.

ARTICLE XII INSURANCE

1. Extent of Coverage. **THE PONDS OF BONNER HILLS** shall, to the extent appropriate given the nature of the General Common Elements or Shared General Common Elements, carry or contribute to property insurance coverage for all risks of physical loss, including but not limited to, fire insurance with extended coverage, vandalism and malicious mischief and liability insurance and worker's compensation insurance and such other insurance coverage as the Board of Directors may determine to be appropriate as to the ownership, use and maintenance of the General Common Elements or Shared General Common Elements, administration of the affairs of **THE PONDS OF BONNER HILLS** and administration of the General Common Elements or Shared General Common Elements by the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** **THE PONDS OF BONNER HILLS** insurance shall be carried and administered in accordance with the following provisions:

- a. Responsibilities of **THE PONDS OF BONNER HILLS** All such insurance shall be purchased by **THE PONDS OF BONNER HILLS** for the benefit of **THE PONDS OF BONNER HILLS** and the Co-Owners and their Mortgagees, as their interests may appear, and provisions shall be made for the issuance of certificates of mortgagee endorsements to the Mortgagees of Co-Owners. The Board of Directors shall contract for the insurance coverage of **THE PONDS OF BONNER HILLS**. It shall be the responsibility of each Co-Owner to obtain insurance coverage for the Co-Owner's property located within the boundaries of the Co-Owner's unit or elsewhere in the condominium project. The insurance of each Co-Owner shall contain "all risk" property coverage, vandalism and malicious mischief insurance with respect to the Co-Owner's residential dwelling and all other improvements constructed or to be constructed within the perimeter of the Co-Owner's unit as well as any personal property located in the unit or elsewhere in the condominium project. The insurance carried by each Co-Owner shall be in an amount equal to the maximum insurable replacement value excluding foundation and excavation costs. Each Co-Owner shall also be obligated to obtain personal liability insurance coverage for his undivided interest as a tenant in common with all other Co-Owners in the Common Elements for occurrences within the perimeter of his unit or the improvements located on his unit and also for alternative living expenses in the event of fire. **THE PONDS OF BONNER HILLS** shall not have any obligation to obtain any of the insurance coverages described in this section required of a Co-Owner or Co-Owners or any liability to any person for failure to obtain the requisite insurance of a Co-Owner or Co-Owners.
- b. Insurance of Shared General Common Elements. All Shared General Common Elements of the condominium project shall be insured by the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** against fire and other perils covered by standard extended coverage endorsement in an amount equal to the maximum insurable replacement value, excluding foundation and excavation costs, as may be

determined annually by the Board of Directors of the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION**. The Co-Owners of **THE PONDS OF BONNER HILLS** units shall contribute to the cost of any and all insurance maintained on the Shared General Common Elements of the condominium project as provided in the Master Deed and Condominium By-Laws of **THE PONDS OF BONNER HILLS**.

- c. **THE PONDS OF BONNER HILLS Insurance Premium Expenses.** All premiums for insurance purchased by **THE PONDS OF BONNER HILLS** pursuant to these **THE PONDS OF BONNER HILLS** Condominium By-Laws shall be expenses of administration.
- d. **Proceeds of Insurance Policies.** Proceeds of all insurance policies owned by **THE PONDS OF BONNER HILLS** shall be received by **THE PONDS OF BONNER HILLS**, held in a separate account and distributed to **THE PONDS OF BONNER HILLS** and the Co-Owners and their Mortgagees, as their interests may appear; provided, however, whenever repair or reconstruction of **THE PONDS OF BONNER HILLS** condominium project shall be required as provided in these Condominium By-Laws of **THE PONDS OF BONNER HILLS**, the proceeds of any insurance received by **THE PONDS OF BONNER HILLS** as a result of any loss requiring repair or reconstruction shall be applied to such repair or reconstruction and no other purpose unless all first Mortgagees of units in **THE PONDS OF BONNER HILLS** residential component of the condominium project have given their prior written approval.

2. **Authority of THE PONDS OF BONNER HILLS to Settlement Insurance Claims.** Each Co-Owner, by ownership of an **THE PONDS OF BONNER HILLS** unit in the condominium project, shall be deemed to appoint **THE PONDS OF BONNER HILLS** as attorney in fact to act in connection with all matters concerning the maintenance of "all risk" property coverage, vandalism and malicious mischief, liability coverage and worker's compensation insurance, if applicable, pertinent to **THE PONDS OF BONNER HILLS** condominium project and the General Common Elements or Shared General Common Elements contained in **THE PONDS OF BONNER HILLS** condominium project and with such insurer(s), as may from time to time provide such coverage to **THE PONDS OF BONNER HILLS** condominium project. **THE PONDS OF BONNER HILLS** as attorney in fact shall have full power and authority to purchase and maintain such insurance, to collect and remit insurance premiums, to collect proceeds and to distribute proceeds to **THE PONDS OF BONNER HILLS**, the Co-Owners and their respective Mortgagees, as their interests may appear, to execute releases of liability and execute all documents and perform such other acts as may be necessary or convenient to the performance of the duties and responsibilities contained in this provision.

3. **Waiver of Right of Subrogation.** **THE PONDS OF BONNER HILLS** and all Co-Owners shall use their best efforts to cause all property and liability insurance carried by **THE PONDS OF BONNER HILLS** or any Co-Owner to contain appropriate provisions whereby the respective insurers waive rights of subrogation as to any claims against any Co-Owner or **THE PONDS OF BONNER HILLS**.

4. **Fidelity Bond.** **THE PONDS OF BONNER HILLS** may require that the corporation maintain adequate fidelity coverage to protect against dishonest acts by its directors, officers, employees and all other persons who are responsible for management, supervision and handling monies of **THE PONDS OF BONNER HILLS**. Fidelity bonds, if any, shall name **THE PONDS OF BONNER HILLS** as the obligee and the coverage shall be in whatever amount any lending institution or third party may require. The fidelity bond

shall contain waivers of any defense based on the exclusion of persons who serve **THE PONDS OF BONNER HILLS** without compensation of any definition of "employee" or similar terms. The fidelity bond shall contain a provision prohibiting cancellation or modification of the fidelity bond without at least thirty (30) days written notice.

ARTICLE XIII RECONSTRUCTION OR REPAIR

1. Responsibility for Reconstruction or Repair. If any part of **THE PONDS OF BONNER HILLS** condominium project shall be damaged, the determination of whether or not it shall be reconstructed or repaired and the responsibility of reconstruction or repair shall be as follows:

- a. Shared General Common Elements. If the damaged property is a Shared General Common Element, the damaged property shall be rebuilt and repaired by the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** and **THE PONDS OF BONNER HILLS** unless 60% of the Co-Owners and 60% of the Mortgagees of **THE PONDS OF BONNER HILLS** units in the condominium project agree to the contrary and City of Tecumseh or any other municipal body consents to such action.
- b. Unit or Improvements on Units. If the damaged property is a **THE PONDS OF BONNER HILLS** unit or any improvements on a **THE PONDS OF BONNER HILLS** unit, the Co-Owner of such unit alone shall determine whether to rebuild or repair the damaged property and such Co-Owner shall be responsible for any reconstruction or repair. The Co-Owner or Co-Owners shall remove all debris and restore the unit and the improvements on the unit to a condition satisfactory to **THE PONDS OF BONNER HILLS** and City of Tecumseh or any other governmental authority as soon as reasonably possible following the date of the loss.

2. Repair in Accordance with Master Deed. Any reconstruction or repair shall be performed substantially in accordance with the Master Deed unless 60% of the Co-Owners and 60% of the Mortgagees of **THE PONDS OF BONNER HILLS** units in the condominium project agree to the contrary.

3. **THE PONDS OF BONNER HILLS** Responsibility for Repair. In the event of a loss in which **THE PONDS OF BONNER HILLS** has the responsibility of reconstruction or repair, **THE PONDS OF BONNER HILLS** shall obtain good faith and accurate estimates of the cost to return the damaged property to a condition as good as that existing before the damage. **THE PONDS OF BONNER HILLS** shall receive all insurance proceeds and be responsible for all reconstruction and repair to the extent of such proceeds. If the proceeds of insurance are not sufficient to defray the estimated cost of reconstruction or repair required to be performed by **THE PONDS OF BONNER HILLS** or if at any time during the reconstruction or repair or upon completion of such reconstruction or repair, the funds for the payment of the cost are insufficient, **THE PONDS OF BONNER HILLS** shall levy a special assessment against all Co-Owners for the costs of reconstruction or repair of the damaged property in sufficient amounts to provide funds to pay the estimated or actual costs of repair.

4. Timely Reconstruction or Repair of Shared General Common Elements. If damage to its Shared General Common Elements adversely affects the physical appearance of **THE PONDS OF BONNER HILLS**

condominium project, the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** shall proceed with repair or replacement of the damaged property without delay.

5. Priority of Mortgage Interest. The condominium documents shall not be construed to give a Co-Owner or any other party priority over any rights of first Mortgagees of units pursuant to their mortgages and distribution to Co-Owners of insurance proceeds of losses to a unit and/or Shared General Common Elements.

6. Miscellaneous. Insurance proceeds that are available because of damage or destruction shall be applied to reconstruction. As used in this Article, reconstruction means restoration of the property to substantially the same condition that existed prior to the loss with each unit and General Common Elements or Shared General Common Elements having the same vertical and horizontal boundaries as set forth in the Master Deed and condominium documents. If the property is not insured against the peril causing the loss or the proceeds of the applicable policies payable because of the loss are insufficient to reconstruct or repair the damage, the provisions of the Michigan Condominium Act shall apply.

ARTICLE XIV EMINENT DOMAIN

1. General. In the event any of the condominium project property is taken by eminent domain or condemnation, the following provisions shall apply:

- a. Taking of Unit or Improvements Located on a Unit. If all of a unit, any portion of a unit or any improvements on a unit are taken by eminent domain or condemnation, the award for such taking shall be paid to the Co-Owner of such unit and the Mortgagee as their interest may appear notwithstanding any provision of the Act to the contrary. If a Co-Owner's entire unit is taken by eminent domain or condemnation, such Co-Owner and Mortgagee shall be divested of all interest in the condominium project after acceptance of the condemnation award.
- b. Taking of Shared General Common Elements. If there is any taking of any portion of the General Common Elements or Shared General Common Elements, the condemnation proceeds shall be paid to the Co-Owners and their Mortgagees in proportion to their respective interests in the General Common Elements or Shared General Common Elements. An affirmative vote of at least 60% of the Co-Owners in number and in value shall determine whether to rebuild, repair or replace any part of the General Common Elements or Shared General Common Elements taken by eminent domain or condemnation or take such other action as the Co-Owners deem appropriate.
- c. Continuation of Condominium Project after Taking. In the event the condominium project continues after an eminent domain or condemnation taking, the remaining part of the condominium project shall be resurveyed and the Master Deed amended accordingly. If any unit shall have been taken, then Article VI of the Master Deed shall also be amended to reflect such taking and to proportionately readjust the Percentages of Value of the remaining units based upon the continuing value of the condominium project of 100%.

- d. Notification of Mortgagees. In the event any unit in the condominium project, part of any unit in the condominium project, or the General Common Elements or Shared General Common Elements or any part of the General Common Elements or Shared General Common Elements is made the subject of any eminent domain or condemnation proceeding, **THE PONDS OF BONNER HILLS** shall notify all first Mortgagees of units in the condominium project provided that such identifying information has been provided to **THE PONDS OF BONNER HILLS**
- e. Applicability of the Michigan Condominium Act. Section 133 of the Michigan Condominium Act shall control any taking by eminent domain or condemnation to the extent that the Act is not inconsistent with the provisions of this section.

2. Priority of Mortgagee Interests. Nothing contained in the condominium documents shall be construed to give a Co-Owner or any party priority over any rights of first Mortgagees of units pursuant to their mortgages as to distribution to Co-Owners of condemnation awards for the taking of units and/or the taking of Common Elements.

ARTICLE XV BUILDING, USE AND OCCUPANCY RESTRICTIONS FOR THE PONDS OF BONNER HILLS

1. General. All of **THE PONDS OF BONNER HILLS** units in the condominium project shall be owned, used and occupied as single family residences subject to the building, use and occupancy restrictions stated in this Article.

2. Residential Use. A **THE PONDS OF BONNER HILLS** condominium unit shall be used and occupied exclusively for single family residential purposes as that use is defined by the City of Tecumseh Zoning Ordinance. **THE PONDS OF BONNER HILLS** condominium project is zoned single family under the City of Tecumseh Zoning Ordinance. The Common Elements shall be used for single family residential purposes and multiple family residential purposes. There shall only be one residential structure within the horizontal and vertical space of a unit. There shall not be any business or commercial use conducted from a unit except Co-Owners may use their personal residences as ancillary office facilities to their main offices established elsewhere if the business operations do not generate unreasonable traffic by members of the general public. Any such business must be conducted entirely within the residence and participated in solely by members of the immediate family residing in the residence and the business use must not change the primary character of the single family residential use of the structure. There must not be any exterior sign or display that the residence is being utilized for any purpose other than that of a dwelling. There must not be any manufacturing conducted or commodities, goods or services sold at retail or wholesale from within the unit. There must not be any mechanical or electrical equipment used except personal computers and other office type equipment.

3. Restrictions for Use of **THE PONDS OF BONNER HILLS** Units. The use of **THE PONDS OF BONNER HILLS** units shall be restricted as follows:

- a. Building Size and Height. Residences constructed on any unit shall not exceed 2 stories above grade or 25 feet above grade in height and all buildings or structures shall be constructed within the perimeter (Building Envelope) of a unit. All buildings and

structures shall be in conformity with the following minimum size standards as to living areas above ground level measured by the external walls:

- (1) One Story/Ranch: 1,887 square feet.
- (2) One and One-Half Story: 2,400 square feet with a minimum of 1,400 square feet on first floor.
- (3) Two Story: 2,400 square feet with a minimum of 1,400 square feet on first floor.

The square footage determination for single family residences stated above shall exclude basements (including walk out basements), garages and open porches. If any portion of a level or floor within a residence is below grade, the entire level or floor shall be considered a basement level. The single family residences shall be constructed under the supervision of a licensed building contractor and completed within one year from the date of the issuance of a building permit by City of Tecumseh. The **DEVELOPER** reserves the right, within its discretion to reduce the required minimum square footage for specific residences to accommodate unique features of the land or structures to be constructed. There shall not be any land clearance, excavation or construction commenced on any units without Architectural Control approval of the **DEVELOPER** or the Board of Directors for **THE PONDS OF BONNER HILLS** after the Transition Control Date pursuant to Section 4 of this Article. All unused building materials and temporary construction shall be removed from the property within thirty (30) days after substantial completion of the residential structure. The portion of the surface of the earth which is disturbed by excavation and other construction work shall be finished, graded and seeded or covered with other landscaping materials as soon as construction work and weather permit. Burial of construction debris is prohibited. Driveways for units shall be roughed in with a gravel base before the basement is excavated.

- b. Garages. All single family residences shall have a minimum of a two car attached garage. Detached garages and carports are prohibited. Driveways shall be surfaced with asphalt, concrete or paving bricks at the completion of construction and prior to the certificate of occupancy being issued unless prevented by weather or seasonal conditions. For security and aesthetic reasons, garage doors will be kept closed at all times except as may be reasonably necessary to gain access to and from any garages.
- c. Temporary Structures. Temporary structures such as a tent, camper, mobile home, trailer, shack, barn, outbuilding or other such structure of any design shall be prohibited and any existing such structures shall be removed from any unit prior to construction of the single family residence. This provision shall not prevent the use of temporary structures incidental to and during construction of single family residences provided that such temporary structure shall be removed from the condominium project property upon completion of the residential construction.
- d. Accessory Buildings and Structures. Accessory buildings including but not limited to sheds, barns, storage buildings, kennels, dog runs, gazebos, greenhouses or other outbuildings and structures shall be prohibited on any unit. The **DEVELOPER** or the Board of Directors of **THE PONDS OF BONNER HILLS**, under the Architectural

Control provisions of Section 4 of this Article may permit erection of decks, porches, or patios which shall be architecturally compatible with the principal residence and be constructed of similar materials when applicable.

- e. Swimming Pools. Swimming pools shall be constructed below ground except children's play pools, hot tubs and jacuzzi tubs.
- f. Fences. There shall not be any fences constructed within any unit. Perimeter fences around swimming pools shall be required to be constructed in accordance with all applicable City and State building codes. Such perimeter swimming pool fence shall be made of materials that are architecturally compatible with the principal residence and shall be approved by the architectural control committee.
- g. Exterior Lighting. A **THE PONDS OF BONNER HILLS** Co-Owner shall not install exterior lighting that causes excessive illumination so as to constitute a nuisance to other Co-Owners. Mercury vapor and halogen lighting shall be prohibited. Exterior lighting may not be mounted on the sides of any residence except for low wattage lighting adjacent to driveways, patios, walkways, decks and swimming pools.
- h. Mailboxes. The size, color, style, location and other attributes of the mailbox for each residence shall be specified by the **DEVELOPER** in order to insure consistency and uniformity within the condominium project.
- i. Antennas and Telecommunication Devices. Radio, television or other antennas or aerials shall not be permitted on any unit other than the type commonly used for domestic residential purposes. Any antenna or aerial shall be installed on the roof of the principal residence and not on a separate pole or tower. Dish-type antennae receivers or transmitters in excess of two (2) feet in diameter shall not be permitted and those permitted shall be aesthetically landscaped or screened from public view. There shall not be antenna or aerial exceeding six feet in height above the roof ridge line on any residence. The ordinances of City of Tecumseh pertaining to telecommunication devices, if any, shall supersede this provision and such devices of the Co-Owners shall comply with any township ordinance, state or federal laws and/or regulations.
- j. Maintenance of Unimproved Units. Units which have not been improved shall remain in their natural state, but shall be maintained in a presentable condition by the Co-Owner. Grassy areas shall be mowed a minimum of monthly from May through October of each year to control weeds. There shall not be any dumping of refuse or trash on unimproved units.
- k. Refuse and Garbage. Each **THE PONDS OF BONNER HILLS** Co-Owner shall promptly dispose of all refuse, trash and garbage so that it will not be objectionable or visible to adjacent Co-Owners. There shall not be any outside storage of refuse, trash or garbage or outside incinerator on any unit. Each residence shall be equipped with an interior garbage disposal. There shall not be any disposal of garbage, trash, refuse, leaves or debris on vacant or unimproved units. Garden composting shall be permitted provided that it shall not result in a violation of any other restriction of these By-Laws or applicable municipal ordinances.

- l. Drainage Easement. Some units of the condominium project may be subject to storm water drainage, storm water detention, storm water detention basin easements created by the Master Deed described and depicted in Exhibit B. Notwithstanding the existence of any drainage easements, each unit Co-Owner shall maintain the surface area of such easements located within the geographical area of the Co-Owner's unit, shall keep the grass cut to a reasonable height, shall keep the area free of trash and debris and shall take such action as may be necessary to eliminate surface erosion. The unit Co-Owner shall not contour the land or install any structure or landscaping within the drainage easement areas that would interfere with the flow of storm water.

- m. Trees. The DEVELOPER shall install trees in THE PONDS OF BONNER HILLS condominium project as appearing in the Condominium Subdivision Plan attached as Exhibit B. Trees may be installed by Co-Owners of any THE PONDS OF BONNER HILLS unit only as permitted by the DEVELOPER or the Board of Directors for THE PONDS OF BONNER HILLS under the Architectural Control provisions of these By-Laws.

4. Architectural Control. There shall not be any residences, dwellings, structures, accessory buildings, fences, swimming pools or other improvements constructed within an THE PONDS OF BONNER HILLS unit or elsewhere within THE PONDS OF BONNER HILLS condominium project property or any exterior modification or improvement constructed on any THE PONDS OF BONNER HILLS unit unless architectural plans and specifications have first been approved by the DEVELOPER prior to the Transitional Control Date or the Board of Directors for THE PONDS OF BONNER HILLS after the Transitional Control Date. The construction of any residence or other improvement must also receive any necessary permits or approvals from City of Tecumseh or other applicable municipal authorities. There shall not be any land clearance, excavation or commencement of construction unless the DEVELOPER or the Board of Directors of THE PONDS OF BONNER HILLS has approved the architectural plans and specifications in writing. The DEVELOPER or Board of Directors of THE PONDS OF BONNER HILLS may require revisions or amendments to the architectural plans and specifications to provide further detail or compliance with the existing aesthetics of the condominium project. The DEVELOPER or Board of Directors of THE PONDS OF BONNER HILLS shall have the right to refuse to approve any such architectural plans or specifications, grading or landscaping plans which are not suitable or desirable in its opinion for aesthetic or other reasons. The DEVELOPER or Board of Directors of THE PONDS OF BONNER HILLS will consider the suitability of the proposed structure, improvement or modification, proposed exterior materials (which may include wood, vinyl siding, brick and stone but no brick laminate) and exterior colors which shall blend in with existing residences and the natural surroundings/environment, the site upon which the residence is proposed to be constructed, location of the residence within the perimeter of each unit, and the degree of harmony of the residence with the condominium project as a complete residential community. There shall not be any log, panelized, modular, manufactured or other type of residential housing constructed off site permitted to be erected or built on any THE PONDS OF BONNER HILLS unit in the condominium project unless approved by the DEVELOPER or Board of Directors of THE PONDS OF BONNER HILLS. All dwellings must be constructed on site. There shall not be any flat roofs and a minimum roof pitch will be required. The purposes of these Restrictions is to assure that the condominium project will be developed and maintained as a beautiful and harmonious residential community and that such purpose will be binding upon THE PONDS OF BONNER HILLS and upon all Co-Owners. The rights of the DEVELOPER under this Article XV, Section 4 will be transferred and assigned to the Board of Directors of THE PONDS OF BONNER HILLS at the Transitional Control Date or completion of the construction and sale of all units whichever date/event occurs

first. **DEVELOPER** or its agent may construct any residence or improvement upon the condominium project property, in its discretion, without the necessity of obtaining prior consent from the Board of Directors of **THE PONDS OF BONNER HILLS** subject to the express limitations and restrictions contained in the condominium documents.

