

# CHERRY HILL VILLAGE HOMEOWNERS ASSOCIATION

## EXHIBIT A

### BYLAWS

#### ARTICLE I

##### ASSOCIATION OF OWNERS

Cherry Hill Village is a residential development located in Canton Township, Wayne County, Michigan, and which consists of two separate residential condominiums, Cherry Hill Village (consisting of detached residential units) and Cherry Hill Village II (consisting of attached residential units). Both condominiums shall be administered by an Association of Owners which shall be a nonprofit corporation, referred to in the Master Deed establishing the Condominium as the "Association", organized under the applicable laws of the State of Michigan, and responsible for the management, maintenance, operation and administration of the Common Elements, easements and affairs of the Condominium in accordance with the Condominium Documents and the laws of the State of Michigan. These Bylaws shall constitute both the Bylaws referred to in the Master Deed and required by Section 3(8) of the Act and the Bylaws provided for under the Michigan Nonprofit Corporation Act. Each Owner in Cherry Hill Village and Cherry Hill Village II (each of which is referred to in these Bylaws as the "Condominium") shall be entitled to membership and no other person or entity shall be entitled to membership. The share of an Owner in the funds and assets of the Association cannot be assigned, pledged or transferred in any manner except as an appurtenance to the Owner's Unit. The Association shall keep current copies of the Master Deed, all amendments to the Master Deed, and other Condominium Documents for each Condominium available at reasonable hours to Owners, prospective purchasers and prospective mortgagees of Units in The Condominium. The Association, all Owners in each Condominium and all persons using or entering upon or acquiring any interest in any Unit therein or the Common Elements thereof shall be subject to the provisions and terms set forth in the aforesaid Condominium Documents. All terms used herein shall have the same meaning as set forth in the Master Deed to which these Bylaws are attached as an Exhibit or as set forth in the Act.

#### ARTICLE II

##### ASSESSMENTS

The Association's levying of assessments against the Units in each Condominium and collection of such assessments from the Owners in order to pay the expenses arising from the management, administration and operation of the Association shall be governed by the following provisions:

Section 1. Taxes Assessed on Personal Property Owned or Possessed in Common. The Association shall be assessed as the person or entity in possession of any tangible personal property of each Condominium owned or possessed in common by the Owners, and personal property taxes based thereon shall be treated as expenses of administration.

Section 2. Receipts and Expenditures Affecting Administration. Expenditures affecting administration of each Condominium shall include all costs incurred in satisfaction of any liability arising within, caused by or connected with the Common Elements or the administration of the Condominium. Receipts affecting administration of each Condominium shall include all sums received by the Association as proceeds of, or pursuant to, a policy of insurance securing the interests of the Owners against liabilities or losses arising within, caused by or connected with the Common Elements or the administration of each Condominium.

Section 3. Determination of Assessments. Assessments shall be determined in accordance with the following provisions:

(a) The Annual Budget and Regular Annual Assessments. The Board of Directors of the Association shall establish an annual budget for each Condominium in advance for each fiscal year and such budget shall project all expenses for the forthcoming year which may be required for the proper operation, management and maintenance of each Condominium, including a reasonable allowance for contingencies and reserves. Upon adoption of an annual budget by the Board of Directors, copies of the budget shall be delivered to each Owner and the assessment for said year shall be established based upon said budget, although the failure to deliver a copy of the budget to each Owner shall not affect or in any way diminish the liability of any Owner for any existing or future assessments. An adequate reserve fund for maintenance, repairs and replacement of those Common Elements that must be replaced on a periodic basis shall be established in the budget and must be funded by regular annual payments as set forth in Section 5 below rather than by special assessments. At a minimum, the reserve fund shall be equal to 10% of each Condominium's current annual budget (excluding that portion of the budget allocated to the reserve fund itself) on a non-cumulative basis. Since the minimum standard required by this subparagraph may prove to be inadequate, the Association should carefully analyze each Condominium to determine if a greater amount should be set aside, or if additional reserve funds should be established for other purposes from time to time. The Board of Directors shall annually consider the needs of each Condominium to determine if a greater amount should be set aside in reserve or if additional reserve funds should be established for any other purposes. The regular annual Association assessments provided in this Article II, Section 3(a) shall be levied in the sole discretion of the Board of Directors.

(b) Special Assessments. Special assessments, in addition to those required in subparagraph (a) above, may be made by the Board of Directors from time to time and approved by the Owners of the affected Condominium as hereinafter provided to meet other appropriate requirements of the Association. Special assessments referred to in this subparagraph (b) shall be levied, as to each Condominium, only with the prior approval of more than 60% of all Owners in number and in value in the Condominium. The discretionary authority of the Board of Directors to levy assessments pursuant to this subparagraph shall rest solely with the Board of Directors for the benefit of the Association and the members thereof, and shall not be enforceable by any creditors of the Association or of the members thereof.

Section 4. Apportionment of Assessments. Unless otherwise provided herein or in the Master Deed, all assessments levied against the Owners to cover expenses of management, administration and operation of each Condominium shall be apportioned among and paid by the Owners of the Condominium in accordance with the Percentage of Value assigned to each Unit in Article VI of the Master Deed.

Section 5. Payment of Assessments and Penalty for Default. Annual assessments as determined in accordance with Article II, Section 3(a) above shall be payable monthly by Owners, commencing with acceptance of a deed to a Unit or a land contract vendee's interest in a Unit, or with the acquisition of fee simple title to a Unit by any other means. The payment of an assessment shall be in default if such assessment, or any part thereof, is not paid to the Association in full on or before the due date for such payment. Each installment in default for ten (10) or more days shall bear interest from the initial due date thereof at the rate of 7% per annum until each installment is paid in full. The Board of Directors may also adopt uniform late charges pursuant to Section 10 of Article VI of these Bylaws. Each Owner (whether 1 or more persons) shall be, and remain, personally liable for the payment of all assessments (including interest, late charges and costs of collection and enforcement of payment) levied against the Unit which may be levied while such Owner is the owner thereof. A land contract purchaser from any Owner including the Developer shall also be personally liable for the payment of all such

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assessments. A land contract seller shall not be personally liable for all such assessments levied up to and including the date upon which, if applicable, such land contract seller actually takes possession of the Unit following extinguishment of all rights of the land contract vendee in the Unit. Payments on account of installments of assessments in default shall be applied as follows: first, to costs of collection and enforcement of payment, including reasonable attorneys' fees; second, to any interest and other charges for late payment on such installments; and third, to installments in default in order of their due dates. An Owner selling a Unit shall not be entitled to any refund whatsoever from the Association with respect to any reserve, account or other asset of the Association.

Section 6. Effect of Waiver of Use or Abandonment of Unit. An Owner's waiver of the use or enjoyment of any of the Common Elements or abandonment of the Owner's Unit shall not exempt the Owner from liability for the Owner's contribution toward the expenses of administration.

Section 7. Enforcement.

(a) Remedies. In addition to any other remedies available to the Association, the Association may enforce collection of delinquent assessments by a suit at law for a money judgment or by foreclosure of the statutory lien that secures payment of assessments. In the event of default by any Owner in the payment of any installment of the annual assessment levied against the Owner's Unit, the Association shall have the right to declare all unpaid installments of the annual assessment for the pertinent fiscal year immediately due and payable. The Association may also discontinue the furnishing of any utilities or other services to an Owner in default upon seven (7) days' written notice to such Owner of its intention to do so. An Owner in default shall not be entitled to vote at any meeting of the Association so long as such default continues. In a judicial foreclosure action, a receiver may be appointed to and empowered to take possession of the Unit (if the Unit is not occupied by the Owner) and to lease the Unit and collect and apply the rental therefrom. All of these remedies shall be cumulative and not alternative.

(b) Foreclosure Proceedings. Each Owner, and every other person who from time to time has any interest in each Condominium, shall be deemed to have granted to the Association the unqualified right to elect to foreclose the statutory lien on the Owner's Unit that secures payment of assessments either by judicial action or by advertisement. The provisions of Michigan law pertaining to foreclosure of mortgages by judicial action and by advertisement, as the same may be amended from time to time, are incorporated herein by reference for the purposes of establishing the alternative procedures to be followed in lien foreclosure actions and the rights and obligations of the parties to such actions. Further, each Owner and every other person who from time to time has any interest in each Condominium shall be deemed to have authorized and empowered the Association to sell or cause to be sold the Unit with respect to which the assessment(s) is or are delinquent to receive, hold and distribute the proceeds of such sale in accordance with the priorities established by Michigan law. The Association, acting on behalf of all Owners, may bid at the foreclosure sale, and acquire, hold, lease, mortgage, or convey the Unit sold.

(c) Notice of Action. The Association may not commence proceedings to foreclose a lien for unpaid assessments without recording and serving a notice of lien in the following manner:

(i) The notice of lien shall set forth the legal description of the Unit or Units to which the lien attaches, the name of the Owner of record thereof, the amount due the Association as of the date of the notice, exclusive of interest, costs, attorneys fees and future assessments.

(ii) The notice of lien shall be in recordable form, executed by an authorized representative of the Association, and may contain such other information as the Association deems

appropriate.

(iii) The notice of lien shall be recorded in the office of the register of deeds in Wayne County, Michigan, and shall be served upon the delinquent Owner by first class mail, postage prepaid, addressed to the last known address of the Owner at least ten (10) days in advance of the commencement of the foreclosure proceedings.

(d) Expenses of Collection. The expenses incurred in collecting unpaid assessments, including interest, costs, actual attorneys' fees (not limited to statutory fees) and advances for taxes or other liens paid by the Association to protect its lien, plus any late charges, shall be chargeable to the Owner in default and shall be secured by the lien on the Unit.

Section 8. Liability of Mortgagee. Notwithstanding any other provisions of the Condominium Documents, if the mortgagee of a first mortgage of record or other purchaser of a Unit obtains title to the Unit as a result of foreclosure of the first mortgage, such person, its successors and assigns, is not liable for the assessments by the Association chargeable to the Unit which became due prior to the acquisition of title to the Unit by such person and the expiration of the period of redemption from such foreclosure. The unpaid assessments are deemed to be common expenses collectible from all Unit Owners in the Condominium in which the Unit is located, including such persons, its successors and assigns.

Section 9. Developer's Responsibility for Assessments. Notwithstanding any other provisions of the Condominium Documents to the contrary, the Developer shall not pay regular annual Association assessments for Units which are owned by the Developer but unoccupied, but shall at all times pay all expenses of maintaining, repairing and replacing the Units that it owns. Developer shall in no event be liable for any assessment levied in whole or in part to purchase any Unit from the Developer or to finance any litigation or other claims against the Developer, any cost of investigating and preparing such litigation or claim or any similar or related costs.

Section 10. Unpaid Assessments Due on Unit Sale; Statement of Unpaid Assessments. Upon the sale or conveyance of a Unit, all unpaid assessments against the Unit shall be paid out of the sale price or by the purchaser in preference over any other assessments or charges of whatever nature except (a) amounts due the State of Michigan or any subdivision thereof for taxes or special assessments due and unpaid on the Unit and (b) payments due under first mortgages having priority thereto. A purchaser of a Unit is entitled to a written statement from the Association setting forth the amount of unpaid assessments outstanding against the Unit and the purchaser is not liable for any unpaid assessment in excess of the amount set forth in such written statement, nor shall the Unit be subject to any lien for any amounts in excess of the amount set forth in the written statement. Any purchaser or grantee who fails to request a written statement from the Association as provided herein at least five days before the sale, or to pay unpaid assessments against the Unit at the closing of the Unit purchase if such a statement was requested, shall be liable for any unpaid assessments against the Unit together with interest, costs and attorneys' fees incurred in connection with the collection thereof.

Section 11. Property Taxes and Special Assessments. All property taxes and special assessments levied by any public taxing authority shall be assessed in accordance with Section 131 of the Act.

Section 12. Construction Liens. A construction lien otherwise arising under Act No. 497 of the Michigan Public Acts of 1980, as amended, shall be subject to Section 132 of the Act.

ARTICLE III

JUDICIAL ACTIONS AND CLAIMS

Actions on behalf of and against the Owners shall be brought in the name of the Association. Subject to the express limitations on actions in these Bylaws and in the Association's Articles of Incorporation, the Association may assert, defend or settle claims on behalf of all Owners in connection with the Common Elements of each Condominium. As provided in the Articles of Incorporation of the Association, the commencement of any civil action (other than one to enforce these Bylaws or collect delinquent assessments) shall require the approval of a majority in number and in value of the Owners, and shall be governed by the requirements of this Article III. The requirements of this Article III shall ensure that the Owners are fully informed regarding the prospects and likely costs of any civil action the Association proposes to engage in, as well as the ongoing status of any civil actions actually filed by the Association. These requirements are imposed in order to reduce both the cost of litigation and the risk of improvident litigation, and in order to avoid the waste of the Association's assets in litigation where reasonable and prudent alternatives to the litigation exist. Each Owner shall have standing to sue to enforce the requirements of this Article III. The following procedures and requirements apply to the Association's commencement of any civil action other than an action to enforce these Bylaws or to collect delinquent assessments:

Section 1. Board of Directors' Recommendation to Owners. The Association's Board of Directors shall be responsible in the first instance for recommending to the Owners that a civil action be filed, and supervising and directing any civil actions that are filed.

Section 2. Litigation Evaluation Meeting. Before an attorney is engaged for purposes of filing a civil action on behalf of the Association, the Board of Directors shall call a special meeting of the Owners ("litigation evaluation meeting") for the express purpose of evaluating the merits of the proposed civil action. The written notice to the Owners of the date, time and place of the litigation evaluation meeting shall be sent to all Owners not less than twenty (20) days before the date of the meeting and shall include the following information copied onto 8-1/2" x 11" paper:

(a) A certified resolution of the Board of Directors setting forth in detail the concerns of the Board of Directors giving rise to the need to file a civil action and further certifying that:

(1) it is in the best interests of the Association to file a lawsuit;

(2) that at least one member of the Board of Directors has personally made a good faith effort to negotiate a settlement with the putative defendant(s) on behalf of the Association, without success;

(3) litigation is the only prudent, feasible and reasonable alternative; and

(4) the Board of Directors' proposed attorney for the civil action is of the written opinion that litigation is the Association's most reasonable and prudent alternative.

(b) A written summary of the relevant experience of the attorney ("litigation attorney") the Board of Directors recommends be retained to represent the Association in the proposed civil action, including the following information:

(1) the number of years the litigation attorney has practiced law; and

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(2) the name and address of every condominium and homeowner Association for which the attorney has filed a civil action in any court, together with the case number, county and court in which each civil action was filed.

(c) The litigation attorney's written estimate of the amount of the Association's likely recovery in the proposed lawsuit, net of legal fees, court costs, expert witness fees and all other expenses expected to be incurred in the litigation.

(d) The litigation attorney's written estimate of the cost of the civil action through a trial on the merits of the case ("total estimated cost"). The total estimated cost of the civil action shall include the litigation attorney's expected fees, court costs, expert witness fees, and all other expenses expected to be incurred in the civil action.

(e) The litigation attorney's proposed written fee agreement.

(f) The amount to be specially assessed against each Unit in the Condominium to fund the estimated cost of the civil action both in total and on a monthly per Unit basis, as required by Section 6 of this Article III.

Section 3. Independent Expert Opinion. If the lawsuit relates to the condition of any of the Dwellings or Common Elements of the Condominium, the Board of Directors shall obtain a written independent expert opinion as to reasonable and practical alternative approaches to repairing the problems with the Dwellings and/or Common Elements, which shall set forth the estimated costs and expected viability of each alternative. In obtaining the independent expert opinion required by the preceding sentence, the Board of Directors shall conduct its own investigation as to the qualifications of any expert and shall not retain any expert recommended by the litigation attorney or any other attorney with whom the Board of Directors consults. The purpose of the independent expert opinion is to avoid any potential confusion regarding the condition of the Dwellings and/or Common Elements that might be created by a report prepared as an instrument of advocacy for use in a civil action. The independent expert opinion will ensure that the Owners have a realistic appraisal of the condition of the Dwellings and/or Common Elements, the likely cost of repairs to or replacement of the same, and the reasonable and prudent repair and replacement alternatives. The independent expert opinion shall be sent to all Owners with the written notice of the litigation evaluation meeting.

Section 4. Fee Agreement with Litigation Attorney. The Association shall have a written fee agreement with the litigation attorney, and any other attorney retained to handle the proposed civil action. The Association shall not enter into any fee agreement that is a combination of the retained attorney's hourly rate and a contingent fee arrangement unless the existence of the agreement is disclosed to the Owners in the text of the Association's written notice to the Owners of the litigation evaluation meeting.

Section 5. Owner Vote Required. At the litigation evaluation meeting the Owners shall vote on whether to authorize the Board of Directors to proceed with the proposed civil action and whether the matter should be handled by the litigation attorney. The commencement of any civil action by the Association (other than a suit to enforce these Bylaws or collect delinquent assessments) shall require the approval of seventy-five (75%) percent in number and in value of all of the Owners of the affected Condominium. The quorum for a litigation evaluation meeting shall be seventy-five (75%) percent in number and value of the Owners of the affected Condominium. Any proxies to be voted at the litigation evaluation meeting must be signed at least seven (7) days prior to the litigation evaluation meeting.

Section 6. Litigation Special Assessment. All legal fees incurred in pursuit of any civil action that is subject to Sections 1 through 10 of this Article III shall be paid by special assessment of the Owners

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("litigation special assessment") of the affected Condominium. The litigation special assessment shall be approved at the litigation evaluation meeting (or at any subsequent duly called and noticed meeting) by a majority in number and in value of all Owners of the affected Condominium in the amount of the estimated total cost of the civil action. If the litigation attorney proposed by the Board of Directors is not retained, the litigation special assessment shall be in an amount equal to the estimated total cost of the civil action, as estimated by the attorney actually retained by the Association. The litigation special assessment shall be apportioned to the Owners of the affected Condominium in accordance with their respective percentage of value interests in the Condominium and shall be collected from the Owners on a monthly basis. The total amount of the litigation special assessment shall be collected monthly over a period not to exceed twenty-four (24) months.

Section 7. Attorney's Written Report. During the course of any civil action authorized by the Owners pursuant to this Article III, the retained attorney shall submit a written report ("attorney's written report") to the Board of Directors every thirty (30) days setting forth:

(a) The attorney's fees, the fees of any experts retained by the attorney, and all other costs of the litigation during the thirty (30) day period immediately preceding the date of the attorney's written report ("reporting period").

(b) All actions taken in the civil action during the reporting period, together with copies of all pleadings, court papers and correspondence filed with the court or sent to opposing counsel during the reporting period.

(c) A detailed description of all discussions with opposing counsel during the reporting period, written and oral, including, but not limited to, settlement discussions.

(d) The costs incurred in the civil action through the date of the written report, as compared to the attorney's estimated total cost of the civil action.

(e) Whether the originally estimated total cost of the civil action remains accurate.

Section 8. Monthly Board Meetings. The Board of Directors shall meet monthly during the course of any civil action to discuss and review:

(a) the status of the litigation;

(b) the status of settlement efforts, if any; and

(c) the attorney's written report.

Section 9. Changes in the Litigation Special Assessment. If, at any time during the course of a civil action, the Board of Directors determines that the originally estimated total cost of the civil action or any revision thereof is inaccurate, the Board of Directors shall immediately prepare a revised estimate of the total cost of the civil action. If the revised estimate exceeds the litigation special assessment previously approved by the Owners, the Board of Directors shall call a special meeting of the Owners to review the status of the litigation, and to allow the Owners to vote on whether to continue the civil action and increase the litigation special assessment. The meeting shall have the same voting and quorum requirements as a litigation evaluation meeting.

Section 10. Disclosure of Litigation Expenses. The attorneys' fees, court costs, expert witness fees and all other expenses of any civil action filed by the Association ("litigation expenses") shall be fully disclosed to Owners in the Association's annual budget. The litigation expenses for each civil action filed

by the Association shall be listed as a separate line item captioned "litigation expenses" in the Association's annual budget.

## ARTICLE IV

### INSURANCE

Section 1. Extent of Coverage. The Association shall, to the extent appropriate given the nature of the Common Elements of each Condominium, carry fire and extended coverage, vandalism and malicious mischief and liability insurance, and workmen's compensation insurance, if applicable, pertinent to the ownership, use and maintenance of the Common Elements and such other insurance as the Board of Directors deems advisable. All such insurance shall be carried and administered in accordance with the following provisions:

(a) Responsibilities of Association. All such insurance shall be purchased by the Association for the benefit of the Association, and the Owners and their mortgagees, as their interests may appear, and provision shall be made for the issuance of certificates of mortgagee endorsements to the mortgagees of Owners.

(b) Insurance of the Common Elements. All Common Elements of each Condominium shall be insured against fire and other perils covered by a standard extended coverage endorsement, if appropriate, in an amount equal to the appropriate percentage of maximum insurable replacement value, excluding foundation and excavation costs, as determined annually by the Board of Directors of the Association. The policies for Cherry Hill Village II shall also include coverage for interior walls within any Unit and the pipes, wires, conduits and ducts contained therein and shall further include all fixtures, equipment and trim within a Unit which were furnished by Developer within the Unit, or replacements of such improvements made by a Owner within a Unit. Any other improvements made by a Owner within a Unit shall be covered by insurance obtained by and at the expense of said Owner; provided that, if the Association elects to include such improvements under its insurance coverage, any additional premium cost to the Association attributable thereto may be assessed to and borne solely by said Owner and collected as part of the assessments against said Owner under Article II hereof.

(c) Premium Expenses. All premiums on insurance purchased by the Association pursuant to these Bylaws shall be expenses of administration of the Condominium to which such costs pertain. The expense of insuring the Common Elements of Cherry Hill Village II shall be assessed solely to the Owners of Units in Cherry Hill Village II. The expense of insuring the Common Areas and Facilities (which are also the General Common Elements of Cherry Hill Village) shall be assessed equally to all Owners.