5. Changes in Shared General Common Elements. Except as reserved to the **DEVELOPER** in the condominium documents, a Co-Owner shall not make changes in any of the General Common Elements or Shared General Common Elements without the express written approval of the Board of Directors of **THE PONDS OF BONNER HILLS, INC., BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION**, City of Tecumseh and any other applicable municipal authority.

6. Activities/Disputes/Arbitration/Increase of Insurance Risk/ Prohibited Activities. There shall not be any unlawful or offensive activity conducted on or from any unit or upon the Common Elements or Shared General Common Elements. There shall not be any activity conducted by a Co-Owner or on any unit which is or may become an annoyance or nuisance to other Co-Owners of the condominium project units. There shall not be any unreasonable, noisy activity conducted in or on the General Common Elements or Common Elements or any unit. Any disputes between Co-Owners as to any activities conducted on units in the condominium project which cannot be amicably resolved may be arbitrated pursuant to Article XVIII. A Co-Owner shall not conduct any activity on a unit or General Common Elements or Shared General Common Elements of the condominium project that will result in an increase in the rate of insurance on the condominium property and any offending Co-Owner shall pay to the Condominium Association the increased amount of insurance premiums resulting from any such activity or the maintenance of any such condition conducted resulting in the increase. Activities which are deemed offensive and are expressly prohibited include, but are not limited to the following: use of firearms, air rifles, pellet guns, BB guns, stun guns, paintball guns, bows and arrows, sling shots, fireworks or other similar dangerous weapons, projectiles or devices.

7. Pets. Co-Owners of **THE PONDS OF BONNER HILLS** may own and shelter a maximum of two (2) domestic pets which shall reside within the residence of the Co-Owner subject to the provisions of this Article XV, Section 7. There shall not be any pet or animal kept or bred for commercial purposes. Pets shall have such care, attention and restraints so as not to be obnoxious or offensive on account of noise, odor or unsanitary conditions. All pets shall be kept within the confines of the residence unless in the presence and supervision of a Co-Owner or resident attendant. In the event a Co-Owner's pet causes unnecessary and unreasonable disturbance or annoyance to other Co-Owners and such Co-Owner and/or Co-Owners files/file a written complaint with the Board of Directors of **THE PONDS OF BONNER HILLS** specifying the cause of such disturbance or annoyance, the Board of Directors, after notice and opportunity for hearing before the Board to the Co-Owner owning the pet, may if it determines that such pet is causing unnecessary and unreasonable disturbance or annoyance, require the Co-Owner to remove the pet from his unit or impose such other restrictions on the ownership of such pet as are reasonable. No pet or animal may be permitted to run loose at any time upon other units or General Common Elements or Shared General Common Elements, and any animal shall at all times be leashed and attended by some responsible person while on the General Common Elements or Shared General Common Elements. There shall not be any dog houses or unattended tethering of pets on any unit in the Condominium Project. There shall not be any savage, dangerous or endangered animal kept by a Co-Owner. Any Co-Owner who causes any animal to be brought or kept upon the condominium project shall indemnify and hold harmless **THE PONDS OF BONNER HILLS** for any loss, damage or liability which **THE PONDS OF BONNER HILLS** may sustain as a result of the presence of such animal. Each Co-Owner shall be responsible for collection and disposition of all fecal matter disposed by any pet maintained by such Co-Owner. **THE PONDS OF BONNER HILLS** may, without liability to the Co-Owner, remove or cause to be removed any animal from the condominium project which the Board of Directors

determines to be in violation of the restrictions imposed by this section. **THE PONDS OF BONNER HILLS** shall have the right to require that any pets be licensed with the City of Tecumseh or Lenawee County and registered with **THE PONDS OF BONNER HILLS** and may adopt such reasonable rules and regulations with respect to animals as it may deem proper. In the event of any violation of this section, the Board of Directors of **THE PONDS OF BONNER HILLS** may assess fines for any such violation in accordance with these By-Laws and in accordance with duly adopted rules and regulations of **THE PONDS OF BONNER HILLS**

8. **Aesthetics.** The Board of Directors of **THE PONDS OF BONNER HILLS** will have exclusive authority over the general aesthetics of **THE PONDS OF BONNER HILLS** units and **THE PONDS OF BONNER HILLS** condominium project in its discretion. Neither the General Common Elements or Common Elements nor the area of any unit existing outside of the residence and garage shall be used for storage of supplies, materials, personal property, garbage, trash or refuse except as provided in duly adopted rules and regulations of **THE PONDS OF BONNER HILLS**. Trash receptacles shall be maintained in garages and shall not be permitted to remain elsewhere on the unit or General Common Elements or Shared General Common Elements except for such short periods of time as may be reasonably necessary to permit periodic collection of trash. In general, no activity shall be conducted or condition maintained by a Co-Owner either in the Co-Owner's unit or upon the General Common Elements or Shared General Common Elements, which is detrimental to the appearance of the condominium project.

9. **Vehicles/Recreational Equipment.** There shall not be any travel trailers, motor homes, commercial vehicles, boat trailers, boats, wave runners, jet skis, personal watercraft, camping vehicles, camping trailers, motorcycles, all terrain vehicles, snowmobiles, snowmobile trailers or vehicles other than automobiles and vehicles used primarily for general personal transportation parked or stored upon the condominium project property unless parked in the garage with the garage door closed. Travel trailers, motor homes, camping vehicles, camping trailers, boat trailers, boats, jet skis, wave runners and personal watercraft may be temporarily parked upon a unit for a period of not more than twenty four (24) consecutive hours for loading and unloading purposes. Inoperable vehicles of any type may not be brought or stored upon the condominium project property either temporarily or permanently unless parked in the garage of a Co-Owner with the garage door closed. Commercial vehicles and trucks shall not be parked in or upon the condominium project property except while making deliveries or pick ups in the normal course of business. The use of motorized vehicles anywhere in the condominium project other than passenger cars, authorized maintenance vehicles and commercial vehicles as provided in this Section 9 is absolutely prohibited. Overnight parking on any roadway in the condominium project property is prohibited as the roads are private rights-of-way.

10. **Advertising.** There shall not be any signs or other advertising materials displayed which are visible from the exterior of a unit or on the Shared General Common Elements except house "For Sale" signs which shall not exceed three (3) feet square in area per side without written permission from the Board of Directors of **THE PONDS OF BONNER HILLS** and, during the construction and sales period, from the **DEVELOPER**.

11. **Landscaping.** The Co-Owner shall not perform any landscaping or remove, trim or plant any trees, shrubs or flowers or place any ornamental materials on or in the General Common Elements or Shared General Common Elements without obtaining the prior written approval of the **DEVELOPER** or, after the Transition Control Date, the Board of Directors of **THE PONDS OF BONNER HILLS** and the Board of Directors of the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION**. Basic landscaping of a unit, including finish grading, seeding or sodding must be completed within six (6) months of the date of occupancy of the residence constructed on the unit. The Owner of each unit shall develop a landscape concept which will enhance, complement and harmonize with the landscaping features of adjacent property. Co-Owners

shall not remove or cut any existing trees except those trees which are diseased or dead, without the prior written approval of the **DEVELOPER** or the Board of Directors of **THE PONDS OF BONNER HILLS**. Surface soil shall not be dug or removed from any unit for purposes other than building and landscaping of the unit, without the prior written approval of the **DEVELOPER** or the Board of Directors of **THE PONDS OF BONNER HILLS**. All landscaping debris shall be promptly removed from the property of the condominium project. New plantings shall complement and enhance the character of the existing vegetation, topography and structures in the condominium project. The Co-Owners shall each have the responsibility to maintain the grounds of their individual units together with that portion of the public right-of-way between the front of the unit and the traveled portion of the road right-of-way including the mowing of grass, removal of weeds and proper trimming of trees and bushes. If **THE PONDS OF BONNER HILLS** receives complaints from other Co-Owners regarding lack of attentive maintenance to the grounds of a unit, it shall have the right and duty to have such maintenance of the grounds of the offending unit performed as the Board of Directors shall determine be reasonable and the charges shall become a lien upon the unit and collected in the same manner as set forth in Article X of these By-Laws.

12. Hunting. No Co-Owner shall engage in or permit hunting in any form anywhere within the condominium project.

13. Persons with Disabilities/Improvements or Modifications to Condominium Unit. The Co-Owner may make improvements or modifications to the condominium unit, including improvements or modifications to Shared General Common Elements and route from the public way to the entrance of the Co-Owner's condominium unit at his or her expense if the purpose of the improvement or modification is to facilitate access to or movement within the unit for persons with disabilities who reside in or regularly visit the unit or to elevate conditions that could be hazardous to persons with disabilities who reside in or regularly visit the unit. Before an improvement or modification allowed by this provision is undertaken, the Co-Owner shall submit plans and specifications for the improvements or modifications to the Board of Directors of **THE PONDS OF BONNER HILLS** for review and approval. The Board of Directors of **THE PONDS OF BONNER HILLS** shall determine whether the proposed improvement or modification substantially conforms to the requirements of Section 47(a) of the Michigan Condominium Act and shall not deny a proposed improvement or modification without good cause. If the Board of Directors of **THE PONDS OF BONNER HILLS** deny a proposed improvement or modification, the Board of Directors shall list, in writing, the changes needed to make the proposed improvement or modification conform to the requirements of the Michigan Condominium Act and shall deliver that list to the Co-Owner. The Board of Directors of **THE PONDS OF BONNER HILLS** shall approve or deny the proposed improvement or modification not later sixty (60) days after the plans and specifications are submitted by the Co-Owner proposing the improvement or modification. If the Board of Directors does not approve or deny the submitted plans and specifications within the sixty (60) day period, the Co-Owner may make the proposed improvement or modification without approval of the Board of Directors. The Co-Owner may bring an action against the Board of Directors of **THE PONDS OF BONNER HILLS** or **THE PONDS OF BONNER HILLS** and its officers and directors to compel those persons to comply with this provision if the Co-Owner disagrees with a denial by the Board of Directors of the Co-Owner's proposed improvement or modification. Improvement or modification may be made notwithstanding prohibitions and restrictions in the condominium documents but shall comply with all applicable state and local building codes and health and safety laws and ordinances and shall be made as closely as reasonably possible in conformity with the intent of the applicable prohibitions and restrictions regarding safety and esthetics of the proposed modification. This provision does not apply to a condominium unit that is otherwise required by law to be barrier free and does not impose on a Co-Owner the cost of maintaining that barrier-free unit. As used in this provision and in Section 47(a) of the Michigan Condominium Act, the term "person with disabilities" means that term as defined in Section 2 of the State Construction Code Act of 1972, Public Act 230 of 1972 (MCL

125.1502). This provision of the By-Laws of **THE PONDS OF BONNER HILLS** shall be subject to and comply with Section 47(a) of the Michigan Condominium Act which shall be deemed controlling pertaining to any modifications or improvements to accommodate persons with disabilities.

- a. If a Co-Owner makes an exterior improvement or modification allowed under this section, the Co-Owner shall maintain liability insurance in an amount adequate to compensate for personal injuries caused by the exterior improvement or modification and name **THE PONDS OF BONNER HILLS** as an additional insured. The Co-Owner is not liable for acts or omissions of the Association with respect to the exterior improvement or modification, and is not required to maintain liability insurance, with respect to any General Common Element or Shared General Common Elements. The **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** is responsible for maintenance, repair and replacement of the improvement or modification only to the extent of the cost currently incurred by the Association for maintenance, replacement and repair of the General Common Element or Shared General Common Elements covered or replaced by the improvement or modification. All costs of maintenance, repair and replacement of the improvement or modification exceeding that currently incurred by the **THE PONDS OF BONNER HILLS** for maintenance, repair and replacement of the General Common Elements or Shared General Common Elements covered or replaced by the improvement or modification shall be assessed to and paid by the Co-Owner or the unit serviced by the improvement or modification.

14. Compliance with Laws. A Co-Owner shall not conduct any activity from the Co-Owner's unit, General Common Elements or Shared General Common Elements or any of the condominium project property that violates any federal, state or local statute, regulation, rule or ordinance.

15. Shared General Common Element Maintenance. Streets, sidewalks, bicycle paths, yards, landscaped areas, storm/surface water drainage areas, storm/surface water detention areas and driveways shall not be obstructed or used for purposes other than that for which they are reasonably and obviously intended. Bicycles, vehicles, chairs or any other obstructions shall not be left unattended on or about the General Common Elements or Shared General Common Elements.

16. Co-Owner Maintenance. A Co-Owner of any **THE PONDS OF BONNER HILLS** unit shall maintain his unit together with that area of the General Common Elements or Shared General Common Elements between the unit and the traveled portion of the road right-of-way and any improvements on the unit in a safe, aesthetically pleasing, clean and sanitary condition. Each Co-Owner shall use due care to avoid damaging any of the General Common Elements Shared General Common Elements including, but not limited to, the telephone, natural gas, electrical, telecommunications cable, plumbing, drainage courses or other utility conduits and systems and any other General Common Elements or Shared General Common Elements within any unit which are appurtenant to or which may affect any other unit. Each Co-Owner shall be responsible for damages or costs to **THE PONDS OF BONNER HILLS** or to the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION**, or both, resulting from damage or misuse of the General Common Elements or Shared General Common Elements by the Co-Owner or his family, guests, agents, or invitees, unless such damages or costs are covered by insurance carried by the Condominium Association or Condominium Associations (in which case there shall be no such responsibility unless reimbursement to the Condominium Association or Condominium Associations is limited by virtue of a deductible provision which shall be paid by the responsible Co-Owner). Any costs or damages to the Condominium Association or Condominium Associations may be assessed to and collected from the responsible Co-Owner in the manner provided in Article X of these By-Laws.

17. Reserved.

18. Reserved.

19. Rules and Regulations. The Board of Directors of **THE PONDS OF BONNER HILLS** may make reasonable rules and regulations to govern **THE PONDS OF BONNER HILLS** condominium project. Any rules and regulations adopted by the Board of Directors of **THE PONDS OF BONNER HILLS** shall be consistent with the Michigan Condominium Act, the Master Deed and the By-Laws of **THE PONDS OF BONNER HILLS** concerning the use of **THE PONDS OF BONNER HILLS** units, General Common Elements or Shared General Common Elements and the By-Laws of **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION**. Any rules and regulations may be amended periodically by any future Board of Directors of **THE PONDS OF BONNER HILLS**. Copies of any such rules and regulations and amendments to the rules and regulations shall be mailed to all Co-Owners and shall become effective thirty (30) days after mailing to the designated voting representative of each Co-Owner. Any such rule, regulation or amendment may be revoked at any time by the affirmative vote of more than fifty (50%) percent of all Co-Owners in number and in value unless otherwise stated in the Master Deed, Articles of Incorporation or these By-Laws. **THE PONDS OF BONNER HILLS** shall not adopt rules and regulations to limit the **DEVELOPER'S** construction, sales or rental activities.

20. Right of Access of **THE PONDS OF BONNER HILLS** **THE PONDS OF BONNER HILLS** or its duly authorized agent shall have access to the portion of each unit not occupied by the residents upon notice and during reasonable working hours, as may be necessary for the maintenance, repair or replacement of any of the Shared General Common Elements. **THE PONDS OF BONNER HILLS** or its agents shall also have access to each unit at all times without notice as may be necessary to make emergency repairs to prevent damage to the General Common Elements or Shared General Common Elements or to another unit and shall not be liable to such Co-Owner for any necessary damage to the Co-Owner's unit caused by emergency entry.

21. Reserved Rights of **DEVELOPER**. The **DEVELOPER** reserves the following rights:

- a. Prior Approval of **DEVELOPER**. During the construction and sales period, no hedges, trees or substantial plantings or landscaping materials shall be installed, removed or trimmed until plans and specifications acceptable to **DEVELOPER**, showing the nature, kind, shape, height, grading or landscaping plan of the area to be effected shall have been submitted to and approved in writing by the **DEVELOPER** and a copy of the plans and specifications delivered to the **DEVELOPER**.
- b. **DEVELOPER'S** Rights Regarding Development and Sales. None of the restrictions contained in this Article XV shall apply to the commercial activities or signs, if any, of the **DEVELOPER** during the construction and sales period or to **THE PONDS OF BONNER HILLS** in the exercise of its powers and authority set forth in these By-Laws and in the Articles of Incorporation. The **DEVELOPER** reserves the right throughout the entire construction and sales period to maintain, or to authorize others to maintain, sales office, storage areas and reasonable parking areas in the condominium project property as may be reasonable to enable development and sale of the units and condominium project property provided that **DEVELOPER** shall obtain the approval of City of Tecumseh prior to establishing any sales office as required by City ordinance.

The DEVELOPER shall restore the areas so utilized to habitable status upon termination of use.

- c. Preservation. The condominium project property 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. If **THE PONDS OF BONNER HILLS** fails or refuses to carry out its obligations to maintain, repair, replace and landscape the condominium project property in a manner consistent with such high standards prior to the sale of all units owned by the DEVELOPER, the DEVELOPER or its agents may maintain, repair and/or replace any General Common Elements or Shared General Common Elements and/or do any landscaping required by these Bylaws and to charge the cost of such improvements to **THE PONDS OF BONNER HILLS** as an expense of administration. DEVELOPER shall also have the right to enforce these By-Laws throughout the construction and sales period which shall include, but without limitation, the ability to invoke any legal or equitable remedies such as an injunction restraining **THE PONDS OF BONNER HILLS** or any Co-Owner from any activity prohibited by these By-Laws.

22. Roads. The private roads servicing and providing ingress and egress to the condominium project property as described and depicted on the condominium documents and Condominium Subdivision Plan will be maintained, replaced, repaired and resurfaced as necessary by the Co-Owners pursuant to the Master Deed. In the event the private road servicing the condominium project becomes dedicated to the public, the Co-Owners will no longer be responsible for maintaining the road.

ARTICLE XVI LEASES

1. Right to Lease. A Co-Owner may lease his **THE PONDS OF BONNER HILLS** unit for single family residential purposes consistent with the condominium documents. A Co-Owner intending to lease his unit shall provide a copy of the exact Lease to **THE PONDS OF BONNER HILLS CONDOMINIUM, INC.** for review at least ten (10) days before the tenant takes occupancy to determine if the proposed Lease Agreement complies with the condominium documents. For security purposes, all non-Co-Owner occupants shall register with **THE PONDS OF BONNER HILLS** prior to taking occupancy of the unit and shall likewise notify **THE PONDS OF BONNER HILLS** upon departure. The terms of all Leases, Occupancy Agreements and occupancy arrangements shall incorporate, or be deemed to incorporate all of the provisions of the condominium documents.

2. Conduct of Tenants. Tenants and non-Co-Owner occupants shall comply with all conditions of the condominium documents and all Lease Agreements shall expressly contain such a provision. If **THE PONDS OF BONNER HILLS** determines that a tenant or a non-Co-Owner occupant have failed to comply with the conditions of the condominium documents, **THE PONDS OF BONNER HILLS** shall take the following action:

- a. **THE PONDS OF BONNER HILLS** shall notify the Co-Owner by certified mail advising of the alleged violation by the tenant.

- b. The Co-Owner shall have fifteen (15) days after receipt of such notice to investigate and correct the alleged breach by the tenant or advise **THE PONDS OF BONNER HILLS** that a violation has not occurred.
- c. If, after fifteen (15) days, **THE PONDS OF BONNER HILLS** believes that the alleged breach is not cured or may be repeated, it may institute an action for eviction against the tenant or non-Co-Owner occupant and simultaneously for money damages in the same action against the Co-Owner and tenant or non-Co-Owner occupant for breach of the conditions of the condominium documents. The relief provided in this subparagraph may be a summary proceeding according to Michigan law. **THE PONDS OF BONNER HILLS** may hold both the tenant and Co-Owner liable for any damages to the Shared General Common Elements caused by the Co-Owner or tenant in connection with the unit or the condominium project.

3. Arrearage of Co-Owner/Lessor for Assessments. If a Co-Owner/Landlord is in arrears to **THE PONDS OF BONNER HILLS** for assessments, **THE PONDS OF BONNER HILLS** may give written notice of the arrearage to the tenant occupying the condominium unit under the lease or rental agreement. The tenant, after receiving the notice, shall deduct from rental payments due the Co-Owner/Landlord, the arrearage and future assessments as such expenses become due and pay them to **THE PONDS OF BONNER HILLS**. The deduction does not constitute a breach of the rental agreement or lease by the tenant. If the tenant, after being notified, fails or refuses to remit rent otherwise due the Co-Owner/Landlord to **THE PONDS OF BONNER HILLS**, then **THE PONDS OF BONNER HILLS** may take the following action:

- a. Issue a statutory notice to quit for non-payment of rent to the tenant and shall have the right to enforce that notice by summary proceeding.
- b. Initiate proceedings pursuant to subsection 2(c) above.

ARTICLE XVII MORTGAGES

1. Notice to **THE PONDS OF BONNER HILLS** a **THE PONDS OF BONNER HILLS** Co-Owner who mortgages a unit shall notify **THE PONDS OF BONNER HILLS** of the name and address of the Mortgagee which shall maintain such information in a book entitled "Mortgages of Units". **THE PONDS OF BONNER HILLS** 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 PONDS OF BONNER HILLS** may give to the holder of any first mortgage covering any unit in **THE PONDS OF BONNER HILLS** condominium project, which shall have provided the required information, written notification of any default in the performance of the obligations of the Co-Owner of such unit that is not cured within sixty (60) days.

2. Insurance. **THE PONDS OF BONNER HILLS** shall notify each Mortgagee appearing in the book entitled "Mortgages of Units" of the name of each company insuring the Common Elements of the Condominium Project against fire, liability, vandalism, malicious mischief and the amounts of such coverage.