(d) Proceeds of Insurance Policies. Proceeds of all insurance policies owned by the Association shall be received by the Association, held in a separate account and distributed to the Association and the Owners and their mortgagees, as their interests may appear; provided, however, whenever repair or reconstruction of the Condominium shall be required as provided in Article V of these Bylaws, the proceeds of any insurance received by the Association as a result of any loss requiring repair or reconstruction shall be applied for such repair or reconstruction and in no event shall hazard insurance proceeds be used for any purpose other than for repair, replacement or reconstruction of each Condominium unless all of the institutional holders of first mortgages on Units in the affected Condominium have given their prior written approval.

Section 2. Authority of Association to Settle Insurance Claims. Each Owner, by ownership of a Unit in the Condominium, shall be deemed to appoint the Association as the Owner's true and lawful attorney-in-fact to act in connection with all matters concerning the maintenance of fire and extended

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coverage, vandalism and malicious mischief, liability insurance and workmen's compensation insurance, if applicable, pertinent to the Common Elements, with such insurer as may, from time to time, be designated to provide such insurance for the Condominium. Without limitation on the generality of the foregoing, the Association as said attorney shall have full power and authority to purchase and maintain such insurance, to collect and remit premiums therefor, to collect proceeds and to distribute the same to the Association, the Owners and respective mortgagees, as their interests may appear (subject always to the Condominium Documents), to execute releases of liability and to execute all documents and to do all things on behalf of such Owner and the Condominium as shall be necessary or convenient to the accomplishment of the foregoing.

Section 3. Responsibilities of Owners.

(a) This Section 3(a) applies only to the Unit Owners of Cherry Hill Village. Each Owner in Cherry Hill Village shall be obligated and responsible for obtaining fire and extended coverage and vandalism and malicious mischief insurance with respect to the Unit owned together with the Dwelling and all other improvements therein, for the Owner's personal property located therein or thereon or elsewhere in the Condominium. All such insurance shall be carried by each Owner in an amount equal to the maximum insurable replacement value, excluding foundation and excavation costs. Each Owner in Cherry Hill Village also shall be obligated to obtain insurance coverage for personal liability for occurrences within the Unit owned and the improvements located therein. Each Owner shall deliver certificates of insurance to the Association from time to time to evidence the continued existence of all insurance required to be maintained by the Owner hereunder. Each Owner shall be obligated to obtain any other personal insurance coverage that the Owner wishes to carry. The Association shall under no circumstances have any obligation to obtain any of the insurance coverage described in this Section 3 or any liability to any person for failure to do so.

(b) This Section 3(b) applies only to the Unit Owners of Cherry Hill Village II. Each Owner in Cherry Hill Village II may obtain additional insurance upon their Units, at their own expense, in addition to the coverage carried by the Association. It shall be each Owner's responsibility to obtain insurance coverage for personal property located within a Unit or elsewhere in the Condominium and for personal liability for occurrences within a Unit or upon Limited Common Elements appurtenant to a Unit and also for alternative living expense in event of fire, and the Association shall have absolutely no responsibility for obtaining such coverages.

Section 4. Waiver of Right of Subrogation. The Association and all Owners shall use their best efforts to cause all property and liability insurance carried by the Association or any Owner to contain appropriate provisions whereby the insurer waives its right of subrogation as to any claims against any Owner or the Association.

ARTICLE V

RECONSTRUCTION OR REPAIR

Section 1. Responsibility for Reconstruction or Repair. If any part of Cherry Hill Village or Cherry Hill Village II is damaged, the determination of whether or not it shall be reconstructed or repaired, and the responsibility therefor, shall be as follows:

(a) Common Elements. If the damaged property is a Common Element, the damaged property shall be by the Association unless a determination to the contrary is made by all Owners and first mortgagees of Units in the affected Condominium. The Association shall be responsible for the reconstruction and repair of the Common Elements (except as specifically otherwise provided in the Master Deed of the affected Condominium) and any incidental damage to a Unit caused by such

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Common Elements or the reconstruction and repair thereof.

(b) Cherry Hill Village Unit or Improvements Therein. If the damaged property is a Unit in Cherry Hill Village or any improvements therein, the Owner of such Unit alone shall determine whether to rebuild or repair the damaged property, subject to the direction and determination of any mortgagee of such Unit and the rights of any other person or entity having an interest in such property, and the Owner shall be solely responsible for such any reconstruction or repair that the Owner elects to make. The Owner shall in any event remove all debris and restore the Owner's Unit and the improvements therein to a clean and slightly condition satisfactory to the Association as soon as reasonably possible following the occurrence of the damage.

(c) Cherry Hill Village II Unit or Improvements Therein. If the damage is only to a part of a Unit in Cherry Hill Village II that is the responsibility of a Cherry Hill Village II Owner to maintain and repair, it shall be the responsibility of the Owner to repair such damage in accordance with this Section. In all other cases of damage to Cherry Hill Village II, the responsibility for reconstruction and repair shall be that of the Association. Each Owner in Cherry Hill Village II shall be responsible for the reconstruction and repair of the interior of the Owner's Unit, including, but not limited to, floor coverings, wall coverings, window shades, draperies, interior walls (but not any Common Elements therein), interior trim, furniture, light fixtures and all appliances, whether free standing or built-in. In the event damage to any of the foregoing, or to interior walls within a Cherry Hill Village II Owner's Unit or to pipes, wires, conduits, ducts or other Common Elements therein is covered by insurance held by the Association, then the reconstruction or repair shall be the responsibility of the Association in accordance with Section 3 of this Article. If any other interior portion of a Cherry Hill Village II Unit is covered by insurance held by the Association for the benefit of the Owner, the Owner shall be entitled to receive the proceeds of insurance relative thereto, and if there is a mortgagee endorsement, the proceeds shall be payable to the Owner and the mortgagee jointly. In the event of substantial damage to or destruction of any Cherry Hill Village II Unit or any part of the Common Elements, the Association promptly shall so notify each institutional holder of a first mortgage lien on any Unit in Cherry Hill Village II.

Section 2. Repair in Accordance with Master Deed and Plans and Specifications. Any such reconstruction or repair shall be substantially in accordance with the Master Deed and the plans and specifications for the affected Condominium to a condition as comparable as possible to the condition existing prior to damage unless the Owners of the affected Condominium shall unanimously decide otherwise.

Section 3. Association Responsibility for Repair and Reconstruction. Immediately after a casualty causing damage to property for which the Association has the responsibility of repair and reconstruction, the Association shall obtain reliable and detailed estimates of the cost to place the damaged property in a condition as good as that existing before the damage. If the proceeds of insurance are not sufficient to defray the estimated cost of reconstruction or repair required to be performed by the Association, or if at any time during such reconstruction or repair, or upon completion of such reconstruction or repair, the funds for the payment of the cost thereof are insufficient, assessments shall be made against all Owners in the affected Condominium for the cost of reconstruction or repair of the damaged property in sufficient amounts to provide funds to pay the estimated or actual cost of repair. This provision shall not be construed to require replacement of mature trees and vegetation with equivalent trees or vegetation. Assessments pursuant to this Article V, Section 3 may be made by the Board of Directors of the Association without a vote of the Owners of the affected Condominium.

Section 4. Timely Reconstruction and Repair. Subject to Section 1(a) of this Article V, if damage to the Common Elements or a Unit adversely affects the appearance of the affected Condominium, the Association or Owner responsible for the reconstruction and repair thereof shall

proceed with replacement of the damaged property without delay.

Section 5. Eminent Domain. The following provisions shall control upon any taking by eminent domain:

(a) The provisions of Section 133 of the Condominium Act of Michigan shall apply.

(b) In the event the affected Condominium continues after a taking by eminent domain, the remaining portion of the Condominium shall be re-surveyed and the Master Deed amended accordingly by the Association.

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

Section 6. Notices to Certain Mortgagees. In the event any mortgage in either Condominium is held by the Federal Home Loan Mortgage Corporation ("FHLMC"), or in the event any mortgage is held by or insured by the United States Department of Housing and Urban Development ("HUD"), the Association shall give FHLMC and HUD written notice at such address as it may from time to time direct of any loss to or taking of the Common Elements of the Condominium, or any loss to or taking of any Unit, or part thereof, if the loss or taking exceeds \$10,000 in amount.

Section 7. Priority of Mortgagees in Proceeds. Nothing contained in the Condominium Documents shall be construed to give an Owner or any other party priority over any rights of first mortgagees of Units pursuant to their mortgages in the case of a distribution to Unit owners of insurance proceeds or condemnation awards for losses to or a taking of Units and/or Common Elements.

ARTICLE VI

BUILDING, USE AND OTHER RESTRICTIONS AND EASEMENTS

Section 1. Design Guidelines and Architectural Control Review. The Developer has a substantial interest in ensuring that the improvements within Cherry Hill Village and Cherry Hill Village II enhance Developer's reputation as a community developer and do not impair Developer's ability to market, sell, or lease its property. Therefore, each Owner, by accepting a deed or other instrument conveying any interest in any portion of Cherry Hill Village or Cherry Hill Village II, agrees that no Work shall be commenced on such Owner's Unit unless and until the Design Review Committee has given its prior written approval for such Work, which approval may be granted or withheld in the Design Review Committee's sole discretion. Developer shall solely control and appoint the member(s) of the Design Review Committee until certificates of occupancy are issued for one hundred (100%) percent of the Dwellings in Cherry Hill Village and Cherry Hill Village II, unless such control and power of appointment is earlier terminated in a written instrument executed by Developer and recorded in the Public Records of Wayne County. Until such time as Developer transfers its power to appoint the members of the Committee, the Association shall have no jurisdiction over architectural matters.

(a) Developer hereby designates the Village Architect to function as the Design Review Committee, subject to (i) the right of Developer to revoke such designation at any time and reassume jurisdiction over the matters previously delegated and (ii) the right of Developer to veto any decision of the Village Architect which Developer determines, in its sole discretion, to be inappropriate or inadvisable for any reason.

(b) Upon issuance of certificates of occupancy for one hundred (100%) percent of the Dwellings in Cherry Hill Village and Cherry Hill Village II (or on such earlier date as Developer transfers its power of to appoint the members of the Committee), the Association shall assume jurisdiction over architectural matters hereunder and the Association, acting through the Design Review Committee, shall be entitled to exercise all powers previously reserved to Developer under this Article. After the Association assumes jurisdiction over architectural matters, the Design Review Committee shall consist of three Persons who shall serve and may be removed and replaced in the Board's discretion; provided, however, that the Village Architect shall always be a member of the Design Review Committee. The Design Review Committee may from time to time, by resolution unanimously adopted in writing, designate the Village Architect to take any action or perform any duties for and on behalf of the Design Review Committee. In the absence of such designation, the vote of any two (2) members of the Design Review Committee shall constitute an act of the Design Review Committee so long as one of the members voting affirmatively is the Village Architect. No approval shall be issued by the Design Review Committee without the approval of the Village Architect.

(c) The members of the Design Review Committee need not be members of the Association or representatives of members, and may, but need not, include architects, engineers or similar professionals, whose compensation, if any, shall be established from time to time by the Board. The Board may establish and charge reasonable fees for review of applications hereunder and may require such fees to be paid in full prior to review of any application. The members of the Design Review Committee may receive reasonable compensation for services rendered.

(d) The Design Review Committee shall use the design and construction guidelines and review procedures in the Pattern Book to provide guidance to Owners and Builders in considering applications for architectural approval. The Pattern Book shall not be the exclusive basis for decision hereunder and compliance with the Pattern Book shall not guarantee approval of an application.

(e) The Pattern Book may be amended from time to time at the sole discretion of Developer. Amendments to the Pattern Book shall not apply to require modifications to or removal of structures previously approved after such approved construction or modification has commenced. There are no limitations on the scope of Developer's amendments to the Pattern Book; amendments may remove requirements previously imposed and may otherwise make the Pattern Book more or less restrictive in whole or in part.

(f) The Design Review Committee shall make copies of the Pattern Book available to Owners, Builders, and developers who seek to engage in development or construction within the Condominium, and may charge a reasonable fee to cover its printing costs.

(g) Prior to commencing any Work for which review and approval is required under this Article VI, Section 1, an application for approval of such Work shall be submitted to the Design Review Committee in such form as may be required by the Design Review Committee. The application shall include plans showing the Unit layout, exterior elevations, exterior materials and colors, landscaping, drainage, lighting, irrigation, and other features of the proposed construction, as required by the Pattern Book. The Design Review Committee may require the submission of such additional information as it deems necessary to consider any application. The Design Review Committee shall, within 30 days after receipt of each complete submission of plans, advise the party submitting the same, in writing, at an address specified by such party at the time of submission, of (i) the approval of plans, or (ii) the disapproval of such plans, specifying the segments or features of the plans that are objectionable and suggestions, if any, for the curing of such objections. The Design Review Committee may condition its approval of proposals and plans and specifications as it deems appropriate, and may require submission of additional plans and specifications or other information prior to approving or disapproving

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material submitted. The Design Review Committee may require such detail in plans and specifications submitted for its review as it deems proper, including, without limitation, floor plans, Unit plans, drainage plans, elevation drawings and descriptions or samples of exterior materials and colors. No approval shall be inconsistent with the Pattern Book unless a waiver has been granted in writing in accordance with this Article VI, Section 1. Notice shall be deemed to have been given at the time the envelope containing such notice, properly addressed, and postage prepaid, is deposited with the U.S. Postal Service, registered or certified mail, return receipt requested. Personal delivery of such written notice shall, however, be sufficient and shall be deemed to have been given at the time of delivery.

(h) If construction does not commence on any Work for which approval has been granted within 12 months of such approval, such approval shall be deemed withdrawn, and it shall be necessary for the Owner to re-submit the plans for reconsideration in accordance with Pattern Book as then amended before commencing such Work. All Work shall be completed within two years of commencement or such other period as may be specified in the notice of approval, unless completion is delayed due to causes beyond the reasonable control of the Owner, as determined in the sole discretion of the Reviewing Entity.

(i) Each Owner acknowledges that the persons reviewing applications under this Article VI, Section 1 will change from time to time and that decisions regarding aesthetic matters and interpretation and application of the Pattern Book, if any, may vary accordingly. In addition, each Owner acknowledges that it may not always be possible to identify objectionable features of proposed Work until the Work is completed, in which case it may be unreasonable to require changes to the improvements involved, but the Design Review Committee may refuse to approve similar proposals in the future. Approval of proposals, plans and specifications, or drawings for any Work done or proposed, or in connection with any matter requiring approval, shall not be deemed a waiver of the right to withhold approval as to any similar proposals, plans and specifications, drawings or other matters subsequently or additionally submitted for approval.

(k) The Design Review Committee shall meet from time to time as necessary to perform its duties hereunder. The Design Review Committee may adopt reasonable rules of procedure and standards for the submission and review of any matter to be brought before it and the inspection and final approval of any completed Work done pursuant to an approval of the Design Review Committee. Such rules shall be (i) subject to the prior approval of the Board of Directors (after the Developer relinquishes control as provided in Article VI, Section 1(b) above), (ii) consistent with the covenants and restrictions set forth in the Condominium's Master Deed and these Bylaws and (iii) published or otherwise made available to all members and their contractors, subcontractors and other appropriate designees. All rules of the Design Review Committee shall be adopted and/or amended by a majority vote thereof, provided that no amendment shall be applicable to any matter submitted to the Design Review Committee prior to the making of such amendment.

(l) Neither the Developer, the Association, the Board of Directors, the Village Architect, the Design Review Committee nor any member thereof, nor any duly authorized representative of any of the foregoing, shall be liable to any the Association or to any Owner or any other person or entity for any loss, damage or injury arising out of or in any way connected with the performance or non-performance of the Village Architect's and the Design Review Committee's duties hereunder. The Design Review Committee shall review and approve or disapprove all plans submitted to it for any proposed improvement, alteration or addition solely on the basis of aesthetic considerations and the benefit or detriment which would result to the immediate vicinity and to the Condominium, generally. The Design Review Committee shall take into consideration the aesthetic aspects of the architectural designs, placement of buildings, landscaping, color schemes, exterior finishes and materials and similar features, but shall not be responsible for reviewing, nor shall its approval of any plan or design be deemed approval of, or warranty as to, any plan or design from the standpoint of structural safety or

conformance with building or other codes. The approval of any proposed improvements or alterations by the Design Review Committee shall not constitute a warranty or approval as to, and neither the Association nor any member or representative of the Design Review Committee or the Board of Directors shall be liable for, the safety, soundness, workmanship, materials or usefulness for any purpose of any such improvement or alteration or its compliance with governmental or industry codes or standards. By submitting a request for the approval of any improvement or alteration, an Owner shall be deemed to have automatically agreed to hold harmless and indemnify the aforesaid members and representatives, and the Village Architect and the Association generally, from and against any loss, claim or damage connected with the aforesaid aspects of the improvements or alterations.

(m) The Design Review Committee may authorize waivers from compliance with any of the architectural control provisions of the Condominium's Master Deed and the Bylaws when circumstances such as topography, natural obstructions, hardship, aesthetic or environmental considerations require, but only in accordance with its duly adopted rules and regulations. Such waivers may only be granted, however, when unique circumstances dictate and no waiver shall (i) be effective unless in writing, (ii) be contrary to the restrictions set forth in the Condominium's Master Deed and the Bylaws, or (iii) estop the Design Review Committee from denying a waiver in other circumstances. Developer and its affiliates shall be exempt from the provisions hereof with respect to new construction, alterations and additions desired to be effected by any of them and shall not be obligated to obtain Village Architect or Design Review Committee approval for any construction or changes which any of them may elect to make at any time.

Section 2. Uses Permitted. No Unit subject hereto shall be used except for residential purposes or as a related garage or Accessory Dwelling Structure, if applicable. Temporary uses by Developer and its affiliates for model homes, sales displays, parking, sales offices, maintenance buildings, and other offices, or any one or combination of such uses, shall be permitted until the permanent cessation of such uses takes place. No changes may be made in buildings erected by Developer or its affiliates (except if such changes are made by Developer) without the consent of the Design Review Committee. No Unit in Cherry Hill Village or Cherry Hill Village II shall be used or shall have any improvement made to it or erected upon it in violation of the ordinances or requirements of the Township or such other governmental entity as may have jurisdiction thereover. Notwithstanding the foregoing, Developer may conduct any of the activities expressly described in the Master Deed or its Exhibits.

Section 3. Restrictions Applicable Only to Units in Cherry Hill Village. Except as otherwise expressly provided herein, any and all Work in Cherry Hill Village shall be in accordance with the Master Deed, the Bylaws and the Planned Development Documents, which include, among other things, the Planned Development Agreement and Schedule of Regulations. The Schedule of Regulations limits and defines setbacks, minimum areas, building heights, utility locations and permitted uses of Dwellings and other Structures in the Condominium. All Dwellings and Accessory Dwellings within the Cherry Hill Village Condominium shall contain the square footage requirements and be constructed in accordance with the limitations and restrictions provided in the Pattern Book, including, but not limited to, the Schedule of Regulations. Front, rear and side yards smaller than above shall only be permitted if a waiver from the setback or setbacks is granted by the Design Review Committee. A variance from the Township may also be necessary. Approval by the Design Review Committee of setbacks of less than those established above will be permitted if the grade, soil or other physical conditions pertaining to a Unit justify such a waiver. Cherry Hill Village shall be subject further to the following restrictions:

(a) Trees and Landscaping. All street trees and landscaping shall be installed and maintained in accordance with the Pattern Book. All Cherry Hill Village Unit Owners (including land contract and option purchasers of any Unit from Developer) shall obtain the Developer's express written approval (or that of the Board of Directors of the Association after the issuance of 100% of the

certificates of occupancy for all Units in the Cherry Hill Village Condominium) prior to removal or planting of any tree. Any proposed removal of trees shall comply with the Township's Forest Preservation Ordinance and the Pattern Book; provided, however, that removal of trees from the Tree Stand described in the Planned Development Agreement is not subject to the Township's Forest Preservation Ordinance and shall be governed by the Pattern Book.

(b) Nuisances. No noxious or offensive activity shall be carried on or upon any Unit, nor shall anything be done thereon which may be or become an annoyance or nuisance to the other Unit Owners.

(c) Reservation of Rights. Developer reserves for itself and for the Association and their respective agents the right to enter upon any Unit for the purpose of mowing, removing, clearing, cutting or pruning underbrush, weeds or other unsightly growth, which in the opinion of Developer or the Association detracts from the overall beauty, setting and safety of Cherry Hill Village. Such entrance for the purpose of mowing, cutting, clearing or pruning shall not be deemed a trespass. Developer and the Association and their respective agents may likewise enter upon such land to remove any trash which has collected on such Unit without such entrance and removal being deemed a trespass. The provisions of this paragraph shall not be construed as an obligation on the part of Developer or the Association to mow, clear, cut, or prune any Unit nor to provide garbage or trash removal services.

(d) Street Cleaning. The Developer shall have the right from time to time to cause the streets in Cherry Hill Village to be cleaned and to assess all Unit Owners engaged in construction on or within thirty (30) days prior to the cleaning for a pro rata share of the cost of the street cleaning (which shall also be ratably shared by the Owners of Cherry Hill Village II). In the event the Township or any other governmental authority issues a warning or ticket for a violation of ordinance or law on any Unit, Developer shall have the right to remediate the item for which a warning or ticket is issued and assess the Owner of the Unit (including the land contract or option purchaser of the Unit from Developer) on which the work was done for the cost of the same. Any such cost assessed shall be a lien on the Unit assessed as provided in Article II of the Bylaws.

(e) Unsightly Conditions. It shall be the responsibility of each Unit Owner to prevent the development of any unclean, unsightly or unkempt conditions of Structures or ground on the Owner's Unit which shall tend to substantially decrease the beauty of the Condominium as a whole or any specific area thereof. No lawn ornaments, sculptures or statues shall be placed or permitted to remain on any Unit.