3. Notification of Meeting. Upon a request submitted to **THE PONDS OF BONNER HILLS** any institutional holder of a first mortgage lien on any **THE PONDS OF BONNER HILLS** unit in the

condominium project shall be entitled to receive written notification of every meeting of the members of **THE PONDS OF BONNER HILLS** and to designate a representative to attend such meeting.

4. Notice. Whenever a notice requirement appears in these By-Laws for the benefit of a Mortgagee which requires a response in support of or against a proposal submitted by **THE PONDS OF BONNER HILLS**, the Mortgagee shall respond within thirty (30) days of receipt of such notice or the lack of a timely response shall be deemed an approval of the proposal provided the notice was delivered by certified mail with return receipt requested.

ARTICLE XVIII ARBITRATION

1. Scope and Election. Any dispute, claim or grievance arising out of or relating to the interpretation or application of the condominium documents or any dispute, claim or grievance arising among or between Co-Owners and **THE PONDS OF BONNER HILLS** may be submitted to arbitration pursuant to the rules of the American Arbitration Association provided that the affected parties execute a written consent to the submission of the matter to arbitration. The rules of the American Arbitration Association shall apply to any arbitrable dispute. The decision of the arbitrator shall be final and binding and enforceable in courts of the State of Michigan. In the absence of an agreement between the parties to use other rules, the commercial rules of the American Arbitration Association shall be applicable to any such arbitration. Any arbitration proceeding shall be conducted by a single arbitrator unless the parties agree to the contrary. The election by the parties to submit any dispute, claim or grievance to arbitration prohibits the parties from petitioning the courts regarding that dispute, claim or grievance unless the party seeks to the arbitration award in the applicable circuit court pursuant to the Michigan Arbitration Act.

2. Legal Relief. In the absence of a voluntary and written consent of the parties to submit any dispute to arbitration, a Co-Owner or **THE PONDS OF BONNER HILLS** may seek legal redress in the courts of the State of Michigan to resolve any such disputes, claims or grievances.

ARTICLE XIX AMENDMENTS

1. Proposal. Amendments to these By-Laws may be proposed by the Board of Directors of **THE PONDS OF BONNER HILLS** acting upon the vote of a majority of the Directors or as may be proposed by forty (40%) percent or more of the Co-Owners by a signed petition.

2. Meeting. Following the proposal of any amendment to **THE PONDS OF BONNER HILLS** By-Laws, a meeting for consideration of the proposed amendment shall be duly called in accordance with the provisions of these By-Laws.

3. Amendment by Vote of Board of Directors. These **THE PONDS OF BONNER HILLS** By-Laws may be amended by the affirmative vote of a majority of the Board of Directors of **THE PONDS OF BONNER HILLS** provided that such amendments do not materially alter or change the rights of Co-Owners, Mortgagees or other interested parties, or amend Article III without the prior written approval of the **DEVELOPER** (if the **DEVELOPER** continues to own at least one (1) unit in the condominium project) and to keep these By-Laws in compliance with the Michigan Condominium Act.

4. Amendment by Vote of Co-Owners. These **THE PONDS OF BONNER HILLS** By-Laws may be amended by the Co-Owners by an affirmative vote of not less than two thirds (2/3) of all Co-Owners of **BONNER HILLS ESTATE** at any regular annual meeting or a special meeting called for such purpose. The consent of Mortgagees shall not be required to amend these By-Laws unless such amendment would materially alter or change the rights of such Mortgagees in which event the approval of two thirds (2/3) of the Mortgagees shall be required with each Mortgagee to have one (1) vote for each mortgage held. The consent of the **DEVELOPER** shall be obtained if any amendment of Article III is proposed and the **DEVELOPER** continues to own at least one (1) unit in the condominium project. The consent of City of Tecumseh shall be obtained if any public interest is affected. For purposes of such voting, each **THE PONDS OF BONNER HILLS** Co-Owner will get one (1) vote for each unit owned including the **DEVELOPER** as to all **THE PONDS OF BONNER HILLS** units created by the Master Deed but not yet conveyed to third parties.

5. Effective Date. Any amendment to these By-Laws shall become effective upon the recording of such amendment in the office of the Lenawee County Register of Deeds.

6. Costs of Amendment. Any Co-Owner causing or requesting an amendment to these Condominium By-Laws for **THE PONDS OF BONNER HILLS** shall be responsible for the cost and expenses of considering, adopting, preparing and recording such amendments except for amendments based upon a vote of a prescribed majority of Co-Owners of which the cost shall be considered expenses of administration.

7. Notice. A copy of each amendment to the By-Laws shall be provided to every Co-Owner/member of **THE PONDS OF BONNER HILLS** after adoption and recording in the Lenawee County Register of Deeds. However, any amendment to these By-Laws which is adopted in accordance with this Article shall be binding upon all parties who have an interest in **THE PONDS OF BONNER HILLS** condominium project property regardless of whether such persons actually receive a copy of the amendment.

ARTICLE XX COMPLIANCE

1. Compliance. **THE PONDS OF BONNER HILLS** and all present or future Co-Owners, tenants or other persons acquiring an interest in the condominium project property are subject to and shall comply with the Michigan Condominium Act, as amended, and the mere acquisition, occupancy or rental of any unit or an interest in the unit or the utilization of or entry upon the condominium project property shall signify that the condominium documents are accepted and ratified. In the event the condominium documents conflict with the provisions of the Act, the Michigan Condominium Act shall govern.

ARTICLE XXI REMEDIES FOR DEFAULT

1. Available Relief. Any default by a Co-Owner shall entitle **THE PONDS OF BONNER HILLS, BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** or another Co-Owner or Co-Owners to the following relief:

- a. Legal Action. The failure of a Co-Owner to comply with any of the terms or provisions of the condominium documents shall be grounds for relief which may include, but is not limited to, an action to recover sums due for damages, injunctive relief, foreclosure of

lien (if default in payment of assessment), or any combination of such remedies and such relief may be sought by **THE PONDS OF BONNER HILLS, BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** or, if appropriate, by an aggrieved Co-Owner or Co-Owners.

- b. Recovery of Costs. In any proceeding arising because of an alleged default by a Co-Owner, **THE PONDS OF BONNER HILLS** or the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION**, if successful, shall be entitled to recover the costs of the proceedings and such reasonable attorney 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 attorney fees from **THE PONDS OF BONNER HILLS** or **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION**
- c. Removal and Abatement. The violation of any of the provisions of the condominium documents shall also give **THE PONDS OF BONNER HILLS, BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** or their duly authorized agents the right, in addition to the rights set forth above, to enter upon the Common Elements or into any unit when reasonably necessary and summarily remove and abate, at the expense of the Co-Owner in violation, any structure or condition existing or maintained contrary to the provisions of the condominium documents. **THE PONDS OF BONNER HILLS** and **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** shall have no liability to any Co-Owner arising out of the exercise of their removal and abatement power as authorized in these By-Laws.
- d. Levy and Assessment of Fines. The violation of any of the provisions of the condominium documents by any Co-Owner shall be grounds for the levy and assessment by **THE PONDS OF BONNER HILLS** or **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION**, acting through their respective Boards of Directors, of monetary fines for such violations. No fine may be assessed unless rules and regulations establishing such fine have first been adopted by the Board of Directors of **THE PONDS OF BONNER HILLS** or the Board of Directors of the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** and notice provided to all Co-Owners in the same manner as prescribed in Article X, Section 7, of these By-Laws. Fines may be assessed only upon notice to the offending Co-Owner as prescribed in Article X, Section 7, and after an opportunity for such Co-Owner to appear before the Board of Directors not less than twenty one (21) days from the date of the notice and offer evidence in defense of the alleged violation. All fines duly assessed may be collected in the same manner as provided in Article X of these By-Laws. No fines shall exceed \$25.00 for a first violation; \$50.00 for the second violation; \$100 for any subsequent violation.
- e. Non-Waiver. The failure of **THE PONDS OF BONNER HILLS, BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** or any Co-Owner to enforce any right, provision or condition which may be granted by the condominium documents shall not constitute a waiver of the right of **THE PONDS OF BONNER HILLS, BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** or any such Co-Owner to enforce such right, provision or condition in the future.

- f. Cumulative Rights. All rights, remedies and privileges granted to **THE PONDS OF BONNER HILLS, BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** or any Co-Owner pursuant to any terms, provisions or conditions of the condominium documents shall be deemed to be cumulative. The exercise of any one or more shall not be deemed to constitute an election of remedies nor shall it preclude the party from exercising any other available rights, remedies or privileges at law or in equity.

ARTICLE XXII SEVERABILITY

1. Severability. If any of the terms, provisions or covenants of these By-Laws or the condominium documents are held to be entirely or partially invalid or unenforceable for any reason, such determination shall not affect, alter, modify or impair any of the other terms, provisions or covenants of the condominium documents which shall remain in full force and effect.

ARTICLE XXIII CONFLICTING PROVISIONS

1. Conflict Resolution Priority. In the event of any conflict between the provisions of the Michigan Condominium Act and any condominium document, the Michigan Condominium Act shall govern. In the event of any conflict between the provisions of any one or more condominium documents, the following order of priority shall prevail and govern:

- a. The Master Deed including the Condominium Subdivision Plan attached as Exhibit B to the Master Deed.
- b. Articles of Incorporation of **THE PONDS OF BONNER HILLS**
- c. Condominium By-Laws of **THE PONDS OF BONNER HILLS** attached as Exhibit A to the Master Deed.
- d. Articles of Incorporation of **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION**
- e. Condominium By-Laws of the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** attached as Exhibit C to the Master Deed.
- f. Any subsequently enacted By-Laws, rules and regulations of **THE PONDS OF BONNER HILLS**

- g. Any subsequently enacted By-Laws, rules and regulations of the BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION

WITNESSES:

BON-TEC DEVELOPMENT COMPANY, LLC.,
DEVELOPER

Helen Habuda
Helen Habuda

BY: Quirino D'Alessandro
Quirino D'Alessandro

Joseph C. Kapelezak
JOSEPH C. KAPELEZAK
STATE OF MICHIGAN)

COUNTY OF Genawee) ss

On this 1st day of October, 2013, personally appeared before me Quirino D'Alessandro, Managing Member of Bon-Tec Development Company, LLC, a Michigan limited liability company, who executed the foregoing on behalf of the limited liability company.

Adelaide Zalewski
, Notary Public
Macomb County, Michigan
My Commission Expires: Apr 29, 2018
Acting in Genawee County



DRAFTED BY AND RETURN TO:
MATTHEW C. QUINN, ESQ.
SEGLUND GABE QUINN GATTI & PAWLAK
28345 Beck Road, Suite 401
Wixom, MI 48393

EXHIBIT "C"
CONDOMINIUM BY-LAWS
OF
BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION

ARTICLE I
ASSOCIATION OF CO-OWNERS

1. **Organization.** **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** is a non-profit Michigan corporation whose members are all of the Co-Owners of the **BONNER HILLS ESTATES** condominium project and all of the Co-Owners of the **BONNER HILLS VILLAS** condominium project and **THE PONDS OF BONNER HILLS** condominium project. **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** has been established to have exclusive administration and governance of the Shared General Common Elements which are shared in common by the Co-Owners of **BONNER HILLS ESTATES** condominium project and the Co-Owners of the **BONNER HILLS VILLAS** condominium project and **THE PONDS OF BONNER HILLS** condominium project.

2. **Compliance.** All present and future Co-Owners, Mortgagees, lessees and other persons who may use the **BONNER HILLS ESTATES** condominium project and all present and future Co-Owners, Mortgagees, lessees and other persons who may use the **BONNER HILLS VILLAS** condominium project and **THE PONDS OF BONNER HILLS** condominium project shall be subject to and comply with the Michigan Condominium Act, Master Deeds for their respective Associations, Articles of Incorporation for their respective Associations, Condominium By-Laws for their respective Associations, Articles of Incorporation for **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION**, Condominium By-Laws for **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION**, laws of the State of Michigan and any other condominium documents that pertain to the use of the Shared General Common Elements that are shared in common by the Co-Owners of **BONNER HILLS ESTATES** condominium project and the Co-Owners of **BONNER HILLS VILLAS** condominium project and **THE PONDS OF BONNER HILLS** condominium project. The acceptance of a deed or conveyance, taking of a mortgage, the execution of a lease or the act of occupancy of a unit in the **BONNER HILLS ESTATES** condominium project or the **BONNER HILLS VILLAS** condominium project or **THE PONDS OF BONNER HILLS** condominium project shall constitute an acceptance of the provisions of the respective condominium documents and an agreement to comply with the respective condominium documents, including the Condominium By-Laws of **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION**

3. **Purpose of By-Laws of BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** These Condominium By-Laws of **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** shall establish the administration, governance, operation and maintenance of the Shared General Common Elements that are shared in common by the Co-Owners of **BONNER HILLS ESTATES** condominium project and the Co-Owners of **BONNER HILLS VILLAS** condominium project and **THE PONDS OF BONNER HILLS** condominium project.

**ARTICLE II
DEFINITIONS**

1. General. As used in these Condominium By-Laws of **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION**, the following definitions apply unless the context clearly indicates to the contrary.

- (a) "ACT" means the Michigan Condominium Act, as amended (MCL 559.101, et seq.; Public Act 59 of the Public Acts of 1978, as amended).
- (b) "Association", "Associations", "Condominium Association" or "Condominium Associations" mean the non-profit corporation or non-profit corporations organized under Michigan law for governance of the **BONNER HILLS ESTATES** condominium project and **BONNER HILLS VILLAS** condominium project and **THE PONDS OF BONNER HILLS** condominium project and are more specifically identified as follows:
 - (1) **BONNER HILLS ESTATES CONDOMINIUM ASSOCIATION, INC.** is a non-profit corporation organized under Michigan law of which all the Co-Owners of the forty seven (47) single family site condominium units shall be members. This Association shall operate, manage and maintain the forty seven (47) single family site condominium units in the condominium project. Any action required of or permitted to the **BONNER HILLS ESTATES CONDOMINIUM ASSOCIATION, INC.** shall be exercised by its Board of Directors unless specifically reserved to its members by the Condominium Documents or Michigan law.
 - (2) **BONNER HILLS VILLAS CONDOMINIUM ASSOCIATION, INC.** is a non-profit corporation organized under Michigan law of which all the Co-Owners of the attached condominium units shall be members. This Association shall operate, manage and maintain the attached condominium units in the condominium project. Any action required of or permitted to the **BONNER HILLS VILLAS CONDOMINIUM ASSOCIATION, INC.** shall be exercised by its Board of Directors unless specifically reserved to its members by the Condominium Documents or Michigan law.
 - (3) **THE PONDS OF BONNER HILLS** is a non-profit corporation organized under Michigan law of which all the Co-Owners of the attached condominium units shall be members. This Association shall operate, manage and maintain the attached condominium units in the condominium project. Any action required of or permitted to **THE PONDS OF BONNER HILLS** shall be exercised by its Board of Directors unless specifically reserved to its members by the Condominium Documents or Michigan law.
 - (4) **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** is a non-profit corporation organized under Michigan law of which the forty seven (47) single family site condominium unit Co-Owners of **BONNER HILLS ESTATES** and the attached condominium unit Co-Owners of **BONNER HILLS VILLAS** condominium project and **THE PONDS OF BONNER HILLS** condominium project shall be members. This Association shall exclusively

operate, manage and maintain the Shared General Common Elements of **BONNER HILLS ESTATES** and **BONNER HILLS VILLAS** and **THE PONDS OF BONNER HILLS** which are shared in common by the Co-Owners as provided in the respective Master Deeds of the three (3) condominium projects. Any action required of or permitted to the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** shall be exercised by its Board of Directors unless specifically reserved to its members by the Condominium Documents or Michigan law.

- (c) "Condominium By-Laws" shall mean the By-laws of **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** in which all of the Co-Owners of **BONNER HILLS ESTATES** and all of the Co-Owners of **BONNER HILLS VILLAS** and **THE PONDS OF BONNER HILLS** are members. The **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION'S** By-Laws are attached as Exhibit C to the Master Deed for **BONNER HILLS ESTATES** and part of the condominium documents for the condominium project. **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION'S** By-Laws are attached as Exhibit C to the Master Deed for **BONNER HILLS VILLAS** and part of the condominium documents for the condominium project. **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION'S** By-Laws are attached as Exhibit C to the Master Deed for **THE PONDS OF BONNER HILLS** and part of the condominium documents for the condominium project. The By-Laws for **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** are required to be recorded as part of the respective Master Deeds under Section 3(8) of the Act as amended. These By-Laws shall also constitute the corporate By-Laws of the non-profit corporation in which all of the Co-Owners of condominium units of **BONNER HILLS ESTATES** condominium project and all of the Co-Owners of condominium units in the **BONNER HILLS VILLAS** condominium project and **THE PONDS OF BONNER HILLS** are the member and which shall have exclusive governance of the Shared General Common Elements as set forth in the Master Deed of **BONNER HILLS ESTATES** Condominium project and the Master Deed for **BONNER HILLS VILLAS** condominium project and **THE PONDS OF BONNER HILLS** and as provided under the Michigan Non-Profit Corporation Act.
- (d) "Condominium Documents of Bonner Hills Estates" mean the Master Deed and all attached Exhibits, Articles of Incorporation of **BONNER HILLS ESTATES CONDOMINIUM ASSOCIATION, INC.**, Condominium By-Laws of **BONNER HILLS ESTATES CONDOMINIUM ASSOCIATION, INC.**, Articles of Incorporation of **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION**, Condominium By-Laws of **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** and any other documents referred to or incorporated by the Master Deed for **BONNER HILLS ESTATES** that affect the rights and obligations of a Co-Owner in the **BONNER HILLS ESTATES** condominium project.
- (e) "Condominium Documents of Bonner Hills Villas" mean the Master Deed and all attached Exhibits, Articles of Incorporation of **BONNER HILLS VILLAS CONDOMINIUM ASSOCIATION, INC.**, Condominium By-Laws of **BONNER HILLS VILLAS CONDOMINIUM ASSOCIATION, INC.**, Articles of Incorporation

of **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION**, Condominium By-Laws of **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** and any other documents referred to or incorporated by the Master Deed for **BONNER HILLS VILLAS** that affect the rights and obligations of a Co-Owner in the **BONNER HILLS VILLAS** condominium project.

- (f) "Condominium Documents of The Ponds of Bonner Hills" mean the Master Deed and all attached Exhibits, Articles of Incorporation of **THE PONDS OF BONNER HILLS** Condominium By-Laws of **BONNER HILLS VILLAS CONDOMINIUM ASSOCIATION, INC.**, Articles of Incorporation of **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION**, Condominium By-Laws of **THE PONDS OF BONNER HILLS** and any other documents referred to or incorporated by the Master Deed for **THE PONDS OF BONNER HILLS** that affect the rights and obligations of a Co-Owner in the **THE PONDS OF BONNER HILLS** condominium project.
- (g) "Condominium Project of **BONNER HILLS ESTATES**" means the **BONNER HILLS ESTATES** condominium project established pursuant to the Michigan Condominium Act.
- (h) "Condominium Project of **BONNER HILLS VILLAS**" means the **BONNER HILLS VILLAS** condominium project established pursuant to the Michigan Condominium Act.
- (i) "Condominium Project of **THE PONDS OF BONNER HILLS**" means the **THE PONDS OF BONNER HILLS** condominium project established pursuant to the Michigan Condominium Act.
- (j) Condominium Subdivision Plan for **BONNER HILLS ESTATES**" means Exhibit B attached to the Master Deed for **BONNER HILLS ESTATES**.
- (k) "Condominium Subdivision Plan for **BONNER HILLS VILLAS**" means Exhibit B attached to the Master Deed for **BONNER HILLS VILLAS**.
- (l) "Condominium Subdivision Plan for **THE PONDS OF BONNER HILLS**" means Exhibit B attached to the Master Deed for **THE PONDS OF BONNER HILLS**.
- (m) "Condominium Unit" or "Unit" means that part of the **BONNER HILLS ESTATES** condominium project and **BONNER HILLS VILLAS** condominium project and **THE PONDS OF BONNER HILLS** condominium project designed and intended for separate ownership and use as described in the respective Master Deeds.
- (n) "Co-Owner" or "Member" means a person, corporation, limited liability company, partnership, association, trust or any other legal entity or combination of legal entities who own legal or equitable title to a condominium unit in **BONNER HILLS ESTATES** condominium project or a condominium unit in **BONNER HILLS VILLAS** condominium project and **THE PONDS OF BONNER HILLS** condominium project and who, by definition in the respective Master Deeds, is a member of **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION**

- (o) "Developer" means Bon-Tec Development Company, LLC, a Michigan limited liability company, which is the legal entity that has executed the Master Deed for **BONNER HILLS ESTATES**, Master Deed for **BONNER HILLS VILLAS**, Master Deed for **THE PONDS OF BONNER HILLS** and established the respective Condominium Associations, including this **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION**, and includes the successors and assigns of the Developer. The Developer is the Co-Owner of the real property dedicated as the **BONNER HILLS ESTATES** condominium project and the **BONNER HILLS VILLAS** condominium project and **THE PONDS OF BONNER HILLS** condominium project and will develop the respective condominium projects.

- (o) "First Annual Meeting" means the initial meeting in which the non-Developer Co-Owners of the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** are permitted to vote for the election of all Directors of their Association and upon all of the matters which properly may be brought before the meeting of their Association. Such meeting (i) may be held at any time, in the Developer's sole discretion, after fifty (50%) percent of the units to be created are sold, and (ii) must be held within (a) fifty four (54) months from the date of the first unit conveyance or (b) one hundred twenty (120) days after seventy five (75%) percent of all units of **BONNER HILLS ESTATES** and **BONNER HILLS VILLAS** and **THE PONDS OF BONNER HILLS**, which may be created, are sold, whichever date/event occurs first.

- (p) "Master Deed for **BONNER HILLS ESTATES**" means the Master Deed for **BONNER HILLS ESTATES** including its attached Exhibits A, B and C.