(f) Driveways and Garages. The location of all driveways shall be approved by the Design Review Committee prior to construction. All driveways shall constructed and maintained as provided in the Pattern Book. No Owner shall change any existing driveway in a manner inconsistent with this subsection.

(g) Sidewalks. Sidewalks shall only be installed in accordance with the specifications provided in the Pattern Book. No Owner shall install on a Unit, and the Design Review Committee shall not approve, any sidewalk that does not meet the specifications provided in the Pattern Book. Further, no Owner shall change any existing sidewalk in a manner inconsistent with this subsection.

(h) Temporary Structures. Except as may be approved or used by Developer during construction and/or sales periods, no structure of a temporary character, or trailer, mobile home or recreational vehicle, shall be permitted on any Units within the Condominium at any time or used at any time as a residence, either temporarily or permanently. No gas tank, gas container or gas cylinder shall be permitted to be placed on or about the outside of any Unit or on or about any ancillary building, except for gas tanks which are used for swimming pool heaters which are screened from view, one (1) gas

cylinder (not to exceed 20 lbs. capacity) connected to a barbecue grill and/or such other tank as is designed and used for household purposes and approved by the Design Review Committee. Any outdoor equipment such as, but not limited to, pool pumps and water softening devices shall be completely screened from the view of anyone not standing on the Unit by the use of landscaping or other means (in any event, as approved by the Design Review Committee); provided, however, that the use of such screening shall not obviate the requirement that the installation of any such equipment nevertheless be approved by the Design Review Committee.

(i) Signs. No sign of any kind shall be displayed to the public view on any Cherry Hill Village Unit except for: (i) the sales agent for the Developer (ii) a Builder may place one professional sign advertising the Unit for sale; (iii) and one (1) "for sale" sign may be displayed under the following conditions:

(i) The sign may identify the property, the owner or agent and the address and telephone number of the owner or agent relative to the premises upon which the sign is located.

(ii) The face surface of such sign shall not be larger than **eight (8)** inches in width and **eight (8)** inches in height, including, any rider thereto.

(iii) The sign shall be constructed of metal, plastic, wood or pressed wood and shall be fastened to a supporting member constructed of angle iron not exceeding one (1) inch by one (1) inch or a two (2) inch by two (2) inch wooden post, provided that said supporting member shall be all white or all black in color and have no letters or numbers upon it.

(iv) The supporting member shall be driven into the ground to provide that the top of the face of such sign shall not be more than four (4) feet above the finished grade of the ground.

(v) All such signs shall be lettered professionally, but such signs shall not be required to be submitted to the Association for approval.

(vi) Such sign shall be so erected or placed that its center line is parallel or perpendicular to the front property line.

(vii) Such sign shall not be erected or placed closer than five (5) feet from the front of the property line (as opposed to the adjacent street, if different).

(viii) Nothing contained herein shall be construed as prohibiting the same wording from being on both the front and the back of the sign.

(ix) Where such sign is suspended from an arm of the support, such arm shall not exceed a length of **sixteen (16)** inches.

(x) All such signs shall be erected on a temporary basis.

(xi) Such sign shall be kept in good repair and shall not be illuminated or constructed of a reflective material and shall not contain any flags, streamers, movable items or like devices.

(xii) Any such sign shall be removed within five (5) days from the date a binding agreement is entered into for the sale, lease or rental of the property or immediately upon the removal of the property from the market, whichever occurs first.



(xiii) No sign shall be placed on any Common Elements.

(j) Fences, Walls and Hedges. No fence, wall or other structure shall be erected on any Cherry Hill Village Unit, and no hedge shall be planted, except in accordance with the Pattern Book and approved by the Design Review Committee. Fences, trees, walls, hedges, or shrubs shall be placed or permitted to remain on any corner Unit only in accordance with the Pattern Book. In considering any request for the approval of a fence or wall or a hedge or other landscaping, the Design Review Committee shall give due consideration to the possibility of same obstructing the view from any adjoining Unit or Common Element and may condition its approval on the hedge or other landscaping being kept to a specific height. All persons are advised that many fences and walls may be prohibited altogether or, if approved, may be subject to stringent standards and requirements.

(k) Front Elevations. No substantially similar front elevation (in both style and color) of any Dwelling shall be duplicated on any Estate, Village or Cottage Unit in Cherry Hill Village less than three hundred (300') feet away along the front Unit lines, unless approved by the Design Review Committee. Different colors, building material patterns, offsets, roof lines, porches, windows, doors, and ornamental trim shall be used for Dwellings on adjacent Units to avoid the appearance of repetition.

(l) Basketball Hoops. Basketball hoops and play areas are permitted in Cherry Hill Village subject to strict compliance with the following restrictions:

(-a-) All basketball hoops shall be on ground mounted posts located at least thirty (30) feet from the curb of the road(s) adjacent to the Unit.

(-b-) The ground mounted post for the basketball hoop shall be located at least five (5) feet from the side line of the Unit.

(-c-) No florescent or bright colors shall be permitted for either the post or the backboard. The ground mounted post shall be painted black and the backboard of the basketball hoop shall be clear or smoked.

(m) Swimming Pools. Inground swimming pools shall be permitted only on Estate and Village Units, in Cherry Hill Village, subject to the prior review and written approval of the Design Review Committee. Swimming pools that rise more than one (1) foot above ground level shall not be permitted on any Unit. All swimming pool areas shall be fully fenced and landscaped, as approved by the Design Review Committee, to minimize the visual impact upon adjacent Dwellings and shall not be visible from the road. All swimming pool mechanical equipment will be located in rear yard of the Dwelling, will not extend past the side of the Dwelling, and will be fully concealed from view.

(n) Easements. Easements for the construction, installation and maintenance of public utilities, and for drainage facilities, are reserved as shown on the recorded Plan. Within all of the foregoing easements, unless the necessary approvals are obtained from the Township and any other appropriate municipal authority, no Structure, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of such service facilities and utilities, including underground electrical and telephone local distribution systems, or which may change, obstruct or retard the flow or direction of water in and through drainage in the easements, nor shall any change, which may obstruct or retard the flow of surface water or be detrimental to the property of others, be made by the occupant in the finished grade of any Unit once established by the builder upon completion of construction of the Dwelling thereon. The easement area of each Unit and all improvements in it shall be maintained (in a presentable condition continuously) by the Unit Owner, except for those improvements for which a public authority or utility company is responsible, and the Unit Owner shall be liable for damage to service facilities and utilities thereon, including damage to electric,

gas, and telephone distribution lines and facilities therein. Except as may be otherwise provided herein, each Unit Owner shall maintain the surface area of easements within his property, to keep weeds out, to keep the area free of trash and debris, and to take such action as may be necessary to eliminate or minimize surface erosion.

(o) Exterior Lighting. All exterior lighting on each Unit shall be constructed and maintained in accordance with the Pattern Book. In all events all such lighting shall be constructed and maintained so as to provide such illumination as is necessary for the Unit without unreasonably interfering with the peaceful enjoyment of the adjacent Owner. Owners of Units served by a Private Lane shall be required to install and maintain a minimum of one decorative wall mounted light fixture located on the rear of the garage. This light and all porch lights in the Condominium shall be operated by a photocell on/off switch, such that they are lit from dusk to dawn.

(p) Master Grading Plan for Cherry Hill Village and Surface Water Drainage. The grade of any Unit in Cherry Hill Village may not be changed from the master grading plan approved by the Township (which master grading plan may be subsequently amended from time to time as conditions require), without the written consent of the Design Review Committee and any governmental authority having jurisdiction. It shall be the responsibility of each Owner to maintain the surface drainage grades of the Owner's Unit as established by the builder or contractor that builds the Dwelling on the Unit. Additionally, each Owner covenants not to change the surface grade of the Owner's Unit in a manner which will materially increase or decrease the storm water flowing onto or off of that Owner's Unit or block, pond or obstruct surface water. The Board of Directors of the Association shall enforce this covenant and may enter upon any of the Units in the Condominium to correct any violation of this covenant and shall charge the costs of the correction to the Owner and such costs shall be a lien upon the Unit.

Section 4. Restrictions Applicable Only to Units in Cherry Hill Village II. The following restrictions apply only to Units in Cherry Hill Village II:

(a) Alterations and Modifications Units. No Owner in Cherry Hill Village II shall make alterations in exterior appearance or make structural modifications to any Unit (including interior walls through or in which there exist easements for support or utilities) or make changes in any of the Common Elements, limited or general, without the express written approval of the Board of Directors including but not limited to, exterior painting or the erection of porches, balconies, antennas, lights, aerials, awnings, doors, shutters or other exterior attachments or modifications; nor shall any Owner damage or make modifications or attachments to Common Element walls between Units which in any way impair sound conditioning qualities of the walls. The Design review Committee may approve only such modifications as do not impair the soundness, safety, utility or appearance of the Condominium and which are in compliance with the Pattern Book. No storm door shall be approved unless it conforms to the color and design standards of the Pattern Book.

(b) Activities. No immoral, improper, unlawful or offensive activity shall be carried on in any Unit or upon the Common Elements, nor shall anything be done which may be or become an annoyance or a nuisance to the Owners of the Condominium, nor shall any unreasonably noisy activity occur in or on the Common Elements or within any Unit at any time. Among other things, construction activities by an Owner (i.e., interior remodeling or improvement of a completed Unit) shall be confined to the hours of 8 a.m. to 5:00 p.m., Monday through Friday. No maintenance or other repair of any vehicle is permitted anywhere in the Condominium except within the private garage attached to a Unit. No Owner shall do or permit anything to be done or keep or permit to be kept in the Owner's Unit or on the Common Elements anything that will increase the rate of insurance on the Condominium without the written approval of the Association, and each Owner shall pay to the Association the increased cost of insurance premiums resulting from any such activity or the maintenance of any such condition even if

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approved, which increased cost may be assessed to and collected from the Owner in the manner provided in Article II hereof.

(c) Limited Common Elements. Each driveway leading into a garage may only be used by the Owner entitled to use the garage. All balconies, porches, patios and court yards shall be of a size and design (including without limitation, color) approved by the Design Review Committee. No unsightly condition shall be maintained upon any balcony, patio or porch and only furniture and equipment consistent with ordinary balcony, patio or porch use shall be permitted to remain there during seasons when the same are reasonably in use and no furniture or equipment of any kind shall be stored on balconies, patios or porches during seasons when the same are not reasonably in use. All such areas shall be tastefully maintained. Hanging baskets shall not be displayed. During the winter, all outdoor furniture shall be stored indoors. The Board of Directors may, by duly adopted rule or regulation, further regulate the use, maintenance, repair and replacement of such Limited Common Elements.

(d) Signs and Advertising. No signs or other advertising devices shall be displayed which are visible from the exterior of a Unit or on the Common Elements, including "For Sale" signs, without written permission from the Design Review Committee. Lawn signs shall not be permitted; only window signs of a color and size approved by the Design Review Committee may be displayed.