- (q) "Master Deed for **BONNER HILLS VILLAS**" means the Master Deed for **BONNER HILLS VILLAS** including its attached Exhibits A, B and C.

- (r) "Master Deed for **THE PONDS OF BONNER HILLS**" means the Master Deed for **THE PONDS OF BONNER HILLS** including its attached Exhibits A, B and C.

- (s) "Mortgagee" means the individual, financial institution, corporation, limited liability company, partnership or other legal entity holding a first mortgage lien on an individual unit in **BONNER HILLS ESTATES** or holding a first mortgage lien on an individual unit in **BONNER HILLS VILLAS** or holding a first mortgage lien on an individual unit in **THE PONDS OF BONNER HILLS**.

- (t) "Percentage of Value" means the percentage assigned to each condominium unit by the Master Deeds of **BONNER HILLS ESTATES** and **BONNER HILLS VILLAS** and **THE PONDS OF BONNER HILLS**. Percentage of Value corresponds to the proportionate share of each Co-Owner in the Shared General Common Elements shared in common by all Co-Owners of the respective condominium projects. The Percentage of Value of a Co-Owner in the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** will determine the value of the Co-Owner's vote at any meetings of the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** when voting by value.

- (u) "Shared General Common Elements" means those Shared General Common Elements of the **BONNER HILLS ESTATES** condominium project and **BONNER HILLS VILLAS** condominium project and **THE PONDS OF BONNER HILLS** condominium project described in Article X of these By-Laws which are shared in common for the use and enjoyment of all Co-Owners subject to such charges as may be assessed to defray the operational costs and maintenance of such Shared General Common Elements and all of which are subject to the exclusive governance of **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION**
- (v) "Transitional Control Date" means the date on which the Board of Directors of **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** take office pursuant to an election where the votes which may be cast by eligible Co-Owners unaffiliated with the Developer exceed the votes that may be cast by the Developer.

Terms which are not defined in this Article but are defined in the Act shall have the meaning provided such terms in the Act unless the context clearly indicates to the contrary. Whenever any reference is made to one gender, the same shall include a reference to any and all genders where such a reference would be appropriate. Whenever a reference is made to the singular, a reference shall also be included to the plural where such a reference would be appropriate.

ARTICLE III ASSOCIATION MEMBERSHIP AND VOTING

1. **Membership.** Each present and future Co-Owner of a condominium unit in the **BONNER HILLS ESTATES** condominium project and each present and future Co-Owner of a condominium unit in the **BONNER HILLS VILLAS** condominium project and **THE PONDS OF BONNER HILLS** condominium project shall be a member of the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** during the term of such ownership. No other person or entity shall be entitled to membership. The share of a Co-Owner member in the funds and assets of the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** may be assigned, pledged or transferred only as an appurtenance to a condominium unit in **BONNER HILLS ESTATES** or **BONNER HILLS VILLAS** or **THE PONDS OF BONNER HILLS**.

2. **Voting Rights in BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION**
Each Co-Owner of a condominium unit in **BONNER HILLS ESTATES** and each Co-Owner of a condominium unit in **BONNER HILLS VILLAS** and each Co-Owner of a condominium unit in **THE PONDS OF BONNER HILLS** shall be a member in **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** and collectively be entitled to one vote for each unit owned when voting by number and one vote, the value of which shall equal the total of the percentages assigned to the units owned by the Co-Owner as stated in the respective Master Deeds, when voting by value. Voting shall be by number, except when voting is specifically required to be both by value and by number. Cumulative voting is not permitted. Co-Owners of units in the **BONNER HILLS ESTATES** and **BONNER HILLS VILLAS** and **THE PONDS OF BONNER HILLS** condominium projects and the Developer are entitled to vote. A Co-Owner, other than the Developer, may not vote at a meeting of the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** until the Co-Owner presents written evidence of ownership of a condominium unit in either condominium project. A Co-Owner may not vote before the initial meeting of members except for elections held pursuant to Article IV of the Condominium By-Laws for **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION**. The Developer may vote for those units to which title is owned by the Developer. If

required by the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION**, a person entitled to cast a vote may be designated by a certificate signed by all record owners of the unit and filed with the Secretary of the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** that this person is the designated representative to cast the vote for the unit and receive all notices and other communications from the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION**. Such a certificate shall state the name and address of the designated representative, the number of units owned and the name and address of the parties who are the legal Co-Owners. The certificate shall be valid until revoked, superceded by a subsequent certificate or until ownership of the subject unit changes.

3. Method of Voting. Votes may be cast in person or by proxy. Proxies shall be valid only for the particular meeting designated and for any adjournment of that meeting. Proxies must be filed with the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** before the appointed time of the meeting.

4. Majority. At any meeting of members of the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** at which a quorum is present, 51% of the Co-Owners entitled to vote and present under the terms of these **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** By-Laws, in accordance with the percentages allocated to each condominium unit in the Master Deeds for the condominium projects, shall constitute a majority for the approval of any matters presented at the meeting except as otherwise required in the Master Deed for **BONNER HILLS ESTATES**, Articles of Incorporation for **BONNER HILLS ESTATES CONDOMINIUM ASSOCIATION, INC.**, Condominium By-Laws for **BONNER HILLS ESTATES CONDOMINIUM ASSOCIATION, INC.**, Master Deed for **BONNER HILLS VILLAS**, Articles of Incorporation for **BONNER HILLS VILLAS CONDOMINIUM ASSOCIATION, INC.**, Condominium By-Laws for **BONNER HILLS VILLAS CONDOMINIUM ASSOCIATION, INC.**, Articles of Incorporation for **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION**, Condominium By-Laws for **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION**, Michigan Condominium Act or by Michigan law.

ARTICLE IV MEETINGS AND QUORUM

1. First Meeting of Members of **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** The first meeting of the members of the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** may be convened only by the Developer and may be called at any time within one hundred twenty (120) days after the conveyance of legal or equitable title to non-Developer Co-Owners of 50% of the units that may be created in either **BONNER HILLS ESTATES** or **BONNER HILLS VILLAS** or **THE PONDS OF BONNER HILLS** condominium projects; and must be held within fifty four (54) months after the first conveyance of legal or equitable title to a non-Developer Co-Owner of a unit in the either condominium project or within one hundred twenty (120) days after 75% of all units which may be created in either condominium project are sold, whichever date/event occurs first. The Developer may call meetings of members of the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** for informational or other appropriate purposes before the first meeting. Such an informational meeting shall not be construed as the first meeting of members. The date, time and place of such first meeting of members shall be set by written notice of the Developer to each Co-Owner and shall provide at least ten (10) days notice before the meeting date.

2. Annual Meetings. Annual meetings of members of the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** shall be held at a time and place established by the Board of Directors in

each succeeding year after the year in which the first annual meeting is conducted. At least ten (10) days written notice of the time, place and purpose of the annual meeting shall be mailed to each member entitled to vote at the meeting. The members shall transact such business of the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** as may properly come before them or be introduced at such annual meetings.

3. Special Meetings. The Board of Directors shall have the exclusive authority to call a special meeting of members if such a special meeting has been directed by resolution of the Board of the Directors or upon a petition signed by one third (1/3) of the members is presented to the Board of Directors of the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION**. At least ten (10) days written notice of the time, place and purpose of the special meeting shall be mailed to each member entitled vote at the special meeting. There shall not be any business conducted at a special meeting except as stated in the notice of the special meeting.

4. Notice of Meetings. The Board of Directors or Secretary shall mail the notice of any annual meeting or special meeting to each Co-Owner at least ten (10) days before any such meeting.

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 date and time approved by the Co-Owners in attendance at least ten (10) days after the existing meeting.

6. Quorum. The presence in person, or by proxy, of 35% of the owner's qualified to vote, in number and in value, shall constitute a quorum for holding a meeting of the members of the association, except for voting on questions specifically required by the Project 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 question upon which the vote is cast.

**ARTICLE V
ADVISORY COMMITTEE OF
BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION**

1. General. Within one (1) year after conveyance of legal or equitable title to the first unit in either condominium project to a purchaser or within one hundred twenty (120) days after conveyance of legal or equitable title to Co-Owners of one third (1/3) of the total number of units created in either condominium project, whichever date/event occurs first, the Developer shall appoint two (2) non-Developer Co-Owners from **BONNER HILLS VILLAS** and two (2) non-Developer Co-Owners from **BONNER HILLS ESTATES** and two (2) non-Developer Co-Owners from **THE PONDS OF BONNER HILLS** to serve as an Advisory Committee for the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION**. The purpose of the Advisory Committee shall be to facilitate communications between the temporary Board of Directors and the non-Developer Co-Owners to aid in the transfer of control to the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION**. The Advisory Committee for **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** shall cease to exist automatically when the non-Developer Co-Owners of **BONNER HILLS ESTATES** condominium project have the requisite voting authority to elect a majority of the Board of Directors of the **BONNER HILLS ESTATES CONDOMINIUM ASSOCIATION, INC.** and the non-Developer Co-Owners of **BONNER HILLS VILLAS** condominium project have the requisite voting authority to elect a majority of the Board of Directors of **BONNER HILLS VILLAS CONDOMINIUM ASSOCIATION, INC.** and the non-Developer Co-Owners of **THE PONDS OF BONNER HILLS** condominium project have the requisite voting authority to elect a majority of the Board of Directors of

BONNER HILLS VILLAS CONDOMINIUM ASSOCIATION, INC. ("Transitional Control Date"). The Developer may remove and replace any member of the Advisory Committee for **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** who has not been elected by the Co-Owners at the discretion of the Developer.

**ARTICLE VI
BOARD OF DIRECTORS, OFFICERS AND ADMINISTRATION
OF BONNER HILLS CONDOMINIUM ASSOCIATION**

1. **Board of Directors.** The business, property and affairs of the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** shall be managed by the Board of Directors. The composition of the first Board of Directors and successor Board of Directors shall be established as provided in this Article. Directors shall serve without compensation.

2. **Appointment of Directors.**

a. **First Board of Directors.** The First Board of Directors shall be appointed by the Developer and shall consist of three (3) persons of which one shall be the Developer. The first Board of Directors shall manage the affairs of the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** until the appointment of the Board of Directors after the first annual meeting of Co-Owners of the **BONNER HILLS ESTATES** condominium project and after the first annual meeting of Co-Owners of the **BONNER HILLS VILLAS** condominium project and after the first annual meeting of Co-Owners of the **THE PONDS OF BONNER HILLS** condominium project and the appointment of the respective Boards of Directors for each condominium project. All actions of the First Board of Directors of **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** shall be binding on **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** as long as such actions are within the scope of the powers and duties that may be exercised by the Board of Directors as provided in these By-Laws.

b. **Appointment of Board of Directors from Board of Directors of BONNER HILLS ESTATES and Board of Directors of BONNER HILLS VILLAS and Board of Directors of THE PONDS OF BONNER HILLS.** Once the Co-Owners of **BONNER HILLS ESTATES** have elected a majority of the Board of Directors of **BONNER HILLS ESTATES CONDOMINIUM ASSOCIATION, INC.** and once the Co-Owners of **BONNER HILLS VILLAS** have elected a majority of the Board of Directors of **BONNER HILLS VILLAS CONDOMINIUM ASSOCIATION, INC.** and once the Co-Owners of **THE PONDS OF BONNER HILLS** have elected a majority of the Board of Directors of **BONNER HILLS VILLAS CONDOMINIUM ASSOCIATION, INC.** the number of Directors comprising the Board of Directors for **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** shall be increased to six (6) Directorships. The Board of Directors for **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** shall be comprised of six (6) persons of which two (2) shall be current Directors of the **BONNER HILLS ESTATES CONDOMINIUM ASSOCIATION, INC.** and two (2) shall be current Directors of the **BONNER HILLS VILLAS CONDOMINIUM ASSOCIATION, INC.** and two (2) shall be current

Directors of **THE PONDS OF BONNER HILLS**. The two (2)) Directors appointed to the Board of Directors of **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** by the Board of Directors of **BONNER HILLS ESTATES** shall be elected by a majority vote of such Board. The two (2) Directors of **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** appointed by the Board of Directors of **BONNER HILLS VILLAS** shall be elected by a majority vote of such Board. The two (2) Directors appointed by the Board of Directors of **THE PONDS OF BONNER HILLS** shall be elected by a majority vote of such Board. The Board of Directors of **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** shall hold office for one (1) year or until their successors have been appointed by a subsequent vote of the Boards of Directors of **BONNER HILLS ESTATES** and **BONNER HILLS VILLAS**. The Directors of **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** shall conduct business in accordance with the provisions of these Condominium By-Laws of **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION**

3. **Powers and Duties.** The Board of Directors of **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** shall have the powers and duties necessary for the administration of the affairs of the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** and may do all things which are not prohibited by these By-Laws, the condominium documents of **BONNER HILLS ESTATES** or the condominium documents of **BONNER HILLS VILLAS** or the condominium documents of **THE PONDS OF BONNER HILLS**. The powers and duties to be exercised by the Board of Directors of **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** shall include, but not be limited to, the following:

- a. To manage and administer the business affairs of the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** and to maintain the Shared General Common Elements that are shared in common by the Co-Owners of the **BONNER HILLS ESTATES** condominium project and the Co-Owners of the **BONNER HILLS VILLAS** condominium project and the Co-Owners of the **THE PONDS OF BONNER HILLS** condominium project as stated in the respective Master Deeds for the three (3) condominium projects.
- b. To develop an annual budget for the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** and to levy, collect and disburse assessments against and from the members of the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** and to use the proceeds for the purposes of the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** and to impose late charges for non-payment of **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** assessments.
- c. To prepare and distribute an annual financial statement to the members of the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** the annual financial statement shall contain an itemized statement of the income, expenses, related budget reports and such other reports as the Board of Directors may deem necessary.
- d. To procure and maintain insurance on the Shared General Common Elements that are shared in common by the Co-Owners of **BONNER HILLS ESTATES** condominium project and the Co-Owners of the **BONNER HILLS VILLAS** condominium project and

the Co-Owners of **THE PONDS OF BONNER HILLS** as well as allocate any applicable insurance proceeds.

- e. To maintain, repair, restore or rebuild the Shared General Common Elements that are shared in common by the Co-Owners of the **BONNER HILLS ESTATES** condominium project and the Co-Owners of the **BONNER HILLS VILLAS** condominium project and the Co-Owners of **THE PONDS OF BONNER HILLS** condominium project as set forth in their respective Master Deeds and in Article X of these By-Laws.
- f. To negotiate on behalf of the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** and its members in regard to the taking of any of the Shared General Common Elements that are shared in common by the Co-Owners of the **BONNER HILLS ESTATES** condominium project and the Co-Owners of the **BONNER HILLS VILLAS** condominium project and the Co-Owners of **THE PONDS OF BONNER HILLS** condominium project by eminent domain or condemnation.
- g. To employ, supervise and discharge persons, firms, corporations or agents who have been engaged in the management, operation, maintenance and administration of the Shared General Common Elements and the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION**
- h. To adopt and amend rules and regulations of **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION**, the Shared General Common Elements that are shared in common with the Co-Owners of the **BONNER HILLS ESTATES** condominium project and the Co-Owners of the **BONNER HILLS VILLAS** condominium project and the Co-Owners of **THE PONDS OF BONNER HILLS** condominium project that are consistent with the Master Deed for **BONNER HILLS ESTATES**, Articles of Incorporation for **BONNER HILLS ESTATES CONDOMINIUM ASSOCIATION, INC.**, Condominium By-Laws of **BONNER HILLS ESTATES CONDOMINIUM ASSOCIATION, INC.**, Master Deed for **BONNER HILLS VILLAS**, Articles of Incorporation for **BONNER HILLS VILLAS CONDOMINIUM ASSOCIATION, INC.**, Condominium By-Laws of **BONNER HILLS VILLAS CONDOMINIUM ASSOCIATION, INC.**, Master Deed for **THE PONDS OF BONNER HILLS**, Articles of Incorporation for **THE PONDS OF BONNER HILLS CONDOMINIUM ASSOCIATION, INC.**, Condominium By-Laws of **THE PONDS OF BONNER HILLS CONDOMINIUM ASSOCIATION, INC** Articles of Incorporation for **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION**, these By-Laws of **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION**, the condominium documents of **BONNER HILLS ESTATES**, the condominium documents of **BONNER HILLS VILLAS**, the condominium documents of **THE PONDS OF BONNER HILLS** and the Michigan Condominium Act.
- i. To open bank accounts, borrow money and issue evidences of indebtedness to further the purposes of the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** including, but not limited to, mortgages, security agreements, pledges or liens on **BONNER HILLS ESTATES** condominium project property and/or **BONNER HILLS VILLAS** condominium project property and/or **THE PONDS OF**

BONNER HILLS condominium project property provided that any such mortgage, security agreement, pledge or other lien instrument shall be approved by an affirmative vote of 60% of all members of the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** when voting by Percentage of Value under the provisions of the Master Deeds for **BONNER HILLS ESTATES** and **BONNER HILLS VILLAS**.

- j. To establish committees, subcommittees or other advisory entities for the purpose of implementing the administration of the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** and to delegate to such committees the functions and responsibilities which are reserved exclusively for the Board of Directors in these By-Laws.
- k. To grant permits and licenses for the use of the Shared General Common Elements that are shared in common by the Co-Owners of the **BONNER HILLS ESTATES** condominium project and the Co-Owners of the **BONNER HILLS VILLAS** condominium project and the Co-Owners of **THE PONDS OF BONNER HILLS** condominium project and exclusively governed by the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** consistent with the condominium documents of **BONNER HILLS ESTATES**, condominium documents of **BONNER HILLS VILLAS**, condominium documents of **THE PONDS OF BONNER HILLS** and the Michigan Condominium Act.
- l. To authorize the signing of contracts, deeds of conveyance, easements and rights-of-way affecting the Shared General Common Elements which are shared in common by the Co-Owners of the **BONNER HILLS ESTATES** condominium project and the Co-Owners of the **BONNER HILLS VILLAS** condominium project and the Co-Owners of **THE PONDS OF BONNER HILLS** condominium project.
- m. To repair, restore or rebuild the Shared General Common Elements which are shared in common by the Co-Owners of the **BONNER HILLS ESTATES** condominium project and the Co-Owners of the **BONNER HILLS VILLAS** condominium project and the Co-Owners of **THE PONDS OF BONNER HILLS** condominium project that may be damaged or destroyed by fire or other casualty as provided in the respective Master Deeds.
- n. To assert, defend or settle claims on behalf of the members of **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** in connection with the Shared General Common Elements that are shared in common by the Co-Owners of the **BONNER HILLS ESTATES** condominium project and the Co-Owners of the **BONNER HILLS VILLAS** condominium project and the Co-Owners of **THE PONDS OF BONNER HILLS** condominium project or as may be authorized in the respective Master Deeds.
- o. To enforce any and all provisions of these By-Laws.

- p. To perform such other duties as may be required or necessary or imposed by resolutions of the members of the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION**

4. Management Agent. The Board of Directors may employ a professional management agent for the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** to perform such duties and services as the Board shall authorize. The Developer may serve as professional managing agent if appointed by the Board of Directors but only prior to the Transitional Control Date. Upon the Transitional Control Date, or within ninety (90) days after the Transitional Control Date, the Board of Directors may terminate any service or management contract with the Developer. In no event shall the Board of Directors be authorized to enter into any contract with a professional management agent or any contract providing for services by the Developer, sponsor or builder, in which the maximum term is greater than one (1) year or which is not terminable by the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** upon ninety (90) days written notice to the other party and no such contract shall violate the provision of Section 55 of the Michigan Condominium Act.

5. Vacancies on Board of Directors. Vacancies on the Board of Directors of **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** shall be filled by appointment from the Board of Directors of the source Association. A Director appointed to a vacancy on the Board of Directors of **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** shall be a Director of **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** until the successor is replaced by the Board of Directors of the source Association.

6. Removal. A Director may be removed from the Board of Directors of **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** by a majority vote of the Directors or a majority vote of the Board of Directors of the source Association. Furthermore, at any regular or special meeting of the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** called pursuant to the requisite notice, 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 Percentage of Value, of all of the Co-Owners members of **BONNER HILLS ESTATES** and the Co-Owner members of **BONNER HILLS VILLAS** and the Co-Owners of **THE PONDS OF BONNER HILLS**. The quorum requirement for purpose of removal at any regular or special meeting of the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** shall be 50% in number and value. A 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 prior to the Transitional Control Date.

7. First Meeting of Non-Developer Appointed Board of Directors. The first meeting of the newly Non-Developer appointed Board of Directors of **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** shall be held on written notice within ten (10) days of their appointment at such place and time as shall be fixed by the Directors in the notice of the first meeting.

8. Regular Meetings. Regular meetings of the Board of Directors may be held at such places and times as shall be determined by a majority of the Directors but at least two (2) such meetings shall be held annually. Notice of regular meetings of Board of Directors shall be given to each Director by written or oral communication at least ten (10) days prior to the date of such meeting.

9. Special Meetings. Special meetings of the Board of Directors may be called by the President on three (3) days written notice to each Director. The notice of the special meeting shall state the place, time and

purpose of the meeting. Special meetings may also be called by the President or Secretary on written request of two (2) or more Directors. The business conducted at the special meeting of Directors shall be limited to the purpose contained in the notice of the special meeting.

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 place, time and purpose of the meeting. If all of the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting unless otherwise restricted to the purpose of a special meeting.

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 actions 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 place and time as may be determined by the Directors present. At any such adjourned meeting, any business which may 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 to the minutes of such meeting shall constitute the presence of such Director for purposes of determining a quorum.

ARTICLE VII OFFICERS

1. Officers. The principal officers of the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** shall be a President, a Secretary and a Treasurer. The President shall be a member of the Board of Directors as a condition of the office of Presidency. The Board of Directors may appoint such other officers as may be necessary in its discretion. Any two offices may be held by a single person.