(e) Association's Right of Access. The Association or its duly authorized agents shall have access to each Cherry Hill Village II Unit and any Limited Common Elements appurtenant thereto from time to time, during reasonable working hours, upon notice to the Owner thereof, as may be necessary for the maintenance, repair or replacement of any of the Common Elements. The Association or its agent shall also have access to each Unit and any Limited Common Elements appurtenant thereto at all times without notice as may be necessary to make emergency repairs to prevent damage to the Common Elements or to another Unit. It shall be the responsibility of each Owner to provide the Association means of access to the Owner's Unit and any Limited Common Elements appurtenant thereto during all periods of absence and in the event of the failure of such Owner to provide means of access, the Association may gain access in such manner as may be reasonable under the circumstances and shall not be liable to such Owner for any necessary damage to any Unit or any Limited Common Elements appurtenant thereto caused thereby or for repair or replacement of such damage. Subject to the foregoing and other provisions in the Cherry Hill Village II Master Deed and these Bylaws, each Cherry Hill Village II Owner shall be entitled to exclusive occupancy and control over the Owner's Unit and all Limited Common Elements appurtenant thereto.

(f) Barbecues. Charcoal grills may not be used in Cherry Hill Village II, whether on a Limited Common Element or otherwise. The only outdoor cooking devices permitted in the Condominium are grills that use bottled or direct natural gas (including propane).

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

Section 4. Animals or Pets. No animals, reptiles, wildlife, livestock or poultry of any kind shall be raised, bred or kept on any Unit for any commercial purpose. Each Unit shall be allowed to have no more than two dogs and two cats. Further, no animals or pets of any kind shall be permitted to become a nuisance or annoyance to any neighbor by reason of barking or otherwise. No savage or dangerous animal shall be kept. No dogs or other pets shall be permitted to have excretions on any Common Elements, except areas designated by the Association, if any, and Owners shall be responsible to clean-up any such excretions. ALL PETS SHALL BE KEPT ON A LEASH WHEN NOT IN THE APPLICABLE UNIT OR, IF APPLICABLE, THE UNIT'S FULLY ENCLOSED REAR YARD. Pets shall also be subject to all applicable rules and regulations. Any person who causes or permits an animal to be brought or kept on the Condominium property shall indemnify and hold harmless the Association for any loss, damage or liability that the Association may sustain as a result of the presence of such animal on the Condominium property. The Association may charge all Owners maintaining an animal a reasonable additional assessment to be collected in the manner provided in Article II of these Bylaws in the event that the Association determines such assessment necessary to defray the maintenance cost to the Association of accommodating animals within Cherry Hill Village and Cherry Hill Village II. The Association shall have the right to require that any pets be registered with it and may adopt such additional reasonable rules and regulations with respect to animals as it may deem proper. The Association may, after notice and hearing, without liability to the owner thereof, remove or cause to be removed any animal from Cherry Hill Village or Cherry Hill Village II which it determines to be in violation of the restrictions imposed by this Section or by any applicable rules and regulations of the Association. The Association may also assess fines for such violation of the restrictions imposed by this Section or by any applicable rules and regulations of the Association. The term "animal" or "pet" as used in this Section shall not include small domesticated animals which are constantly caged, such as small birds or fish.

Section 5. Aesthetics. The Common Elements shall not be used for storage of supplies, materials, personal property or trash or refuse of any kind, except as provided in the Master Deed or in duly adopted rules and regulations of the Association. No garbage, refuse, trash or rubbish (including materials for recycling) shall be placed outside of a Dwelling on a Unit or outside of a Unit except as permitted by the Association. The requirements from time to time of the applicable governmental authority or other company or association for disposal or collection of waste shall be followed. All equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition. Such containers may not be placed out for collection sooner than 24 hours prior to scheduled collection and must be removed within 12 hours of collection. In the event that an Owner or occupant of a Unit keeps containers for recyclable materials thereon, same shall be deemed to be refuse containers for the purposes of this Section. It shall be the responsibility of each Unit Owner to prevent the development of any unclean, unsightly or unkempt conditions of buildings or ground on the Owner's Unit which shall tend to substantially decrease the beauty of Cherry Hill Village and Cherry Hill Village II as a whole or any specific area thereof. The yard area within each Unit and surrounding each Dwelling shall not be used in any way for the drying, shaking, or airing of clothing or other fabrics. Except by the Developer so long as Developer owns and offers for sale at least one (1) Unit in the Condominium, no building materials, landscaping materials or firewood shall be stockpiled on any Unit that Condominium.

Section 6. General Conditions:

(a) No commercial vehicles (other than those present temporarily on business for a period not to exceed eight (8) hours), or campers, mobile homes, motorhomes, house trailers or trailers of every other description, recreational vehicles, boats, boat trailers, horse trailers or horse vans, shall be permitted to be parked or to be stored at any place on the Condominium, nor in dedicated areas, except in (i) enclosed garages or (ii) spaces for some or all of the above specifically designated by Developer or the Association, if any. For purposes of this Section, "commercial vehicles" shall mean those which are not designed and used for customary, personal/family purposes. The absence of commercial-type lettering or graphics on a vehicle shall not be dispositive as to whether it is a commercial vehicle. The

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prohibitions on parking contained in this Section shall not apply to temporary parking of trucks and commercial vehicles, such as for construction use or providing pick-up and delivery and other commercial services, nor to passenger-type vans (with windows) for personal use which are in acceptable condition in the sole opinion of the Association's Board of Directors (which favorable opinion may be changed at any time), nor to any vehicles of Developer or its affiliates. **All Owners and other occupants of Units are advised to consult with the Association prior to purchasing, or bringing onto the Condominium, any type of vehicle other than a passenger vehicle inasmuch as such other type of vehicle may not be permitted to be kept within the Condominium.** Subject to applicable laws and ordinances, any vehicle parked in violation of these or other restrictions contained herein or in the rules and regulations now or hereafter adopted may be towed by the Association at the sole expense of the owner of such vehicle if such vehicle remains in violation for a period of 24 hours from the time a notice of violation is placed on the vehicle. The Association shall not be liable to the owner of such vehicle for trespass, conversion or otherwise, nor guilty of any criminal act, by reason of such towing and once the notice is posted, neither its removal, nor failure of the owner to receive it for any other reason, shall be grounds for relief of any kind. For purposes of this paragraph, "commercial vehicle" shall also mean campers, mobile homes and trailers. An affidavit of the person posting the aforesaid notice stating that it was properly posted shall be conclusive evidence of proper posting.

(b) No clothes lines or outside drying of laundry shall be permitted.

(c) All mailboxes for Dwellings shall be of size, color and design approved by the Design Review Committee. All mailboxes shall be located uniformly with reference to the Dwellings in accordance with post office requirements. All mailboxes shall be maintained and replaced by the Association.

(d) No solar panel, solar collector or similar device shall be placed, constructed, altered, or maintained on any Unit or placed, constructed, altered, or maintained on any Dwelling or Structure.

(e) No exterior antennae receiving devices, or satellite dishes of any kind or nature whether freestanding or mounted upon any Dwelling or other Structure shall be permitted, unless: the device is a so-called "mini-dish" (not to exceed 18 inches in diameter) located in a location approved by the Design Review Committee. The Design Review Committee has the further reserved power to make reasonable modifications to the restrictions of this paragraph to accommodate the use of technological innovations in the telecommunications field so long as it determines that the changes benefit the Condominium.

(f) No external air conditioning Unit shall be placed in or attached to a window or wall of any Dwelling or Structure. No compressor or other component of a central air conditioning system (or similar system, such as a heat pump) shall be so located upon any Unit so as to be visible from the public street upon which such Unit fronts, and, to the extent reasonably possible, all such external equipment shall be so located on any Unit so as to minimize the negative impact thereof on any adjoining Unit, in the terms of noise and appearance.

(g) Dog kennels or runs or other enclosed shelters for permitted animals shall not be placed on any Limited Common Elements or on any Unit in Cherry Hill Village. The Board of Directors may, in its discretion, designate certain portions of the Community Areas and Facilities wherein permitted animals may be walked and/or exercised and the Board of Directors may, in its discretion, designate certain portions of the Community Areas and Facilities wherein dog runs may be constructed. Nothing herein contained shall be construed to require the Board of Directors to so designate a portion of the Community Areas and Facilities for the walking and/or exercising of animals and/or for the construction of dog runs.

(h) No vehicles of any type shall be parked on any portion of the Common Elements (including private roadways) except to the extent, if at all, a portion(s) of the Common Elements is specifically designated for such purposes by the Developer or the Association as provided in the Condominium's Master Deed. All Owners shall use at least one (1) space in their respective garages for the parking of a vehicle. In the event that such a party keeps a boat on a trailer (or some other vehicle or trailer) in the party's garage, the other space (if any) shall still be used for vehicular parking. Garage doors shall be kept closed at all times except when in actual use and during reasonably limited periods when the garage is being cleaned or other activities are being conducted therefrom which reasonably require the doors to be left open. No parking shall be permitted on any portion of a Cherry Hill Village Unit except its driveway and garage.

(i) No artificial grass, plants or other artificial vegetation, or rocks or other landscape devices, shall be placed or maintained upon any portion of the Condominium without the prior approval of the Design Review Committee.

(j) No oil drilling, oil development operations, oil refining, or mining operations of any kind shall be permitted upon or in the Condominium.

(k) All public utilities such as water mains, sanitary sewers, storm sewers, gas mains, electric, telephone and cable television distribution lines, and all connections to same, either private or otherwise, shall be installed underground; provided, however, that the above ground transformers, pedestals, cable and/or other feeder pole lines, and other above ground electric and telephone utility equipment associated with or deemed necessary by The Detroit Edison Company, or the Developer, for underground utility installations and distribution systems, and surface and offsite open drainage channels and facilities, as well as street lighting stanchions, shall be permitted. The provisions and requirements of this subparagraph (k) shall not apply to utility poles and lines existing as of the date hereof.

Section 7. Landscaping. No Owner shall perform any landscaping or plant any trees, shrubs or flowers or place any ornamental materials upon the Common Elements unless approved by the Board of Directors in writing or unless permitted by the Master Deed or the regulations of the Association. Owners shall only use organic fertilizers in landscaping and maintaining Units.

Section 8. Common Elements. No Owner shall make changes in any of the Common Elements, limited or general, without the express written approval of the Design Review Committee. The Design Review Committee may approve only such modifications as do not impair the soundness, safety, utility or appearance of the Condominium as provided herein and in any rules and regulations of the Association. The Common Elements shall not be obstructed in any way nor shall they be used for purposes other than for which they are reasonably and obviously intended. No Owner may leave personal property of any description (including by way of example and not limitation bicycles, vehicles, chairs and benches) unattended on or about the Common Elements. Use of all Common Elements may be limited to such times and in such manner as the Board of Directors shall determine by duly adopted regulations.

Section 9. Park Hours. The Community Areas and Facilities include parks (designated as open space on the Cherry Hill Village Condominium Subdivision Plan). Such parks are private parks maintained by the Association. The Association may establish reasonable rules and regulations with respect to the use and enjoyment of the parks including, without limitation, the hours of use of such parks.