- a. President. The President shall be the Chief Executive Officer of the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION**. The President shall preside at all meetings of the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** and the Board of Directors. He shall have all the general powers and duties which are generally vested in the office of President of a non-profit corporation including, but not limited to, the authority to appoint committees from among the members and perform such other actions as may be necessary to conduct the business affairs of the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION**.
- b. Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the members of the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION**. The Secretary shall have charge of the corporate books and documents of the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION**. The Secretary shall also perform such other duties as may be directed by the President or Board of Directors.
- c. Treasurer. The Treasurer shall have the responsibility for operation, management and preservation of the funds and securities of the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION**. The Treasurer shall also be responsible for maintaining full and accurate accounts of all receipts and disbursements in the financial

books and records of the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION**. The Treasurer shall also be responsible for the deposit of any and all monies and other valuable effects in the name and credit of the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION**. The Treasurer shall also perform such other duties as may be directed by the President or Board of Directors.

2. Election. The officers of the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** shall be elected annually by the Board of Directors at the organizational meeting of each new Board of Directors. The officers shall hold office at the pleasure of the Board of Directors.

3. Removal. Any officer of **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** may be removed, with or without cause, upon affirmative vote of the majority of the members of the Board of Directors of **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION**. An officer may be removed at any regular meeting of the Board of Directors or any special meeting of the Board called for such purpose. Any removal action must be stated 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. The Board of Directors may immediately elect the successor to any officer removed at any general or special meeting for that purpose.

4. Duties. The officers of **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** have such other duties, powers, responsibilities and authority as authorized by the Board of Directors of **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION**.

ARTICLE VII INDEMNIFICATION OF DIRECTORS AND OFFICERS OF BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION

1. Indemnification. The directors and officers of the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** shall be indemnified for liabilities and expenses, including reasonable attorney fees, incurred by or imposed upon such directors and officers as a result of any legal or administrative proceedings to which such director or officer was a party or is a party or is threatened to be a party. The Board of Directors shall approve any and all director and officer indemnification. Indemnification of such directors and officers shall be provided regardless of whether a person is a director or officer at the time such expenses are incurred. Indemnification is expressly excluded for willful or wanton misconduct or gross negligence as required by the Michigan Condominium Act. The Board of Directors shall provide at least ten (10) days notice to the Co-Owners/Members of any indemnification payment to a director or officer that has been approved by the Board of Directors. The Board of Directors is also authorized to carry directors' and officers' liability insurance in such amounts as deemed to be reasonable and appropriate in its discretion. The right of indemnification for directors and officers as provided in this provision shall be in addition to and not exclusive of any statutory rights of indemnification to which such director or officer may be entitled under the Michigan Non-Profit Business Corporation Act.

ARTICLE IX FINANCE AND ACCOUNTING RECORDS

1. Records. The **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** shall maintain detailed books of account showing all expenditures and receipts of administration and which shall

specify the maintenance and repair expenses of the Shared General Common Elements that are shared in common by the Co-Owners of **BONNER HILLS ESTATES** and the Co-Owners of **BONNER HILLS VILLAS** and the Co-Owners of **THE PONDS OF BONNER HILLS** and such other expenses incurred by or on behalf of the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION**. The accounting records and all other **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** records shall be available for inspection by the Co-Owners/Members and their Mortgagees during reasonable working hours. The **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** shall prepare and distribute a financial statement at least once a year to each Co-Owner/Member. The accounting records shall be reviewed at least annually by a qualified independent auditor. Mortgagees of any **BONNER HILLS ESTATES** condominium unit or **BONNER HILLS VILLAS** condominium unit or **THE PONDS OF BONNER HILLS** condominium unit shall be entitled to receive a copy of such annual reviewed financial statement within ninety (90) days following the end of the tax reporting period of the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** upon written request. The costs of such review and any accounting expenses shall be expenses of administration. If an audited financial statement is not available, any Mortgagee of a **BONNER HILLS ESTATES** condominium unit or **BONNER HILLS VILLAS** condominium unit or **THE PONDS OF BONNER HILLS** condominium unit shall be allowed to have an audited financial statement prepared at its own expense.

- a. Expenditures effecting the administration of **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** shall include costs incurred in the satisfaction of any liability arising within, caused by or connected with, the Shared General Common Elements or the administration of the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION**. Receipts affecting the administration of **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** shall include all sums as the proceeds of, or pursuant to, a policy of insurance securing the interests of the Co-Owners/Members against liabilities or losses arising within, caused by or connected with the Shared General Common Elements or the administration of **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION**.

2. Tax Reporting Period. The calendar year shall be the annual tax reporting period for the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION**. The tax reporting period of the corporation may be changed by the Board of Directors according to the regulations of the Internal Revenue Code.

3. Financial Institution. The funds of the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** shall be deposited in an established and federally insured financial institution as designated by its Board of Directors. The monies of the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** may be withdrawn by check or order of such officers, employees or agents as may be designated by resolution of its Board of Directors. Funds of the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** may be invested in accounts or deposited to certificates of such federally insured financial institutions or in interest bearing obligations of the United States government.

ARTICLE X SHARED GENERAL COMMON ELEMENTS

1. Shared General Common Elements Shared in Common by **BONNER HILLS ESTATES** Condominium Project and **BONNER HILLS VILLAS** Condominium Project and **THE PONDS OF**

BONNER HILLS Condominium Project. The Shared General Common Elements shared in common by the Co-Owners of BONNER HILLS ESTATES condominium project and the Co-Owners of BONNER HILLS VILLAS condominium project and the Co-Owners of THE PONDS OF BONNER HILLS condominium project shall be subject to the exclusive governance of the BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION

2. **Identification of Shared General Common Elements Shared in Common.** The Shared General Common Elements shared in common by the Co-Owners of **BONNER HILLS ESTATES** condominium project and the Co-Owners of the **BONNER HILLS VILLAS** condominium project and the Co-Owners of **THE PONDS OF BONNER HILLS** condominium project and subject to the exclusive governance of the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** are:

- (a) The road easements described in the Condominium Subdivision Plan attached as Exhibit B to the Master Deed for **BONNER HILLS ESTATES** condominium project and the Condominium Subdivision Plan Attached as Exhibit B to the Master Deed for **BONNER HILLS VILLAS** condominium project and the Condominium Subdivision Plan Attached as Exhibit B to the Master Deed for **THE PONDS OF BONNER HILLS** .
- (b) All utilities located within the utility easements described in the Condominium Subdivision Plan for **BONNER HILLS ESTATES** condominium project and described in the Condominium Subdivision Plan for **BONNER HILLS VILLAS** Condominium Project and described in the Condominium Subdivision Plan for **THE PONDS OF BONNER HILLS** Condominium Project.
- (c) The electrical wiring network and distribution system throughout the **BONNER HILLS ESTATES** condominium project and **BONNER HILLS VILLAS** condominium project as located within the easements described in the Condominium Subdivision Plan for **BONNER HILLS ESTATES** and the Condominium Subdivision Plan for **BONNER HILLS VILLAS**, but excluding the electrical system facilities connected for individual units.
- (d) The natural gas line network and distribution system throughout the **BONNER HILLS ESTATES** condominium project and **BONNER HILLS VILLAS** condominium project and **THE PONDS OF BONNER HILLS** condominium project as located within the easements described in the Condominium Subdivision Plan for **BONNER HILLS ESTATES** and the Condominium Subdivision Plan for **BONNER HILLS VILLAS** and the Condominium Subdivision Plan for **THE PONDS OF BONNER HILLS**, but excluding the gas line connection service for individual units.
- (e) The telephone, television and telecommunication wiring network and distribution system throughout the **BONNER HILLS ESTATES** condominium project and **BONNER HILLS VILLAS** condominium project and **THE PONDS OF BONNER HILLS** condominium project as located within the easements described in the Condominium Subdivision Plan for **BONNER HILLS ESTATES** and the Condominium Subdivision Plan for **BONNER HILLS VILLAS** and the Condominium Subdivision Plan for **THE PONDS OF BONNER HILLS**, but excluding the telephone, television and telecommunication wiring network connections for individual units.

- (f) The storm and surface water drainage basin, detention basin and the storm and surface water drainage system throughout the **BONNER HILLS ESTATES** condominium project and **BONNER HILLS VILLAS** condominium project and **THE PONDS OF BONNER HILLS** condominium project as located within the easements described in the Condominium Subdivision Plan for **BONNER HILLS ESTATES** and the Condominium Subdivision Plan for **BONNER HILLS VILLAS** and the Condominium Subdivision Plan for **THE PONDS OF BONNER HILLS**, but excluding any storm water connection for individual units.
- (g) The landscaping, irrigation, sprinkler system, entrance-way sign and lighting located with the road easements described in the Condominium Subdivision Plan for **BONNER HILLS ESTATES** and the Condominium Subdivision Plan for **BONNER HILLS VILLAS** and the Condominium Subdivision Plan for **THE PONDS OF BONNER HILLS**, but excluding any landscaping, irrigation, sprinkler system and lighting for individual units.
- (h) The street lighting, if any, described in the Condominium Subdivision Plan for **BONNER HILLS ESTATES** and the Condominium Subdivision plan for **BONNER HILLS VILLAS** and the Condominium Subdivision plan for **THE PONDS OF BONNER HILLS**.
- (i) The municipal water system throughout the **BONNER HILLS ESTATES** condominium project and **BONNER HILLS VILLAS** condominium project and **THE PONDS OF BONNER HILLS** condominium project as located within the easements described in the Condominium Subdivision Plan for **BONNER HILLS ESTATES** and the Condominium Subdivision Plan for **BONNER HILLS VILLAS** and **THE PONDS OF BONNER HILLS** Condominium Subdivision Plan but excluding any water connection for individual units.
- (j) The municipal sanitary sewer system and facility located throughout the **BONNER HILLS ESTATES** condominium project and **BONNER HILLS VILLAS** condominium project and **THE PONDS OF BONNER HILLS** condominium project as located within the easements described in the Condominium Subdivision plan for **BONNER HILLS ESTATES** and the Condominium Subdivision plan **BONNER HILLS VILLAS** and the Condominium Subdivision plan for **THE PONDS OF BONNER HILLS**, but excluding any sanitary sewer connection for individual units.
- (k) Pedestrian paths within **BONNER HILLS ESTATES** condominium project and within **BONNER HILLS VILLAS** condominium project and within **THE PONDS OF BONNER HILLS** condominium project as described in the Condominium Subdivision Plan for **BONNER HILLS ESTATES** and the Condominium Subdivision plan for **BONNER HILLS VILLAS** and the Condominium Subdivision plan for **THE PONDS OF BONNER HILLS**.
- (l) The nature preserve located within **BONNER HILLS ESTATES** condominium project described in the Condominium Subdivision Plan for **BONNER HILLS ESTATES**.
- (m) any other amenity, if any, shared in common by members of the Association.

Some or all of the utility lines, utility systems (including mains and service leads) and equipment may be owned by the local public utility or utility company that is providing the pertinent utility service. Accordingly, such utility lines, systems and equipment shall be Shared General Common Elements only to the extent of a Co-Owner's interest in such facilities, if any, and the Developer makes no warranty as to the nature and extent of such interest.

3. Private Roads for Ingress, Egress and Public Utilities. The **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION**, of which all the Co-Owners of **BONNER HILLS ESTATES** condominium project and all of the Co-Owners of the **BONNER HILLS VILLAS** condominium project and all of the Co-Owners of **THE PONDS OF BONNER HILLS** condominium project are members, shall maintain and participate in the maintenance of the private road easement, utilities and drainage facilities located within the road easements which are part of the condominium documents of **BONNER HILLS ESTATES** condominium project and part of the condominium documents of **BONNER HILLS VILLAS** condominium project pursuant and part of the condominium documents of **THE PONDS OF BONNER HILLS** condominium project to their respective Master Deeds. Private roads and private road easements shall be maintained at all times according to the standards, rules, regulations and ordinances established by the City of Tecumseh. In the event any private road becomes dedicated to the public, the Co-Owners of **BONNER HILLS ESTATES** condominium project, the Co-Owners of **BONNER HILLS VILLAS** condominium project, the Co-Owners of **THE PONDS OF BONNER HILLS** condominium project and the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** will no longer be responsible for the maintaining the road.

4. Storm Sewer, Storm Water and Storm Water Detention Basin Easements. The **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION**, of which the Co-Owners of **BONNER HILLS ESTATES** condominium project and the Co-Owners of **BONNER HILLS VILLAS** condominium project and the Co-Owners of **THE PONDS OF BONNER HILLS** condominium project are members, shall maintain and participate in the maintenance, repair and replacements of the storm sewer, storm water and storm water drainage basin easements as depicted/designated in the Condominium Subdivision Plan for **BONNER HILLS ESTATES** and the Condominium Subdivision Plan for **BONNER HILLS VILLAS** and the Condominium Subdivision Plan for **THE PONDS OF BONNER HILLS**.

5. Reserved.

6. Easements for Maintenance, Repair and Related Matters. There shall be permanent and perpetual easements reserved for and administered by the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** for the maintenance, repair or replacement of the Shared General Common Elements which are shared in common by the Co-Owners of **BONNER HILLS ESTATES** condominium project and the Co-Owners of the **BONNER HILLS VILLAS** condominium project and the Co-Owners of **THE PONDS OF BONNER HILLS** condominium project for which the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** is responsible under these By-Laws, the Master Deed for **BONNER HILLS ESTATES** and the Master Deed for **BONNER HILLS VILLAS**. There shall be permanent and perpetual easements through, over, under and across the **BONNER HILLS ESTATES** condominium project property and the **BONNER HILLS VILLAS** condominium project property and **THE PONDS OF BONNER HILLS** condominium project property for the installation, maintenance, repair, replacement and inspection of all utilities by applicable governmental entities or utility companies as described in the condominium documents for **BONNER HILLS ESTATES**, condominium documents for **BONNER HILLS VILLAS**, condominium documents for **THE PONDS OF BONNER HILLS** and these By-Laws. In the event any improvements located in any condominium units encroach upon a Shared General Common Element,

easements shall exist for the maintenance, repair and replacement of such Shared General Common Elements for as long as such encroachment exists.

- (a) Reservation of Access Easements by Developer. The Developer reserves perpetual and non-exclusive easements for the benefit of itself and its successors, agents, employees, guests, invitees and independent contractors for the unrestricted use of the easements, roads, driveways and walkways in the **BONNER HILLS ESTATES** condominium project and **BONNER HILLS VILLAS** condominium project and **THE PONDS OF BONNER HILLS** condominium project for the purpose of ingress and egress.
- (b) Reservation of Utility Easements by Developer. The Developer reserves perpetual and non-exclusive easements to enter upon and across the **BONNER HILLS ESTATES** condominium project and **BONNER HILLS VILLAS** condominium project and **THE PONDS OF BONNER HILLS** condominium project to lay pipe and cable as well as perform such other acts that are reasonably necessary to utilize, tap, construct, extend and enlarge all utility services or systems on the **BONNER HILLS ESTATES** condominium project and **BONNER HILLS VILLAS** condominium project, and **THE PONDS OF BONNER HILLS** condominium project to service all or any portion of the condominium projects.
- (c) Future Utility Easements. Developer also reserves the right at any time to grant easements for utilities over, upon, under, across and through the Shared General Common Elements of the projects to appropriate governmental agencies or public utility companies and to transfer title of the utilities to governmental agencies or to utility companies. Any such easement or transfer of title may be made by the Developer without the consent of any Co-Owner, Mortgagee or other person and shall be evidenced by the appropriate amendments to the Master Deed and Condominium Subdivision Plan of the **BONNER HILLS ESTATES** condominium project and/or **BONNER HILLS VILLAS** condominium project and **THE PONDS OF BONNER HILLS** condominium project and subsequently recorded in the Lenawee County Register of Deeds. All of the Co-Owners and Mortgagees of units and other persons interested in the condominium projects shall be deemed to irrevocably and unanimously consent to such amendment or amendments as may be required to effectuate the grant of any easement or transfer of title.
- (d) Easements of Developer for Maintenance, Repair or Replacements. The Developer and all public or private utilities shall have perpetual and non-exclusive easements over, upon, under, across and through the **BONNER HILLS ESTATES** condominium project and **BONNER HILLS VILLAS** condominium project and **THE PONDS OF BONNER HILLS** condominium project, including all units and all Shared General Common Elements, as may be necessary to fulfill any responsibilities of maintenance, repair or replacements that are required or permitted under the condominium documents of **BONNER HILLS ESTATES**, condominium documents of **BONNER HILLS VILLAS**, condominium documents of **THE PONDS OF BONNER HILLS**, these By-Laws, the Michigan Condominium Act or by law. These easements include the right of the Developer or public or private utilities to obtain access to a unit during reasonable hours and upon reasonable notice to the Co-Owner of the affected unit.

(e) Reserved.

(f) Maintenance of Shared General Common Elements. The Co-Owner members of the **BONNER HILLS ESTATES CONDOMINIUM ASSOCIATION, INC.** and the Co-Owner members of the **BONNER HILLS VILLAS CONDOMINIUM ASSOCIATION, INC.** share the responsibility and liability for the maintenance, repair and replacements of the Shared General Common Elements. The administration and governance of the Shared General Common Elements shall be vested in **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION.** All of the Co-Owners of **BONNER HILLS ESTATES** condominium project and all of the Co-Owners of **BONNER HILLS VILLAS** condominium project and **THE PONDS OF BONNER HILLS** condominium project shall be members because the Shared General Common Elements are shared in common by the Co-Owners of **BONNER HILLS ESTATES** condominium project and the Co-Owners of the **BONNER HILLS VILLAS** condominium project and **THE PONDS OF BONNER HILLS** condominium project. Contributions of the Co-Owners of **BONNER HILLS ESTATES** and contributions of the Co-Owners of **BONNER HILLS VILLAS** and the Co-Owners of **THE PONDS OF BONNER HILLS** to the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** for the repair, maintenance and replacement of the Shared General Common Elements shall be apportioned as follows:

- 1) The Co-Owners of the single family site condominium units known as **BONNER HILLS ESTATES CONDOMINIUM ASSOCIATION, INC.** shall be liable in the aggregate amount of 35% of the cost of any maintenance, repair or replacement of any Shared General Common Element with such aggregate cost being further apportioned equally amongst the forty seven (47)) Co-Owners of the single family site condominium units
- 2) The Co-Owners of the attached condominium units known as **BONNER HILLS VILLAS CONDOMINIUM ASSOCIATION, INC.** shall be liable in the aggregate amount of 21% of the cost of any maintenance, repair or replacement of any Shared General Common Element with such aggregate cost being further apportioned equally amongst the Co-Owners of the attached condominium units.
- 3) The Co-Owners of the attached condominium units known as **THE PONDS OF BONNER HILLS CONDOMINIUM ASSOCIATION, INC.** shall be liable in the aggregate amount of 44% of the cost of any maintenance, repair or replacement of any Shared General Common Element with such aggregate cost being further apportioned equally amongst the Co-Owners of the attached condominium units.

Prohibition of Exemption or Waiver. There shall not be any exemptions granted to a Co-Owner of **BONNER HILLS ESTATES** condominium project or a Co-Owner of **BONNER HILLS VILLAS** condominium project or a Co-Owner of **THE PONDS OF BONNER HILLS** condominium project from contributing toward the expenses of administration of the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** or any exemption granted from

the payment of assessments against their unit by reason of a non-user waiver of use of the Shared General Common Elements or by abandonment of their unit.

7. Disturbance/Changes/Prohibited Activities in Shared General Common Elements. Except as reserved to the Developer in the condominium documents of **BONNER HILLS ESTATES** condominium project or the condominium documents in **BONNER HILLS VILLAS** condominium project or the condominium documents in **THE PONDS OF BONNER HILLS** condominium project the Co-Owner shall not disturb or make any changes in any of the Shared General Common Elements without the express approval of the Board of Directors of **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION**, City of Tecumseh and any other applicable municipal authority. There shall not be any unreasonable noisy activity conducted in or on the Shared General Common Elements. A Co-Owner shall not conduct any activity on a unit or the Shared General Common Elements that will result in an increase in the rate of insurance on Shared General Common Elements and any offending Co-Owner shall pay to the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** the increased amount of insurance premiums as a result of such activity or the maintenance of any such condition conducted on the Shared General Common Elements which results in an increase in the amount of insurance. Activities that are deemed offensive and are expressly prohibited include, but are not limited to, the following: use of firearms, air rifles, pellet guns, bb guns, stun guns, bow and arrows, slingshots, fireworks or other similar dangerous weapons, projectiles or devices.

8. Aesthetics. The Shared General Common Elements shall not be used for storage of supplies, materials, personal property, garbage, trash or refuse except as provided in duly adopted rules and regulations of the **BONNER HILLS VILLAS CONDOMINIUM ASSOCIATION, INC.** Trash receptacles shall be maintained in garages and shall not be permitted to remain on any Shared General Common Element area except for such periods of time as may be reasonably necessary to permit periodic collection of trash. In general, no activity shall be conducted or condition maintained by a Co-Owner on the Shared General Common Elements, which is detrimental to the appearance of the **BONNER HILLS ESTATES** condominium project, **BONNER HILLS VILLAS** condominium project, **THE PONDS OF BONNER HILLS** condominium project or the Shared General Common Elements.

9. Vehicles/Recreational Equipment. There shall not be any travel trailers, motor homes, commercial vehicles, boat trailers, boats, wave runners, jet skis, personal watercraft, camping vehicles, camping trailers, motorcycles, all terrain vehicles, snowmobiles, snowmobile trailers, automobiles, trucks or any other vehicles parked or stored on Shared General Common Elements.

10. Advertising. There shall not be any signs or other advertising materials displayed on the Shared General Common Elements without written permission from the Board of Directors of the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION**

11. Landscaping. The Co-Owners of the **BONNER HILLS ESTATES** condominium project and the Co-Owners of the **BONNER HILLS VILLAS** condominium project and the Co-Owners of **THE PONDS OF BONNER HILLS** condominium project shall not perform any landscaping or remove, trim or plant any trees, shrubs or flowers or place any ornamental materials on or in the Shared General Common Elements without obtaining the prior written approval of the Developer or the Board of Directors of the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION**

12. Hunting. There shall not be any hunting in any form in the Shared General Common Elements governed by the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION**



13. Compliance with Laws. The Co-Owners the **BONNER HILLS ESTATES** condominium project and the Co-Owners of the **BONNER HILLS VILLAS** condominium project and the Co-Owners of **THE PONDS OF BONNER HILLS** condominium project shall not conduct any activity on the Shared General Common Elements that violates any federal, state or local statute, regulation, rule or ordinance.

14. Shared General Common Element Maintenance. The Shared General Common Elements shall not be obstructed or used for purposes other than that for which they are reasonably and obviously intended. Bicycles, vehicles, chairs or any other obstructions shall not be left unattended on or about the Shared General Common Elements.

15. Co-Owner Maintenance. A Co-Owner of any **BONNER HILLS ESTATES** unit or Co-Owner of any **BONNER HILLS VILLAS** unit or Co-Owner of any **THE PONDS OF BONNER HILLS** unit shall use due care to avoid damaging any of the Shared General Common Elements including, but not limited to, the telephone, natural gas, electrical, telecommunications cable, plumbing, drainage courses or other utility conduits and systems and any other Shared General Common Elements within any unit which are appurtenant to or which may affect any other unit. Each Co-Owner shall be responsible for damages or costs to the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** resulting from damage or misuse of the Shared General Common Elements by the Co-Owner or his family, guests, agents, or invitees, unless such damages or costs are covered by insurance carried by the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** (in which case there shall be no such responsibility unless reimbursement to the Condominium Association is limited by virtue of a deductible provision which shall be paid by the responsible Co-Owner). Any costs or damages to the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** may be assessed to and collected from the responsible Co-Owner in the manner provided in Article XIII of these By-Laws.

16. Reserved.

17. Reserved.

18. Rules and Regulations. The Board of Directors of the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** may make reasonable rules and regulations to govern the Shared General Common Elements and the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION**. Any rules and regulations adopted by the Board of Directors of the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** shall be consistent with the Michigan Condominium Act, the condominium documents of **BONNER HILLS ESTATES** Condominium project and the condominium documents of the **BONNER HILLS VILLAS** condominium documents and the condominium documents of **THE PONDS OF BONNER HILLS** condominium documents. Any rules and regulations may be amended periodically by any future Board of Directors of the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION**. Copies of any such rules and regulations and amendments to the rules and regulations shall be mailed to all Co-Owners and shall become effective thirty (30) days after mailing to the designated voting representative of each Co-Owner. Any such rule, regulation or amendment may be revoked at any time by the affirmative vote of more than fifty (50%) percent of all Co-Owners in number and in value unless otherwise stated in the condominium documents of **BONNER HILLS ESTATES** condominium project, condominium documents of **BONNER HILLS VILLAS** condominium project, condominium documents of **THE PONDS OF BONNER HILLS** condominium project or these By-Laws. The **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** shall not adopt rules and regulations to limit the Developer's construction, sales or rental activities.

19. Right of Access of BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION. The BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION or its duly authorized agent shall have access to the portion of each unit not occupied by the residents upon notice and during reasonable working hours, as may be necessary for the maintenance, repair or replacement of any of the Shared General Common Elements. The BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION or its agents shall also have access to each unit at all times without notice as may be necessary to make emergency repairs to prevent damage to the Shared General Common Elements or to another unit and shall not be liable to such Co-Owner for any necessary damage to the Co-Owner's unit caused by emergency entry.

ARTICLE XI
PERCENTAGES OF VALUE OF BONNER HILLS CONDOMINIUM COMMUNITY

1. Percentage of Value of Bonner Hills Condominium Community. The total value of the Shared General Common Elements governed by BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION is one hundred percent (100%) and is allocated between the Co-Owners of BONNER HILLS ESTATES condominium project and the Co-Owners of the BONNER HILLS VILLAS condominium project and the Co-Owners of THE PONDS OF BONNER HILLS condominium project as follows:

- (a) The Co-Owners of the single family site condominium units of BONNER HILLS ESTATES CONDOMINIUM ASSOCIATION, INC. shall have a Percentage of Value in the aggregate percentage of with such aggregate percentage being further apportioned equally amongst the forty seven (47) Co-Owners of the single family site condominium units . The percentage of value assigned to each unit of BONNER HILLS ESTATES in the BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION shall be equal.
- (b) The Co-Owners of the attached condominium units of BONNER HILLS VILLAS CONDOMINIUM ASSOCIATION, INC. shall have a Percentage of Value in the aggregate percentage of with such aggregate percentage being further apportioned equally amongst the Co-Owners of the attached condominium units. The percentage of value assigned to each unit of BONNER HILLS VILLAS in the BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION shall be equal.
- (c) The Co-Owners of the attached condominium units of THE PONDS OF BONNER HILLS CONDOMINIUM ASSOCIATION, INC. shall have a Percentage of Value in the aggregate percentage of with such aggregate percentage being further apportioned equally amongst the Co-Owners of the attached condominium units. The percentage of value assigned to each unit of THE PONDS OF BONNER HILLS in the BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION shall be equal.

2. Co-Owner's Respective Share of the Shared General Common Elements. The Percentage of Value assigned to each of the forty seven (47) units of BONNER HILLS ESTATES plus units of BONNER HILLS VILLAS plus units of THE PONDS OF BONNER HILLS shall be determinative of each Co-Owner's respective share of the Shared General Common Elements governed by BONNER HILLS

CONDOMINIUM COMMUNITY ASSOCIATION, the proportionate share of each Co-Owner in the proceeds and expenses of administration of **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** and the value of each Co-Owner's vote at meetings of the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** as provided in the Condominium By-Laws for **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** (when voting by value).

3. **Modifications.** The Developer may, in connection with amendments to the condominium documents of **BONNER HILLS ESTATES** condominium project and/or amendments to the condominium documents of **BONNER HILLS VILLAS** condominium project and/or amendments to the condominium documents of **THE PONDS OF BONNER HILLS** condominium project readjust percentages of value for all units to give reasonable recognition to such an amendment based on the method by which percentages of value for the condominium projects were originally determined. All Co-Owners, Mortgagees and other parties in interest of units in the condominium projects shall be deemed to have unanimously consented to any amendments necessary to effectuate such amendments and, subject to the limitations stated in the respective Master Deeds, to the proportionate reallocation of percentages of value of existing units that the Developer or its successor determines is necessary in conjunction with such amendments. All such interested parties irrevocably appoint the developer or its successor as agent and attorney in fact to sign such amendments to the condominium documents as may be necessary to effectuate such amendments.

ARTICLE XII ASSESSMENTS

1. **General.** The expenses arising from the management, administration and operation of the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** pursuant to its authorizations and responsibilities as set forth in the condominium documents of **BONNER HILLS ESTATES**, condominium documents of **BONNER HILLS VILLAS**, condominium documents of **THE PONDS OF BONNER HILLS**, these By-Laws and the Michigan Condominium Act shall be levied by the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** against the units and Co-Owners of the **BONNER HILLS ESTATES** condominium project unit and against the units and Co-Owners of the **BONNER HILLS VILLAS** condominium project units and against the units and Co-Owners of **THE PONDS OF BONNER HILLS** condominium project units as more fully set forth in this Article.

2. **Assessments for Shared General Common Elements.** Costs incurred by the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** in satisfaction of any liability associated with the Shared General Common Elements or the administration of this Association shall constitute expenditures affecting the administration of the Shared General Common Elements. All sums received as the proceeds of any policy of insurance securing the interest of the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** and its members against liabilities or losses associated with the Shared General Common Elements or administration of this Association shall constitute receipts affecting the administration of the **BONNER HILLS ESTATES** condominium project and the administration of the **BONNER HILLS VILLAS** condominium project and the administration of **THE PONDS OF BONNER HILLS** condominium project within the meaning of Section 54(4) of the Michigan Condominium Act.

3. **Regular Assessments.** The Board of Directors of **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** shall establish an annual budget in advance of each operating year and such budget shall include the estimated funds required to defray expenses for the proper operation, management and maintenance of the Shared General Common Elements and this Association including a reasonable allowance

for contingencies and reserves. Each purchaser of a **BONNER HILLS ESTATES** condominium unit and each purchaser of a **BONNER HILLS VILLAS** condominium unit and each purchaser of **THE PONDS OF BONNER HILLS** condominium unit shall be required to pay the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** an amount equal to two (2) months regular assessment as a non-refundable working capital contribution. An adequate reserve fund for maintenance, repairs and replacement of the Shared General Common Elements that are shared in common by the Co-Owners of the **BONNER HILLS ESTATES** condominium project and the Co-Owners of the **BONNER HILLS VILLAS** condominium project and the Co-Owners of **THE PONDS OF BONNER HILLS** condominium project and must be replaced on a periodic basis shall be established in the budget and must be funded by regular periodic payments as set forth in Section 12 below rather than by special assessments. The budget shall also allocate and assess those expenses against all Co-Owners of the units of **BONNER HILLS ESTATES** condominium project and all Co-Owners of the units of **BONNER HILLS VILLAS** condominium project and all Co-Owners of the units of **THE PONDS OF BONNER HILLS** condominium project in accordance with the Percentage of Value allocated to each unit by the respective Master Deeds and these By-Laws on a monthly basis. In the absence of Co-Owner approval as provided in these By-Laws, the Board of Directors of **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** may increase such regular assessments, in its discretion, but only if one or more of the following conditions is met:

- a. The Board of Directors finds the budget as originally adopted to be insufficient to pay the costs of operating and maintaining the Shared General Common Elements.
- b. It is necessary to provide for the repair or replacement of existing Shared General Common Elements.
- c. The Board of Directors decides to purchase additions to the Shared General Common Elements of which the cost may not exceed the sum of \$100.00 per unit annually.
- d. An emergency or unforeseen development necessitates an increase in the regular assessment.

Any increase in regular assessments other than under these conditions shall be considered a special assessment requiring a 60% or more in number and in value vote of the Co-Owners of **BONNER HILLS ESTATES** condominium project and the Co-Owners of **BONNER HILLS VILLAS** condominium project and the Co-Owners of **THE PONDS OF BONNER HILLS** condominium project.

4. Apportionment of Regular Assessments. All regular assessments levied by the Board of Directors for **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** for administration expenses shall be apportioned among and paid by the Co-Owners of **BONNER HILLS ESTATES** condominium project and the Co-Owners of **BONNER HILLS VILLAS** condominium project and the Co-Owners of **THE PONDS OF BONNER HILLS** condominium project according to their respective percentage value as provided in Article XI, in advance, without any increase or decrease in any rights to use the Shared General Common Elements. The expenses of administration shall include those expenses that the Board of Directors deems proper to operate and maintain the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** and the Shared General Common Elements under the powers and duties delegated to the Board under these Condominium By-Laws for **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION**, the condominium documents of **BONNER HILLS ESTATES** condominium project and the condominium documents of the **BONNER HILLS VILLAS** condominium project and the condominium documents of **THE PONDS OF BONNER HILLS** condominium project and may include amounts to be set

aside for working capital, general operating reserve and for a reserve to replace any deficit in the expenses of administration incurred in any prior year or years. Any reserves established by the Board of Directors before the first meeting of members shall be subject to approval by the members at the first meeting. The Board of Directors shall advise each Co-Owner in writing of the amount of the expenses of administration payable by the Co-Owner and shall furnish copies of each budget on which the expenses of administration are based to all Co-Owners of **BONNER HILLS ESTATES** condominium project and all Co-Owners of **BONNER HILLS VILLAS** condominium project and all Co-Owners of **THE PONDS OF BONNER HILLS** condominium project. Failure to deliver a copy of the budget to each Co-Owner shall not affect the liability of any Co-Owner for any existing or future assessments.

5. Payment of Regular Assessments. All regular assessments levied in accordance with this provision shall be payable by the non-Developer Co-Owners of **BONNER HILLS ESTATES** condominium project and the non-Developer Co-Owners of the **BONNER HILLS VILLAS** condominium project and the non-Developer Co-Owners of **THE PONDS OF BONNER HILLS** condominium project in twelve (12) equal monthly installments commencing with the acquisition of legal title to a unit by a Co-Owner. The Board of Directors may, in its sole discretion, elect to collect the regular assessments on an annual basis. The Board of Directors may increase the general assessment or levy such additional assessment or assessments as it shall deem necessary but only for the purposes set forth in Section 3 above. The discretionary authority of the Board of Directors to levy general assessments pursuant to this subparagraph shall rest exclusively with the Board of Directors for the benefit of the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** and its members and shall not be enforceable by any creditors of the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** or the creditors of its members.

6. Special Assessments. Special assessments may be levied by the Board of Directors at any time following approval by 60% or more in number and in value of all Co-Owners of **BONNER HILLS ESTATES** condominium project and all Co-Owners of **BONNER HILLS VILLAS** condominium project and all Co-Owners of **THE PONDS OF BONNER HILLS** condominium project. The discretionary authority of the Board of Directors to levy special assessments pursuant to this subparagraph is solely for the benefit of the members of the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** (all Co-Owners of **BONNER HILLS ESTATES** condominium project and all Co-Owners of **BONNER HILLS VILLAS** condominium project and all Co-Owners of **THE PONDS OF BONNER HILLS** condominium project) and shall not be enforceable by any creditors of the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** or the creditors of its members.

7. Collection of Assessments. Each Co-Owner in the **BONNER HILLS ESTATES** condominium project and each Co-Owner in the **BONNER HILLS VILLAS** condominium project and each Co-Owner in **THE PONDS OF BONNER HILLS** condominium project shall be personally liable to pay all special assessments levied by the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** on the Co-Owner's unit during the time the Co-Owner owns the unit. A Co-Owner shall be in default on the payment of any assessment if the assessment is not paid to the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** in full on or before the due date of such payment. If any Co-Owner defaults in paying an assessment or installment of any assessment, interest at the rate of 7% percent per annum shall be charged on the assessment from the due date until the assessment or installments in default are paid in full. The Board of Directors may also impose reasonable fines for late payment of assessments in addition to such interest. Payments on account of assessments in default shall be applied first to costs of collection and enforcement of payment including actual attorney fees (not limited to statutory attorney fees); second, to any interest, charges and fines for late payment; third, to installments and amounts of the assessment which are in default in the order of their due dates. Unpaid assessments shall constitute a lien on the unit owned by the delinquent Co-Owner.

The lien of the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** for unpaid assessments shall have priority over all other liens except federal or state tax liens and sums unpaid on a first mortgage of record which has been recorded before any notice of lien has been recorded by the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION**

8. **Enforcement of Collection of Assessments.** The **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** may enforce the collection of unpaid assessments from a Co-Owner as may be provided under Michigan law including, but not limited to, the following:

- a. **Remedies.** The **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** may enforce collection of delinquent assessments by litigation 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 the Co-Owner's unit, the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** shall have the right to declare all unpaid installments of the annual assessment for the pertinent year to be immediately due and payable. The **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** also may discontinue the furnishing of any **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** paid services to a Co-Owner who is in default on the payment of any assessment provided that fifty (50) days written notice is mailed to such Co-Owner. A Co-Owner who is in default shall not be entitled to utilize any of the Shared General Common Elements of the condominium project and shall not be entitled to vote at any meeting of the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** as long as such default continues provided that the Co-Owner shall be assured of ingress and egress to his unit regardless of default. The remedies set forth in this provision shall not preclude the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** from exercising such other legal or equitable remedies as may be available to the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION**
- b. **Lien Foreclosure Proceedings.** The **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** may enforce collection of unpaid assessments by foreclosing the lien securing payment of any assessment as provided in MCL 559.208 or any similar statute or amendment which may be enacted after the date of these **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** By-Laws. The provisions of Michigan law pertaining to foreclosure of mortgages by judicial action or by advertisement are incorporated 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. In a foreclosure action, a receiver may be appointed and reasonable rent for the unit of the delinquent Co-Owner may be collected from the Co-Owner or anyone claiming possession under the Co-Owner. Any Co-Owner or any other person or entity who has an interest in the unit shall be deemed to have authorized and empowered the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** to institute a foreclosure action as well as waiving notice of any foreclosure proceedings brought by the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** for non-payment of assessments and a hearing on same prior to the foreclosure sale of the subject unit. The **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** shall be entitled to reasonable

interest, expenses, costs and attorney fees for foreclosure by advertisement or judicial action. The redemption period for a foreclosure is six (6) months from the date of sale unless the property is abandoned, in which event the redemption period is one month from the date of sale.

- c. Notice of Enforcement Action. The **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** shall provide a notice of lien by first class mail addressed to any delinquent Co-Owner that one or more installments of any general assessment or special assessments levied against the subject unit is or are delinquent and that the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** may invoke any of its available remedies, including foreclosure of its lien, if the default is not cured within ten (10) days after the date of mailing of the notice of lien. The **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** shall not institute litigation for a money judgment or foreclose on the lien of a delinquent Co-Owner until written notice of lien has been provided to the Co-Owner and the ten (10) day cure period has elapsed. The **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** shall record the notice of lien in the Lenawee County Register of Deeds after the expiration of the ten (10) day cure period. If the delinquency is not cured within the ten (10) day period, the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** may foreclose its lien or take such remedial action as may be available under these **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** By-Laws or Section 108 of the Michigan Condominium Act.
- d. Expenses of Collection. The expenses incurred in the collection of any unpaid assessments, including reasonable interest, expenses, costs and attorney fees (not limited to statutory attorney fees) and advances for taxes or other liens paid by the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** to protect and secure its lien shall be chargeable to the Co-Owner in default and shall be secured by the lien on the Co-Owner's unit as provided in the Michigan Condominium Act.
- e. Liability for Expenses of Collection. The Co-Owner of a condominium unit subject to foreclosure pursuant to this Section 8, and any purchaser, grantee, successor or assignee of the Co-Owner's interest in the condominium unit, is liable for assessments by the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** chargeable to the condominium unit that became due before expiration of the period of redemption together with interest, advances made by the Association for taxes or other liens to protect its lien, costs and attorney fees incurred in their collection.

9. Liability of Mortgagees. In the event a first Mortgagee of a **BONNER HILLS ESTATES** unit or a first Mortgagee of an **BONNER HILLS VILLAS** unit or a first Mortgagee of a **THE PONDS OF BONNER HILLS** unit acquires title pursuant to remedies provided in the mortgage or by deed in lieu of foreclosure or is the purchaser at any foreclosure sale, it shall take the unit free of any claims for unpaid assessments or charges against the mortgaged unit which accrued prior to the time the Mortgagee acquired title to the unit.

10. Waiver of Use or Abandonment of Unit. A Co-Owner of a **BONNER HILLS ESTATES** unit or a **BONNER HILLS VILLAS** unit or a **THE PONDS OF BONNER HILLS** unit may not exempt the unit

from liability for his contribution toward the expenses of administration or any assessment by waiver of the use or enjoyment of any of the Shared General Common Elements or by abandonment of the unit.

11. Obligations of the Developer. The Developer shall maintain and pay a prorata share of the expenses of maintenance of the Shared General Common Elements of the **BONNER HILLS ESTATES** units and the **BONNER HILLS VILLAS** units and **THE PONDS OF BONNER HILLS** units that are owned by the Developer. The Developer's prorata share of these expenses will be based upon the ratio of all **BONNER HILLS ESTATES** units and **BONNER HILLS VILLAS** units and **THE PONDS OF BONNER HILLS** units owned by the Developer but excluding any units on which there is a completed residence at the time the expense is incurred to the total number of units then in the **BONNER HILLS ESTATES** condominium project and **BONNER HILLS VILLAS** condominium project and **THE PONDS OF BONNER HILLS** condominium project. The Developer, although a Co-Owner and member of the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION**, will not be responsible for the payment of any regular or special assessments except for those **BONNER HILLS ESTATES** units and **BONNER HILLS VILLAS** units and **THE PONDS OF BONNER HILLS** units on which there is a completed residence certified for occupancy by the governing municipality. Developer shall not be liable for any assessment levied to purchase any **BONNER HILLS ESTATES** unit or **BONNER HILLS VILLAS** unit or **THE PONDS OF BONNER HILLS** unit from the Developer or to finance any litigation or claim against the Developer including any cost to investigate or prepare such a claim.

12. Reserve for Major Repairs and Replacement. The **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** shall maintain a reserve fund for major repairs and replacement of Shared General Common Elements that are shared in common by the Co-Owners of **BONNER HILLS ESTATES** condominium project and the Co-Owners of the **BONNER HILLS VILLAS** condominium project and the Co-Owners of **THE PONDS OF BONNER HILLS** condominium project in an amount equal to at least ten percent (10%) of the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION'S** current annual budget on a non-cumulative basis. The reserve fund shall be used only for major repairs and replacement of Shared General Common Elements. The **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** may determine that a greater amount should be set aside for additional reserve funds.

13. Construction Lien. A construction lien otherwise arising under Act No. 497 of the Michigan Public Acts of 1980, as amended, (MCL 570.1101 et seq.) shall be subject to Section 132 of the Act.

14. Personal Property Assessments/Personal Property Taxes. The **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** shall be the designated entity in possession of any personal property of the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION**. Personal property taxes assessed on such **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** property shall be expenses of administration.

15. Statement of Unpaid Assessments. The purchaser of any **BONNER HILLS ESTATES** unit or **BONNER HILLS VILLAS** unit may request a statement from the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** as to the outstanding amount of any unpaid assessments as to the subject unit. Upon written request to the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** accompanied by a copy of the executed purchase agreement pursuant to which the purchaser proposes to acquire a unit, the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** shall provide a written statement of such unpaid assessments, interest, late charges, fines, costs and attorney fees against the seller or grantor as may exist or a statement that no such unpaid assessments exist, which shall be binding upon

the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** for the period stated in the document. Upon payment of the amount stated in the document, the lien of the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** for unpaid assessments as to the subject 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, interest, late charges, fines, costs and attorney fees and the lien securing such unpaid assessments, interest, late charges, fines, costs and attorney fees enforceable against such purchaser and the subject unit to the extent provided by the Act. Under the Act, unpaid assessments, interest, late charges, fines, costs and attorney fees constitute a lien upon the unit and the proceeds of the sale prior to all claims except real property taxes and first mortgages of record.