Section 10. Rules and Regulations. Reasonable regulations consistent with all laws and the Condominium Documents concerning the use of the Common Areas and Facilities or the Common

Elements of Cherry Hill Village II or the rights and responsibilities of the Owners and the Association with respect to each Condominium or the manner of operation of the Association and of each Condominium may be made and amended from time to time by any Board of Directors of the Association, including the first Board of Directors (or its successors) prior to the Transitional Control Date. Copies of all such rules, regulations and amendments thereto shall be furnished to all Owners or posted on a General Common Element. Any such regulation or amendment may be revoked at any time by the affirmative vote of a majority of the Owners.

Section 11. Reserved Rights of Developer.

(a) Prior Approval by Developer. Until certificates of occupancy are issued for Dwellings in 100% of the Units in Cherry Hill Village and Cherry Hill Village II, no Dwellings or Structures or other improvements shall be commenced, erected, maintained, nor shall any addition to, or change or alteration to any Structure be made (including in color or design), except interior alterations of Dwellings, until plans and specifications are approved by the Developer as provided in this Article VI.

(b) Developer's Rights in Furtherance of Development and Sales. In order that the development of each Condominium may be undertaken and each Condominium established as a fully occupied community, neither the Association nor any Owner shall do anything to interfere with Developer's activities. Without limiting the generality of the foregoing, nothing in the Master Deed of either Condominium or the Bylaws shall be understood or construed to:

(1) Prevent Developer or its contractors or subcontractors, from doing on any property owned by them whatever they determine to be necessary or advisable in connection with the completion of the development of the Condominium, including without limitation, the alteration of its construction plans and designs as Developer deems advisable in the course of development (all models or sketches showing plans for future development of the Condominium, as same may be expanded, may be modified by the Developer at any time and from time to time, without notice); or

(2) Prevent Developer or its contractors, subcontractors or representatives, from erecting, constructing and maintaining on any property owned or controlled by Developer or its successors or assigns or its contractors or subcontractors, such structures as may be reasonably necessary for the conduct of its or their business of completing said development and establishing each Condominium as a community and disposing of the same by sale, lease or otherwise; or

(3) Prevent Developer or its contractors, or subcontractors or representatives, from conducting on any property owned or controlled by Developer or its successors or assigns, its or their business of developing, subdividing, grading and constructing improvements in each Condominium and of disposing of Units therein by sale, lease or otherwise; or

(4) Prevent Developer, its successors or assigns, from determining in their sole discretion the nature of any type of improvements to be initially constructed as part of each Condominium; or

(5) Prevent Developer, its contractors, subcontractors or representatives, from maintaining such sign successors or assigns or signs on any property owned or controlled by any of them as may be necessary in connection with the operation of any of each Condominium owned by Developer, its successors or assigns, or the sale, lease or other marketing of Units, or otherwise from taking such other actions deemed appropriate; or

(6) Prevent Developer, its successors or assigns from filing amendments to each Condominium's Master Deed or these Bylaws, or which add or withdraw additional property as

otherwise provided in the Condominium's Master Deed; or

(7) Prevent Developer its successors or assigns from modifying, changing, re-configuring, removing or otherwise altering any improvements located on the Common Elements of each Condominium.

(8) In general, the Developer shall be exempt from all restrictions set forth in the Condominium's Master Deed and these Bylaws to the extent such restrictions interfere in any matter with Developer's plans for construction, development, use, sale or other disposition of each Condominium, or any part thereof. Anything herein contained to the contrary notwithstanding, the Developer, its successors and assigns, its or their agents, employees and sales representatives may use and occupy any Dwelling built in each Condominium as a sales office for the handling of sales of Units in either Condominium or other lands in the Township owned by the Developer, until all of the residences to be built on said lands shall have been sold, and further, may construct fences otherwise in violation of Section 3(j) of this Article VI, above in front of, or along side of, model or display houses during such sales period; provided, however, that at such time as such model or display house is sold, any such fence or portion thereof otherwise in violation of Section 3(j) of this Article VI, above shall be removed by the builder of such model or display house.

(c) Enforcement of Bylaws. Each Condominium 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 Owners and all persons having interests in the Condominium. If at any time the Association fails or refuses to carry out its obligation to maintain, repair, replace and landscape in a manner consistent with the maintenance of such high standards, then the Developer, or any entity to which it may assign this right, at its option, may elect to maintain, repair and/or replace any Common Elements and/or to do any landscaping required by these Bylaws and to charge the cost thereof to the Association as an expense of administration of the affected Condominium. The Developer shall have the right to enforce these Bylaws prior to the First Annual Meeting, which right of enforcement shall include without limitation an action to restrain the Association or any Owner from any activity prohibited by these Bylaws.

Section 12. Leasing and Rental. Owners, including Developer, may rent any number of Dwellings at any time for any term of occupancy not less than one (1) year subject to the following:

(a) Disclosure of Lease Terms to Association. An Owner, including the Developer, desiring to rent or lease a Dwelling shall disclose that fact in writing to the Association at least ten (10) days before presenting a lease form to a potential lessee and, at the same time, shall supply the Association with a copy of the exact lease form for its review for compliance with the Condominium Documents. If Developer desires to rent Dwellings before the Transitional Control Date, it shall notify either the Advisory Committee or each Owner in writing.

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

(c) Procedures in the Event of Non-Compliance with Condominium Documents. If the Association determines that the tenant or non-owner occupant has failed to comply with the conditions of the Condominium Documents, the Association shall take the following action:

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



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(ii) The Owner shall have 30 days (or such additional time as may be granted by the Association if the Owner is diligently proceeding to cure) after receipt of such notice to investigate and correct the alleged breach by the tenant or advise the Association that a violation has not occurred.

(iii) If after 30 days the Association believes that the alleged breach is not cured or may be repeated, it may institute on its behalf or derivatively by the Owners on behalf of the Association, if it is under the control of the Developer, an action for eviction against the tenant or non-owner occupant and simultaneously for money damages in the same action against the Owner and tenant or non-owner occupant for breach of the conditions of the Condominium Documents. The relief provided for in this subparagraph may be by summary proceeding. The Association may hold both the tenant and the Owner liable for any damages to the Common Elements caused by the Owner or tenant in connection with the Unit or Condominium.

(d) Notice to Owner's Tenant Permitted Where Owner in Arrears to the Association for Assessments. When an Owner is in arrears to the Association for assessments, the Association may give written notice of the arrearage to a tenant occupying the Dwelling within the Owner's Unit under a lease or rental agreement and the tenant, after receiving the notice, shall deduct from rental payments due the Owner the arrearage and future assessments as they fall due and pay them to the Association. The deductions shall not constitute a breach of the rental agreement or lease by the tenant.

## ARTICLE VII

### MORTGAGES

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

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

Section 3. Notification of Meetings. Upon request submitted to the Association, any institutional holder of a first mortgage lien on any Unit in the Condominium shall be entitled to receive written notification of every meeting of the members of the Association and to designate a representative to attend such meeting.

## ARTICLE VIII

### VOTING

Section 1. Vote. Except as limited in these Bylaws, each Owner shall be entitled to one vote for each Unit owned when voting by number and one vote, the value of which shall equal the Percentage of Value percentage allocated to the Units owned by such Owner as set forth in the Master Deed, when voting by value. Voting shall be by number unless otherwise expressly required by the Condominium Documents or by law. In the case of any Unit owned jointly by more than one Owner, the voting right appurtenant to that Unit may be exercised jointly as a single vote or may be split if all the joint Owners of the Unit so agree in writing.

Section 2. Eligibility to Vote. No Owner, other than the Developer, shall be entitled to vote at any meeting of the Association until the Owner has presented evidence of ownership of a Unit in the Condominium to the Association. Except as provided in Article XI, Section 2 of these Bylaws, no Owner, other than the Developer, shall be entitled to vote prior to the date of the First Annual Meeting of members held in accordance with Section 2 of Article IX. The vote of each Owner may be cast only by the individual representative designated by such Owner in the notice required in Section 3 of this Article VIII or by a proxy given by such individual representative.

Section 3. Designation of Voting Representative. Each Owner shall file a written notice with the Association designating the individual representative who shall vote at meetings of the Association and receive all notices and other communications from the Association on behalf of such Owner. Such notice shall state the name and address of the individual representative designated, the number or numbers of the Unit or Units owned by the Owner, and the name and address of each person, firm, corporation, partnership, Association, trust or other entity who is the Owner. Such notice shall be signed and dated by the Owner. The individual representative designated may be changed by the Owner at any time by filing a new notice in the manner herein provided. At any meeting the filing of such written notice as a prerequisite Unit to voting may be waived by the chairman of the meeting.

Section 4. Annual Meeting. There shall be an annual meeting of the Owners commencing with the First Annual Meeting held as provided in Article IX, Section 2 hereof. Other meetings shall be held as provided for in Article IX hereof. Notice of the time, place and subject matter of all meetings shall be given by mailing the same to each individual representative designated by the respective Owners.

Section 5. Quorum. The presence in person or by proxy of more than twenty-five (25%) percent in value of the Owners of Cherry Hill Village and Cherry Hill Village II qualified to vote shall constitute a quorum for holding a meeting of the members of the Association, except for voting on questions specifically required by the Condominium Documents to require a greater quorum. The written vote of any person furnished at or prior to any duly called meeting at which meeting such 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.

Section 6. Voting. Votes may be cast only in person or by a writing duly signed by the designated voting representative not present at a given meeting in person or by proxy. Proxies and any written votes must be filed with the Secretary of the Association at or before the appointed time of each meeting of the members of the Association. Cumulative voting shall not be permitted.

Section 7. Majority. Unless otherwise required by law or by the Condominium Documents, any action which could be authorized at a meeting of the Owners shall be authorized by an affirmative vote of more than fifty (50%) percent in value. The foregoing statement and any other provision of the Master Deed or these Bylaws requiring the approval of a majority (or other stated percentage) of the

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Owners shall be construed to mean, unless otherwise specifically stated, a majority (or other stated percentage) in value of the votes cast by those qualified to vote and present in person or by proxy (or written vote, if applicable) at a given meeting of the Owners duly called and held.

## ARTICLE IX

### MEETINGS

Section 1. Place of Meeting. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the Owners as may be designated by the Board of Directors. Meetings of the Association shall be conducted in accordance with Roberts Rules of Order or some other generally recognized manual of parliamentary procedure, when not otherwise in conflict with the Condominium Documents or the laws of the State of Michigan.

Section 2. First Annual Meeting. The First Annual Meeting of members of the Association may be convened only by the Developer. The First Annual Meeting may be called at any time in the Developer's discretion after the first conveyance of legal or equitable title of a Unit in Cherry Hill Village or Cherry Hill Village II to a non-developer Owner. As provided in Article XI, Section 2 hereof, the First Annual Meeting shall be held on or before one hundred twenty (120) days after the conveyance of legal or equitable title to non-developer Owners of seventy-five (75%) in number of the Units that may be created in Cherry Hill Village or Cherry Hill Village II (totaling to 2000 units for both Condominiums) or fifty-four (54) months after the first conveyance of legal or equitable title to a non-developer Owner of a Unit in Cherry Hill Village or Cherry Hill Village II, whichever first occurs. The Developer may call meetings of members for informative or other appropriate purposes prior to the First Annual Meeting of members and no such meeting shall be construed as the First Annual Meeting of members. The date, time and place of such meeting shall be set by the Board of Directors, and at least ten (10) days' written notice thereof shall be given to each Owner. For purposes of calculating the timing of events in this Article IX, Section 2, and Article X and Article XI, Section 2 below, a conveyance by Developer to a licensed residential builder, even though not an affiliate of Developer, is not considered a sale to a non-developer Owner until such time as the residential builder conveys the Unit with a completed residence on it or until it contains a completed residence which is occupied.