16. **Lawsuit Defense Expenses.** Any Co-Owner bringing an unsuccessful lawsuit against the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** and/or its Board of Directors contesting the administration of the affairs of the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION**, which determines that the administrative action is consistent with the provisions contained in the condominium documents, shall be chargeable for all expenses and reasonable attorney fees incurred by the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION**. Such expenses may be collected by the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** in the same manner as an assessment.

ARTICLE XIII REAL ESTATE TAXES

1. **Real Estate Taxes and Governmental Special Assessments.** Real property taxes and governmental special assessments on the Shared General Common Elements, if any, shall become a lien against the **BONNER HILLS ESTATES** condominium property and the **BONNER HILLS VILLAS** condominium property and shall be administration expenses to be assessed against the units of **BONNER HILLS ESTATES** and the units of **BONNER HILLS VILLAS** according to their Percentages of Value as allocated in the respective Master Deeds and these By-Laws.

ARTICLE XIV INSURANCE

1. **Extent of Coverage.** The **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** shall, to the extent appropriate given the nature of the Shared General Common Elements, carry or contribute to property insurance coverage for all risks of physical loss, including but not limited to, fire insurance with extended coverage, vandalism and malicious mischief and liability insurance and worker's compensation insurance and such other insurance coverage as the Board of Directors may determine to be appropriate as to the ownership, use and maintenance of the Shared General Common Elements and administration of the affairs of the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION**. The **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** insurance shall be carried and administered in accordance with the following provisions:

- a. **Responsibilities of BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** All such insurance shall be purchased by the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** for the benefit of the **BONNER**

HILLS CONDOMINIUM COMMUNITY ASSOCIATION, all Co-Owners of **BONNER HILLS ESTATES** condominium project, all Co-Owners of the **BONNER HILLS VILLAS** condominium project, all Co-Owners of **THE PONDS OF BONNER HILLS** condominium project and their Mortgagees, as their interests may appear, and provisions shall be made for the issuance of certificates of mortgagee endorsements to the Mortgagees of Co-Owners. The Board of Directors shall contract for the insurance coverage of the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION**. It shall be the responsibility of each Co-Owner to obtain insurance coverage for the Co-Owner's property located within the boundaries of the Co-Owner's unit or elsewhere in the condominium projects. The insurance of each Co-Owner shall contain "all risk" property coverage, vandalism and malicious mischief insurance with respect to the Co-Owner's residential dwelling and all other improvements constructed or to be constructed within the perimeter of the Co-Owner's unit as well as any personal property located in the unit or elsewhere in the condominium projects. The insurance carried by each Co-Owner shall be in an amount equal to the maximum insurable replacement value excluding foundation and excavation costs. Each Co-Owner shall also be obligated to obtain personal liability insurance coverage for his undivided interest as a tenant in common with all other Co-Owners in the Shared General Common Elements for occurrences within the perimeter of his unit or the improvements located on his unit and also for alternative living expenses in the event of fire. The **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** shall not have any obligation to obtain any of the insurance coverages described in this section required of a Co-Owner or Co-Owners or any liability to any person for failure to obtain the requisite insurance of a Co-Owner or Co-Owners.

- b. Insurance of Shared General Common Elements. All Shared General Common Elements of the condominium project shall be insured by the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** against fire and other perils covered by standard extended coverage endorsement in an amount equal to the maximum insurable replacement value, excluding foundation and excavation costs, as may be determined annually by the Board of Directors of the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION**. The Co-Owners of **BONNER HILLS ESTATES** condominium project and the Co-Owners of **BONNER HILLS VILLAS** condominium project and the Co-Owners of **THE PONDS OF BONNER HILLS** condominium project shall contribute to the cost of any and all insurance maintained on the Shared General Common Elements that are shared in common by the Co-Owners of **BONNER HILLS ESTATES** condominium project and the Co-Owners of **BONNER HILLS VILLAS** condominium project and the Co-Owners of **THE PONDS OF BONNER HILLS** condominium project as provided in the Master Deed for **BONNER HILLS ESTATES**, Condominium By-Laws of **BONNER HILLS ESTATES** Condominium Association, Master Deed of **BONNER HILLS VILLAS**, Condominium By-Laws of **BONNER HILLS VILLAS** Condominium Association, Master Deed of **THE PONDS OF BONNER HILLS** Condominium Association, Condominium By-Laws of **THE PONDS OF BONNER HILLS** Condominium Association and the Condominium By-Laws of **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION**

- c. **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION Insurance Premium Expenses.** All premiums for insurance purchased by the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** pursuant to these By-Laws shall be expenses of administration.
- d. **Proceeds of Insurance Policies.** Proceeds of all insurance policies owned by the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** shall be received by the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION**, held in a separate account and distributed to the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** and the Co-Owners and their Mortgagees, as their interests may appear; provided, however, whenever repair or reconstruction of the Shared General Common Elements that are shared in common by the Co-Owners of **BONNER HILLS ESTATES** condominium project and the Co-Owners of the **BONNER HILLS VILLAS** condominium project and the Co-Owners of **THE PONDS OF BONNER HILLS** condominium project shall be required, the proceeds of any insurance received by the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** as a result of any loss requiring repair or reconstruction of the Shared General Common Elements shall be applied to such repair or reconstruction.

2. **Authority of BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION to Settlement Insurance Claims.** Each Co-Owner, by ownership of an **BONNER HILLS ESTATES** condominium unit or **BONNER HILLS VILLAS** condominium unit or **THE PONDS OF BONNER HILLS** condominium unit, shall be deemed to appoint the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** as attorney in fact to act in connection with all matters concerning the maintenance of "all risk" property coverage, vandalism and malicious mischief, liability coverage and worker's compensation insurance, if applicable, pertinent to the Shared General Common Elements that are shared in common by the Co-Owners of **BONNER HILLS ESTATES** condominium project and the **BONNER HILLS VILLAS** condominium project and **THE PONDS OF BONNER HILLS** condominium project and with such insurer(s). The **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION**, as attorney in fact, shall have full power and authority to purchase and maintain such insurance, to collect and remit insurance premiums, to collect proceeds and to distribute proceeds to the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION**, the Co-Owners and their respective Mortgagees, as their interests may appear, to execute releases of liability and execute all documents and perform such other acts as may be necessary or convenient to the performance of the duties and responsibilities contained in this provision.

3. **Waiver of Right of Subrogation.** The **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** and all Co-Owners shall use their best efforts to cause all property and liability insurance carried by the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** or any Co-Owner to contain appropriate provisions whereby the respective insurers waive rights of subrogation as to any claims against any Co-Owner or the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION**

4. **Fidelity Bond.** The **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** may require that the corporation maintain adequate fidelity coverage to protect against dishonest acts by its directors, officers, employees and all other persons who are responsible for management, supervision and handling monies of the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION**. Fidelity bonds, if any, shall name the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** as the obligee and the coverage shall be in whatever amount any lending institution or third party may require. The

fidelity bond shall contain waivers of any defense based on the exclusion of persons who serve the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** without compensation of any definition of "employee" or similar terms. The fidelity bond shall contain a provision prohibiting cancellation or modification of the fidelity bond without at least thirty (30) days written notice.

ARTICLE XV RECONSTRUCTION OR REPAIR

1. Responsibility for Reconstruction or Repair. If any part of the Shared General Common Elements that are shared in common by the Co-Owners of **BONNER HILLS ESTATES** condominium project and the Co-Owners of **BONNER HILLS VILLAS** condominium project and the Co-Owners of **THE PONDS OF BONNER HILLS** condominium project shall be damaged, the determination of whether or not it shall be reconstructed or repaired and the responsibility of reconstruction or repair shall be as follows:

a. Shared General Common Elements. If the damaged property is a Shared General Common Element that is shared in common by the Co-Owners of **BONNER HILLS ESTATES** condominium project and the Co-Owners of **BONNER HILLS VILLAS** condominium project, the damaged property shall be rebuilt and repaired by the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** unless 60% of the Co-Owners and 60% of the Mortgagees of the **BONNER HILLS ESTATES** units and the **BONNER HILLS VILLAS** units and **THE PONDS OF BONNER HILLS** units in number and in value, agree to the contrary and City of Tecumseh or any other municipal body consents to such action.

2. Repair in Accordance with Master Deeds. Any reconstruction or repair of the Shared General Common Elements that are shared in common shall be performed substantially in accordance with the Master Deed of Bonner Hills Estates and the Master Deed for Bonner Hills Villas and the Master Deed for The Ponds of Bonner Hills unless 60% of the Co-Owners and 60% of the Mortgagees in the respective condominium projects agree, in number and in value, to the contrary.

3. **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** Responsibility for Repair. The **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** shall be responsible for the reconstruction and repair of the Shared General Common Elements that are shared in common by the Co-Owners of the **BONNER HILLS ESTATES** condominium project and the Co-Owners of the **BONNER HILLS VILLAS** condominium project and the Co-Owners of **THE PONDS OF BONNER HILLS** condominium project. The **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** shall receive all insurance proceeds and be responsible for all reconstruction and repair to the extent of such proceeds. In the event of a loss in which the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** has the responsibility of reconstruction or repair, the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** shall obtain good faith and accurate estimates of the cost to return the damaged property to 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 **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** or if, at any time during the reconstruction or repair or upon completion of such reconstruction or repair, the funds for the payment of the cost are insufficient, the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** shall levy a special assessment against all Co-Owners of **BONNER HILLS ESTATES** condominium project and all Co-Owners of **BONNER HILLS VILLAS** condominium project and all Co-Owners of **THE PONDS OF BONNER HILLS**

condominium project for the costs of reconstruction or repair of the damaged property in sufficient amounts to provide funds to pay the estimated or actual costs of repair.

4. Timely Reconstruction or Repair. If damage to the Shared General Common Elements that are shared in common by the Co-Owners of **BONNER HILLS ESTATES** condominium project and the Co-Owners of **BONNER HILLS VILLAS** condominium project and the Co-Owners of **THE PONDS OF BONNER HILLS** condominium project adversely affects the physical appearance of either condominium project, the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** shall proceed with repair or replacement of the damaged property without delay.

5. Priority of Mortgagee Interest. The condominium documents shall not be construed to give a Co-Owner or any other party priority over any rights of first Mortgagees of units pursuant to their mortgages and distribution to Co-Owners of insurance proceeds of losses to a unit or Shared General Common Elements.

6. Miscellaneous. Insurance proceeds that are available because of damage or destruction shall be applied to reconstruction. As used in this Article, reconstruction means restoration of the property to substantially the same condition that existed prior to the loss with the Shared General Common Elements having the same vertical and horizontal boundaries as set forth in the Master Deed for **BONNER HILLS ESTATES**, Master Deed for **BONNER HILLS VILLAS**, Master Deed for **THE PONDS OF BONNER HILLS** and condominium documents for the respective condominium projects. If the property is not insured against the peril causing the loss or the proceeds of the applicable policies payable because of the loss are insufficient to reconstruct or repair the damage, the provisions of the Michigan Condominium Act shall apply.

ARTICLE XVI EMINENT DOMAIN

1. General. In the event that any of the Shared General Common Elements that are shared in common by the Co-Owners of **BONNER HILLS ESTATES** condominium project and the Co-Owners of the **BONNER HILLS VILLAS** condominium project and the Co-Owners of **THE PONDS OF BONNER HILLS** condominium project are taken by eminent domain or condemnation, the following provisions shall apply:

- a. Taking of Shared General Common Elements. If there is any taking of any portion of the Shared General Common Elements that are shared in common by the Co-Owners of **BONNER HILLS ESTATES** condominium project and the Co-Owners of the **BONNER HILLS VILLAS** condominium project and the Co-Owners of **THE PONDS OF BONNER HILLS** condominium project, the condemnation proceeds shall be paid to the Co-Owners and their Mortgagees in proportion to their respective interests in the Shared General Common Elements. An affirmative vote of at least 60% of the Co-Owners, in number and in value, shall determine whether to rebuild, repair or replace any part of the Shared General Common Elements taken by eminent domain or condemnation or take such other action as the Co-Owners deem appropriate.
- b. Notification of Mortgagees. In the event that any of the Shared General Common Elements that are shared in common by the Co-Owners of **BONNER HILLS ESTATES** condominium project and the Co-Owners of the **BONNER HILLS VILLAS** condominium project and the Co-Owners of **THE PONDS OF BONNER HILLS** condominium project is made the subject of any eminent domain or condemnation

proceeding, the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** shall notify all first Mortgagees of units in the respective condominium projects provided that such identifying information has been provided to the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION**

- c. Applicability of the Michigan Condominium Act. Section 133 of the Michigan Condominium Act shall control any taking by eminent domain or condemnation to the extent that the Act is not inconsistent with the provisions of this section.

2. Priority of Mortgagee Interests. Nothing contained in the condominium documents of **BONNER HILLS ESTATES** condominium project or the condominium documents of **BONNER HILLS VILLAS** condominium project or the condominium documents of **THE PONDS OF BONNER HILLS** condominium project shall be construed to give a Co-Owner or any party priority over any rights of first Mortgagees of units pursuant to their mortgages as to distribution to Co-Owners of condemnation awards for the taking of units or the Shared General Common Elements that are shared in common by the Co-Owners of **BONNER HILLS ESTATES** condominium project and the Co-Owners of **BONNER HILLS VILLAS** condominium project and the Co-Owners of **THE PONDS OF BONNER HILLS** condominium project.

ARTICLE XVII ARBITRATION

1. Scope and Election. Any dispute, claim or grievance arising out of or relating to the interpretation or application of the condominium documents or any dispute, claim or grievance arising among or between Co-Owners and the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** may be submitted to arbitration pursuant to the rules of the American Arbitration Association provided that the affected parties execute a written consent to the submission of the matter to arbitration. The rules of the American Arbitration Association shall apply to any arbitrable dispute. The decision of the arbitrator shall be final and binding and enforceable in the courts of the State of Michigan. In the absence of an agreement between the parties to use other rules, the commercial rules of the American Arbitration Association shall be applicable to any such arbitration. Any arbitration proceeding shall be conducted by a single arbitrator unless the parties agree to the contrary. The election by the parties to submit any dispute, claim or grievance to arbitration prohibits the parties from petitioning the courts regarding that dispute, claim or grievance unless the party seeks to enforce the arbitration award in the applicable circuit court pursuant to the Michigan Arbitration Act.

2. Legal Relief. In the absence of a voluntary and written consent of the parties to submit any dispute to arbitration, a Co-Owner or the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** may seek legal redress in the courts of the State of Michigan to resolve any such disputes, claims or grievances.

ARTICLE XVIII AMENDMENTS

1. Proposal. Amendments to these By-Laws may be proposed by the Board of Directors of the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** acting upon the vote of a majority of the Directors or as may be proposed by forty (40%) percent or more of the Co-Owners of **BONNER HILLS ESTATES** condominium project and forty (40%) percent or more of the Co-Owners of the **BONNER HILLS VILLAS** condominium project and forty (40%) percent or more of the Co-Owners of **THE PONDS OF BONNER HILLS** condominium project by a signed petition.

2. Meeting. Following the proposal of any amendment to the Condominium By-Laws of **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION**, a meeting for consideration of the proposed amendment shall be duly called in accordance with the provisions of these By-Laws.

3. Amendment by Vote of Board of Directors. These Condominium By-Laws for **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** may be amended by the affirmative vote of a majority of the Board of Directors of the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** provided that such amendments do not materially alter or change the Shared General Common Elements that are shared in common by the Co-Owners of **BONNER HILLS ESTATES** condominium project and the Co-Owners of **BONNER HILLS VILLAS** condominium project and the Co-Owners of **THE PONDS OF BONNER HILLS** condominium project and/or to maintain compliance of these By-Laws with the Michigan Condominium Act.

4. Amendment by Vote of Co-Owners. These Condominium By-Laws of **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** may be amended by the Co-Owners of **BONNER HILLS ESTATES** condominium project and Co-Owners of **BONNER HILLS VILLAS** condominium project by an affirmative vote of not less than two thirds (2/3) of all Co-Owners of **BONNER HILLS ESTATES** condominium project and 2/3 of all Co-Owners of **BONNER HILLS VILLAS** condominium project and 2/3 of all Co-Owners of **THE PONDS OF BONNER HILLS** condominium project, in number and in value, at any regular annual meeting or special meeting called for such purpose. The consent of Mortgagees shall not be required to amend these By-Laws unless such amendment would materially alter or change the rights of such Mortgagees and in such event, the approval of two thirds (2/3) of the Mortgagees shall be required with each Mortgagee to have one (1) vote for each mortgage held. The consent of the City of Tecumseh shall be obtained if any public interest is affected.

5. Effective Date. Any amendment to these By-Laws shall become effective upon the recording of such amendment in the office of the Lenawee County Register of Deeds.

6. Costs of Amendment. Any Co-Owner causing or requesting an amendment to these Condominium By-Laws for **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** shall be responsible for the cost and expenses of considering, adopting, preparing and recording such amendments except for amendments based upon a vote of a prescribed majority of Co-Owners of which the cost shall be considered expenses of administration.

7. Notice. A copy of each amendment to the Condominium By-Laws of **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** shall be provided to every Co-Owner/member of **BONNER HILLS ESTATES** condominium project and every Co-Owner/member of **BONNER HILLS VILLAS** condominium project and every Co-Owner/member of **THE PONDS OF BONNER HILLS** condominium project after adoption and recording in the Lenawee County Register of Deeds. However, any amendment to these By-Laws which is adopted in accordance with this Article shall be binding upon all parties who have an interest in the **BONNER HILLS ESTATES** condominium project and the **BONNER HILLS VILLAS** condominium project and **THE PONDS OF BONNER HILLS** condominium project property regardless of whether such persons actually receive a copy of the amendment.

ARTICLE XIX COMPLIANCE

1. Compliance. The **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** and all present or future Co-Owners, tenants or other persons acquiring an interest in the **BONNER HILLS ESTATES** condominium project property and **BONNER HILLS VILLAS** condominium project property are subject to and shall comply with the Michigan Condominium Act, as amended, and the mere acquisition, occupancy or rental of any unit or an interest in the unit or the utilization of or entry upon the respective condominium projects shall signify their acceptance and ratification of these Condominium By-Laws for **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION**. In the event these Condominium By-Laws of **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** conflict with the provisions of the Act, the Michigan Condominium Act shall govern.

ARTICLE XX REMEDIES FOR DEFAULT

1. Available Relief. Any default by a Co-Owner of **BONNER HILLS ESTATES** condominium project or **BONNER HILLS VILLAS** condominium project or **THE PONDS OF BONNER HILLS** condominium project shall entitle the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** or another Co-Owner or Co-Owners to the following relief:

- a. Legal Action. The failure of a Co-Owner to comply with any of the terms or provisions of the Condominium By-Laws of **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** shall be grounds for relief which may include, but is not limited to, an action to recover sums due for damages, injunctive relief, foreclosure of lien (if default in payment of assessment), or any combination of such remedies and such relief may be sought by the Bonner Hills Condominium Community Condominium Association or, if appropriate, by an aggrieved Co-Owner or Co-Owners.
- b. Recovery of Costs. In any proceeding arising because of an alleged default by a Co-Owner, the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION**, if successful, shall be entitled to recover the costs of the proceedings and such reasonable attorney fees (not limited to statutory fees) as may be determined by the court but in no event shall any Co-Owner be entitled recover such attorney fees from the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION**.
- c. Removal and Abatement. The violation of any of the provisions of the Condominium By-Laws of **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** shall also give the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** or their duly authorized agents the right, in addition to the rights set forth above, to enter upon the Shared General Common Elements that are shared in common by the Co-Owners of the **BONNER HILLS ESTATES** condominium project and the Co-Owners of the **BONNER HILLS VILLAS** condominium project and the Co-Owners of **THE PONDS OF BONNER HILLS** condominium project when reasonably necessary and summarily remove and abate, at the expense of the Co-Owner in violation, any structure or condition existing or maintained contrary to the provisions of these By-Laws. The **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** shall have no liability to any Co-Owner arising out of the exercise of their removal and abatement power as authorized in these By-Laws.

- d. Levy and Assessment of Fines. The violation of any of the provisions of the Condominium By-Laws of **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** shall be grounds for the levy and assessment by the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION**, acting through its Boards of Directors, of monetary fines for such violations. No fine may be assessed unless rules and regulations establishing such fine have first been adopted by the Board of Directors of the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** and notice provided to all Co-Owners in the same manner as prescribed in Article XII, Section 7, of these By-Laws. Fines may be assessed only upon notice to the offending Co-Owner as prescribed in Article XII, Section 7, and after an opportunity for such Co-Owner to appear before the Board of Directors not less than twenty one (21) days from the date of the notice and offer evidence in defense of the alleged violation. All fines duly assessed may be collected in the same manner as provided in Article XII of these By-Laws. No fines shall exceed \$25.00 for a first violation; \$50.00 for the second violation; \$100 for any subsequent violation.
- e. Non-Waiver. The failure of the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** or any Co-Owner to enforce any right, provision or condition which may be granted by these By-Laws shall not constitute a waiver of the right of the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** or any such Co-Owner to enforce such right, provision or condition in the future.
- f. Cumulative Rights. All rights, remedies and privileges granted to the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** or any Co-Owner or Co-Owners pursuant to any terms, provisions or conditions of these By-Laws shall be deemed to be cumulative. The exercise of any one or more shall not be deemed to constitute an election of remedies nor shall it preclude the party from exercising any other such available rights, remedies or privileges at law or in equity.

**ARTICLE XXI
SEVERABILITY**

- 1. Severability. If any of the terms, provisions or covenants of these Condominium By-Laws of **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION** are held to be entirely or partially invalid or unenforceable for any reason, such determination shall not affect, alter, modify or impair any of the other terms, provisions or covenants of these By-Laws which shall remain in full force and effect.

**ARTICLE XXII
CONFLICTING PROVISIONS**

- 1. Conflict Resolution Priority. In the event of any conflict between the provisions of the Michigan Condominium Act and these Condominium By-Laws for **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION**, the Michigan Condominium Act shall govern. In the event of any conflict between the provisions of any one or more of the **BONNER HILLS ESTATES** condominium documents, **BONNER HILLS VILLAS** condominium documents, **THE PONDS OF BONNER HILLS** condominium

documents or these Condominium By-Laws for **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION**, the following order of priority shall prevail and govern:

- a. The Master Deed for **BONNER HILLS ESTATES** including the Condominium Subdivision Plan attached as Exhibit B to the Master Deed.
- b. The Master Deed for **BONNER HILLS VILLAS** including the Condominium Subdivision Plan attached as Exhibit B to the Master Deed.
- c. The Master Deed for **THE PONDS OF BONNER HILLS** including the Condominium Subdivision Plan attached as Exhibit B to the Master Deed.
- d. Articles of Incorporation of the **BONNER HILLS ESTATES CONDOMINIUM ASSOCIATION, INC.**
- e. Articles of Incorporation of the **BONNER HILLS VILLAS CONDOMINIUM ASSOCIATION, INC.**
- f. Articles of Incorporation of **THE PONDS OF BONNER HILLS CONDOMINIUM ASSOCIATION, INC.**
- g. Condominium By-Laws of **BONNER HILLS ESTATES** Condominium Association.
- h. Condominium By-Laws of **BONNER HILLS VILLAS** Condominium Association.
- i. Condominium By-Laws of **THE PONDS OF BONNER HILLS** Condominium Association.
- j. Articles of Incorporation of **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION**
- k. Condominium By-Laws of the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION**
- l. Any subsequently enacted By-Laws, rules and regulations of **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION**

ARTICLE XXIII AUTHORITY OF DEVELOPER

1. **General.** The Developer, or any of its members, collectively or individually, prior to the transitional control date, shall have the authority to enter into any agreements, contracts and understandings as the authorized representative of **BONNER HILLS ESTATES CONDOMINIUM ASSOCIATION, INC.**, **BONNER HILLS VILLAS CONDOMINIUM ASSOCIATION, INC.** and as authorized representative of the **BONNER HILLS CONDOMINIUM COMMUNITY ASSOCIATION**, including the adoption of Condominium By-Laws, Private Road Easement Agreements, Private Road Maintenance Agreements, condominium documents for **BONNER HILLS ESTATES** condominium project, condominium documents

for BONNER HILLS VILLAS condominium project, condominium documents for THE PONDS OF BONNER HILLS condominium project or any other documents necessary for the establishment of the BONNER HILLS ESTATES condominium project and the BONNER HILLS VILLAS condominium project and THE PONDS OF BONNER HILLS condominium project consistent with the terms of the Master Deed for BONNER HILLS ESTATES, the Master Deed for BONNER HILLS VILLAS, the Master Deed for THE PONDS OF BONNER HILLS, condominium documents for BONNER HILLS ESTATES condominium project, condominium documents for BONNER HILLS VILLAS condominium project, condominium documents for THE PONDS OF BONNER HILLS condominium project, City of Tecumseh ordinances and the Michigan Condominium Act.

WITNESSES:

BON-TEC DEVELOPMENT COMPANY, LLC.,

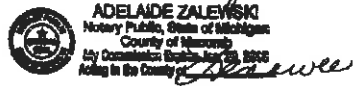
Helen Habuda
Helen Habuda
Joseph C. Kapelusz
JOSEPH C. KAPELUSZ

BY: Quirino D'Alessandro
Quirino D'Alessandro, Managing Member

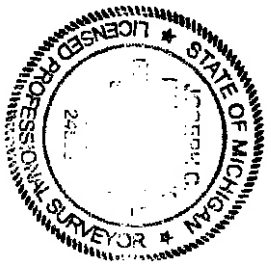
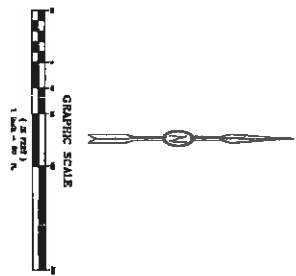
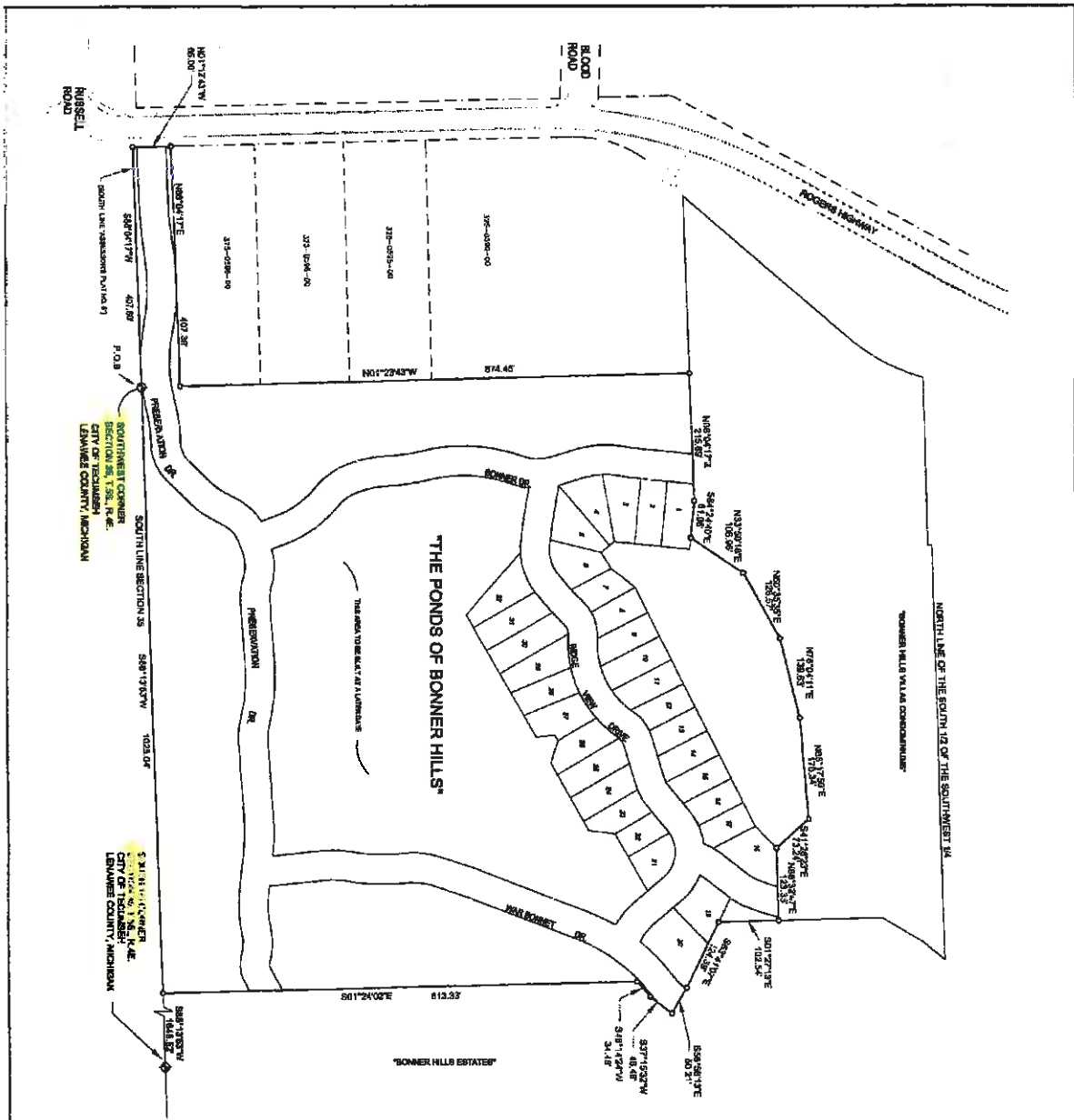
STATE OF MICHIGAN)
) ss
COUNTY OF Spawee)

On this 1st day of October, 2013, personally appeared before me Quirino D'Alessandro, Managing Member of Bon-Tec Development Company, LLC, a Michigan limited liability company, who executed the foregoing on behalf of the limited liability company.

Adelaide Zalewski
), Notary Public
Macomb County, Michigan
Acting in Spawee County
My Commission Expires: Jan. 29, 2018



DRAFTED BY AND RETURN TO:
Matthew C. Quinn, Esq.
Seglund Gabe Quinn Gatti & Pawlak
28345 Beck Road, Suite 401 Wixom, MI 48393

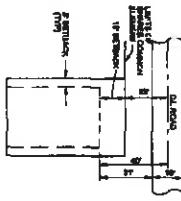
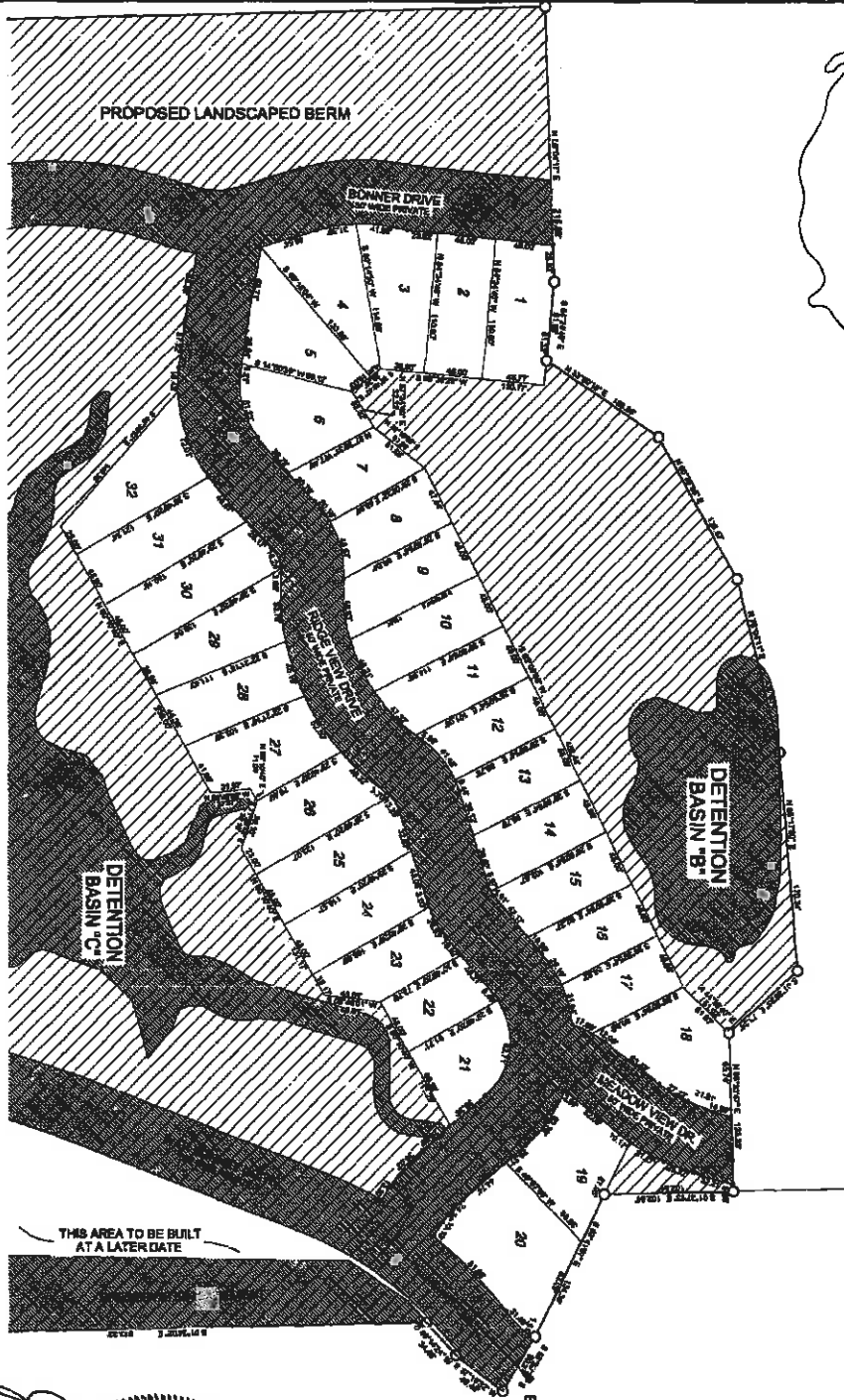


Jerry C. Jakubowski
 JERRY C. JAKUBOWSKI
 LICENSED PROFESSIONAL SURVEYOR
 STATE OF MICHIGAN

DATE OF RECORDING AND CONFORMANCE: (SEE MAP) (COUNTY) (STATE)
 PLANS: (COUNTY) (STATE)

LEGEND
 CONCRETE MONUMENT

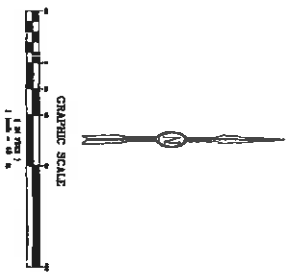
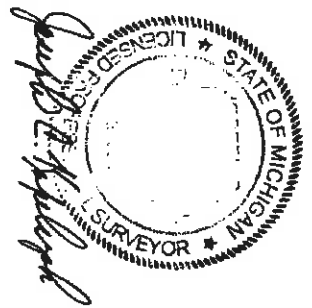
2013 JCB GROUP, INC. C-02 DATE: 10/08/10 SCALE: 1"=100'	THE PONDS OF BONNER HILLS CONDOMINIUM CITY OF TOLSON, MICHIGAN	SURVEY PLAN	Drawn: <i>JCB</i> Designed: <i>JCB</i> Checked: <i>JCB</i>		Drafting Engineers - Land Surveyors Computerized Services 2615 Robinson Rd., Commerce Twp., MI 48380 Phone (313) 363-2500 Fax (313) 363-1998
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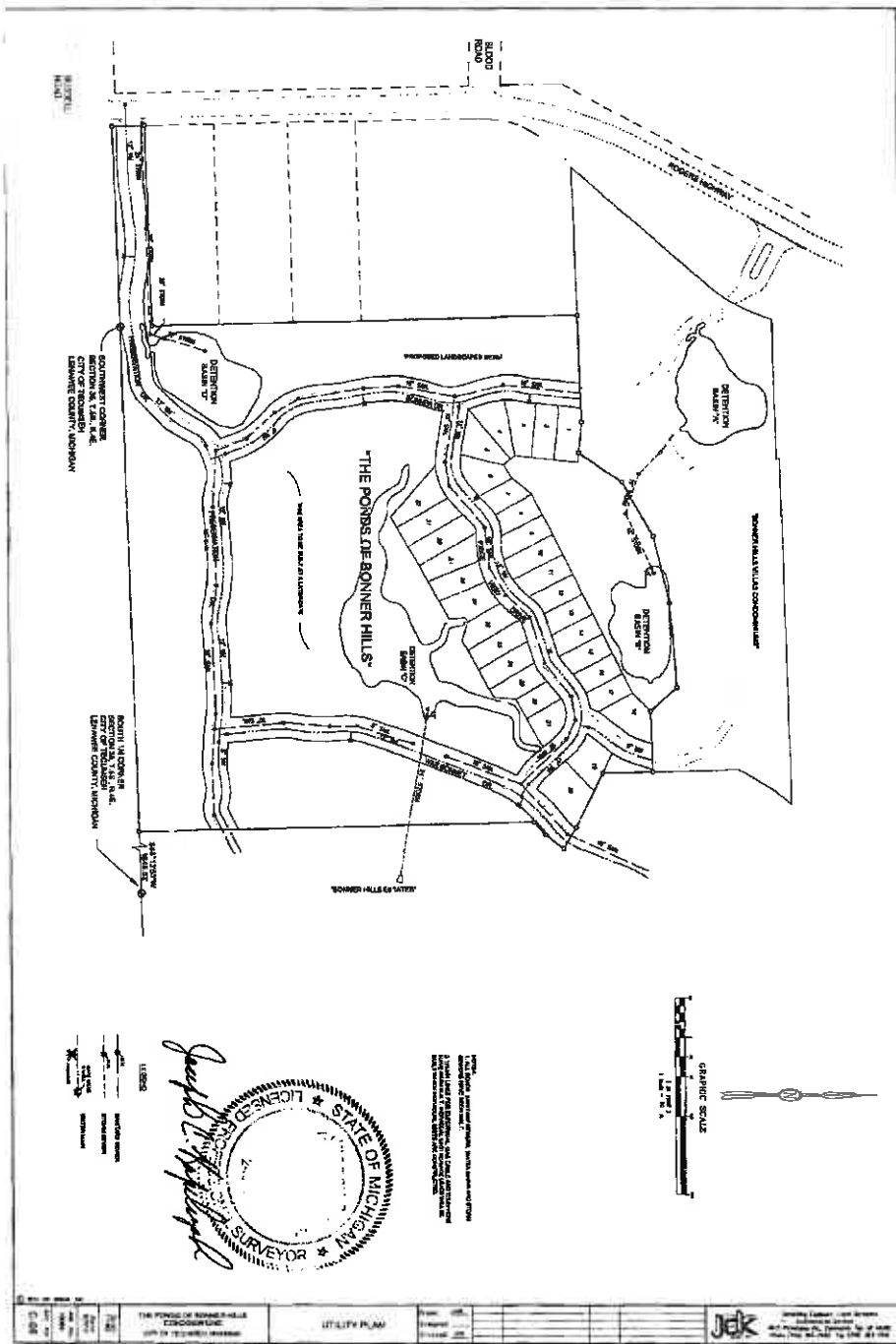
THIS AREA TO BE BUILT AT A LATER DATE

LEGEND

- EXISTING
- PROPOSED
- PROPOSED LANDSCAPED BERM
- PROPOSED DETENTION BASIN
- PROPOSED FURNITURE

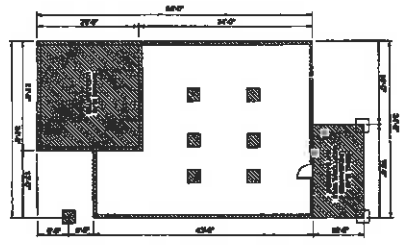


THE PORTS OF SCHMIDT NO. 15 COMMISSIONERS CITY OF TOLAND, MICHIGAN	SITE PLAN	Drawn: <i>JLB</i>				JEB Joseph E. Kopylov & Associates 8715 Kensington Rd., Commerce Twp., MI 48384 Phone (248) 353-2259 Fax (248) 353-4991
		Designed: <i>JLB</i>				
© 2014 JEB GROUP, INC.		C-04				

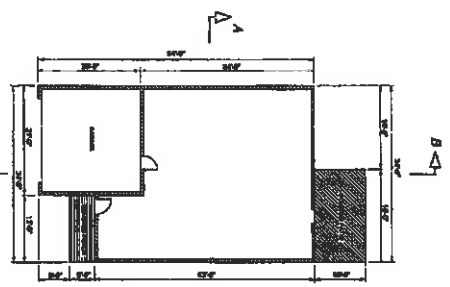


THIS PLAN IS THE PROPERTY OF THE SURVEYOR AND IS NOT TO BE REPRODUCED OR COPIED IN ANY MANNER WITHOUT THE WRITTEN PERMISSION OF THE SURVEYOR.

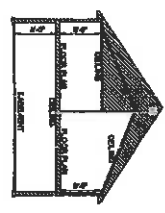
THE POND DE BONNER HILLS		UTILITY PLAN		J&K	
DATE	2011	PROJECT	2011	SCALE	AS SHOWN
DRAWN BY	J&K	CHECKED BY	J&K	DATE	2011
DATE	2011	PROJECT	2011	SCALE	AS SHOWN



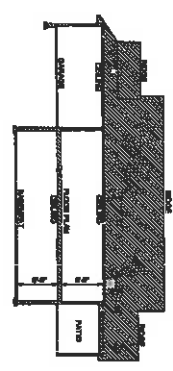
FOUNDATION



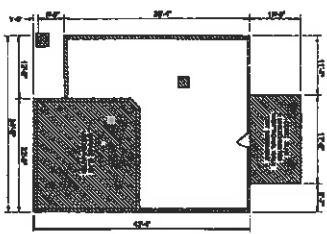
FLOOR PLAN



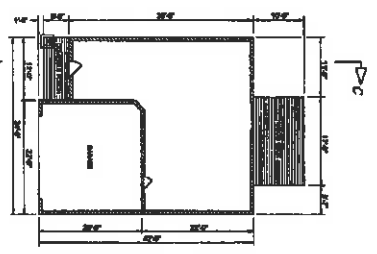
SECTION A-A



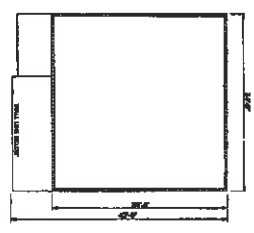
SECTION B-B



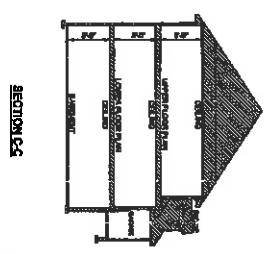
FOUNDATION PLAN



LOWER FLOOR



UPPER FLOOR



SECTION C-C



1 STORY RANCH

2 STORY HOUSE

<p>Drawn: JAS</p> <p>Designed: JAS</p> <p>Checked: JAS</p>	<p>DATE: 05/07/10</p>	<p>Quantity Engineer - Lead Designer</p> <p>City of Tecumseh</p> <p>1815 Washington St., Tecumseh, MI 48859</p> <p>Phone (248) 355-2222 Fax (248) 351-1044</p>
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