Section 3. Annual Meetings. Annual meetings of members of the Association shall be held on the third Tuesday of September each succeeding year (commencing the third Tuesday of September of the calendar year following the year in which the First Annual Meeting is held) at such time and place as shall be determined by the Board of Directors. The Board of Directors, with sixty (60) days notice to the members, may designate a different date for the annual meeting of the members. At such meetings there shall be elected by ballot of the Owners a Board of Directors in accordance with the requirements of these Bylaws. The Owners may also transact at annual meetings such other business of the Association as may properly come before them.

Section 4. Special Meetings. It shall be the duty of the President to call a special meeting of the Owners as directed by resolution of the Board of Directors or upon a petition signed by one-third (1/3) of the Owners presented to the Secretary of the Association, but only after the First Annual Meeting has been held. Notice of any special meeting shall state the time and place of such meeting and the purposes thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 5. Notice of Meetings. It shall be the duty of the Secretary (or other Association officer in the Secretary's absence) to serve a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, upon each Owner of record, at least ten (10) days but not more than sixty (60) days prior to such meeting. The mailing, postage prepaid, of a notice to the representative of each Owner at the address shown in the notice required by Article VIII,

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Section 3 of these Bylaws to be filed with the Association shall be deemed notice served. Any member may, by written waiver of notice signed by such member, waive such notice, and such waiver, when filed in the records of the Association, shall be deemed due notice.

Section 6. Adjournment. If any meeting of Owners cannot be held because a quorum is not in attendance, the Owners who are present may adjourn the meeting to a time not less than ten (10) days from the time the original meeting was called, and notice of the meeting shall be provided as set forth in Section 5 of this Article IX.

Section 7. Order of Business. The order of business at all meetings of the members shall be as follows: (a) roll call to determine the voting power represented at the meeting; (b) determination of whether quorum is present; (c) proof of notice of meeting or waiver of notice; (d) reading of minutes of preceding meeting; (e) reports of officers; (f) reports of committees; (g) appointment of inspectors of election (at annual meetings or special meetings held for the purpose of electing Directors or officers); (h) election of Directors (at annual meeting or special meetings held for such purpose); (i) unfinished business; and (j) new business. Meetings of members shall be chaired by the most senior officer of the Association present at such meeting. For purposes of this Section, the order of seniority of officers shall be President, Vice President, Secretary and Treasurer.

Section 8. Action Without Meeting. Any action which may be taken at a meeting of the members (except for the election or removal of Directors) may be taken without a meeting by written ballots of the members. Ballots shall be solicited in the same manner as provided in Section 5 of this Article IX for the giving of notice of meetings of members. Such solicitations shall specify (a) the number of responses needed to meet the quorum requirements; (b) the percentage of approvals necessary to approve the action; and (c) the time by which ballots must be received in order to be counted. The form of written ballots shall afford an opportunity to specify a choice between approval and disapproval of each matter and shall provide that, where the member specifies a choice, the vote shall be cast in accordance therewith. Approval by written ballots shall be constituted by receipt, within the time period specified in the solicitation, of (i) a number of ballots which equals or exceeds the quorum which would be required if the action were taken at a meeting; and (ii) a number of votes or total percentage of approvals which equals or exceeds the number of votes or percentage of approvals which would be required for approval if the action were taken at a meeting at which the total number of votes cast was the same as the total number of ballots cast.

Section 9. Minutes; Presumption of Notice. Minutes or a similar record of the proceedings of meetings of members, when signed by the President or Secretary, shall be presumed truthfully to evidence the matters set forth therein. A recitation in the minutes of any such meeting that notice of the meeting was properly given shall be prima facie evidence that such notice was given.

ARTICLE X

ADVISORY COMMITTEE

An advisory committee of non-developer Owners shall be established either one hundred twenty (120) days after conveyance of legal or equitable title to non-developer Owners of one-third (1/3) of the Units that may be created, or one year after the initial conveyance of legal or equitable title to a non-developer Owner of a Unit in the Condominium, whichever occurs first. The advisory committee shall meet with the Board of Directors for the purpose of facilitating communication and aiding the transition of control to the Association of Owners. The advisory committee shall cease to exist when a majority of the Board of Directors of the Association is elected by the non-developer Owners.

ARTICLE XI

BOARD OF DIRECTORS

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Section 1. Number and Qualification of Directors. The Board of Directors shall consist of five members, all of whom must be members of the Association or officers, partners, trustees, employees or agents of members of the Association, except for the first Board of Directors. Directors shall serve without compensation. After the First Annual Meeting, the number of directors may be increased or decreased by action of the Board of Directors, provided that the Board of Directors shall be comprised of at least five members and not more than fifteen members.

Section 2. Election of Directors.

(a) First Board of Directors. The first Board of Directors, or its successors as selected by the Developer, shall manage the affairs of the Association until the appointment of the first non-developer Owners to the Board. Elections for non-developer Owner directors shall be held as provided in subsections (b) and (c) below.

(b) Appointment of Non-developer 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 Owners of twenty-five (25%) percent of the Units that may be created, at least one director and not less than twenty-five (25%) percent of the Board of Directors shall be elected by non-developer Owners. Not later than one hundred twenty (120) days after conveyance of legal or equitable title to non-developer Owners of fifty (50%) percent of the Units that may be created, not less than thirty-three and one-third (33 1/3%) percent of the Board of Directors shall be elected by non-developer Owners. When the required percentage of conveyances has been reached, the Developer shall notify the non-developer Owners and request that they hold a meeting and elect the required director. Upon certification by the Owners to the Developer of the director so elected, the Developer shall then immediately appoint such director to the Board to serve until the First Annual Meeting of members unless the director is removed pursuant to Section 7 of this Article XI or the director resigns or becomes incapacitated.

(c) Election of Directors at and After First Annual Meeting.

(i) Not later than one hundred twenty (120) days after conveyance of legal or equitable title to non-developer Owners of seventy-five (75%) percent of the Units that may be created, and before conveyance of ninety (90%) percent of such Units, the First Annual Meeting shall be called and the non-developer Owners shall elect all directors on the Board of Directors, except that the Developer shall have the right to designate at least one director as long as the Developer owns and offers for sale at least ten (10%) percent of the Units in Cherry Hill Village or Cherry Hill Village II or as long as ten (10%) percent of the Units remain that may be created in either Condominium.

(ii) Notwithstanding the formula provided in subsection (i), 54 months after the first conveyance of legal or equitable title to a non-developer Owner of a Unit in the Condominium, if title to at least seventy-five (75%) percent of the Units that may be created has not been conveyed to non-developer Owners, the First Annual Meeting shall be called and the non-developer Owners shall have the right to elect as provided in the Condominium Documents, a number of members of the Board of Directors equal to the percentage of Units they hold, and the Developer has the right to elect, as provided in the Condominium Documents, a number of members of the board equal to the percentage of Units which are owned by the Developer and for which all assessments are payable by the Developer. This election may increase, but shall not reduce, the minimum election and designation rights otherwise established in subsection (i). Application of this subsection does not require a change in the size of the

board as determined in the Condominium Documents.

(iii) If the calculation of the percentage of members of the Board of Directors that the non-developer Owners have the right to elect under this Section 2, or if the product of the number of members of the Board of Directors multiplied by the percentage of Units held by the non-developer Owners under this Section 2 results in a right of non-developer Owners to elect a fractional number of members of the Board of Directors, then a fractional election right of 0.5 or greater shall be rounded up to the nearest whole number, which number shall be the number of members of the Board of Directors that the non-developer Owners have the right to elect. After application of this formula the Developer shall have the right to elect the remaining members of the Board of Directors. Application of this subsection shall not eliminate the right of the Developer to designate one director as provided in subsection (i) of this Section 2(c).

(iv) At the First Annual Meeting one-half (1/2) of the directors (rounded up if fractional) shall be elected for a term of two years and the remaining directors shall be elected for a term of one year. At such meeting, all nominees shall stand for election as one slate and the number of persons equal to one-half of the number of directors (rounded up if fractional) who receive the highest number of votes shall be elected for terms of two years and the number of persons equal to the remaining directors to be elected who receive the next highest number of votes shall be elected for terms of one year. After the First Annual Meeting, the term of office (except for directors elected at the First Annual Meeting for one year terms) of each director shall be two years. The directors shall hold office until their successors have been elected and hold their first meeting.

(v) Once the Owners have acquired the right hereunder to elect a majority of the Board of Directors, annual meetings of Owners to elect directors and conduct other business shall be held in accordance with the provisions of Article IX, Section 3 hereof.

(vi) As used in this section, the term "Units that may be created" means the maximum number of Units may be included in the Condominium in accordance with any limitation stated in the Master Deed or imposed by law.

(vii) As provided in Article III, Section (i) of the Master Deed, an option or land contract purchaser of a Unit or Units from Developer is not a "non-developer Owner" for any purposes under the Master Deed.

Section 3. Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and may do all acts and things necessary thereto subject always to the Condominium Documents and applicable laws.

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

- (a) To manage and administer the affairs of and to maintain each Condominium and the Common Elements thereof.
- (b) To levy and collect assessments against and from the members of the Association and to use the proceeds thereof for the purposes of the Association.
- (c) To carry insurance and collect and allocate the proceeds thereof.
- (d) To rebuild improvements after casualty.

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

(f) To own, maintain, improve, operate and manage, and to buy, sell, convey, assign, mortgage or lease (as Landlord or Tenant) any real or personal property (including Units in either Condominium and easements, rights-of-way and licenses) on behalf of the Association in furtherance of any of the purposes of the Association.

(g) To borrow money and issue evidences of indebtedness in furtherance of any or all of the purposes of the Association, and to secure the same by mortgage, pledge, or other lien on property owned by the Association.

(h) To make rules and regulations in accordance with Article VI, Section 10 of these Bylaws.

(i) To establish such committees as it deems necessary, convenient or desirable and to appoint persons thereto for the purpose of implementing the administration of each Condominium and to delegate to such committees any functions or responsibilities which are not by law or the Condominium Documents required to be performed by the Board.

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

Section 5. Management Agent. The Board of Directors may employ for the Association a professional management agent (which may include the Developer or any person or entity related thereto) at reasonable compensation established by the Board to perform such duties and services as the Board shall authorize, including, but not limited to, the duties listed in Sections 3 and 4 of this Article, and the Board may delegate to such management agent any other duties or powers which are not by law or by the Condominium Documents required to be performed by or have the approval of the Board of Directors or the members of the Association. In no event shall the Board be authorized to enter into any contract with a professional management agent, or any other contract providing for services by the Developer, in which the maximum term is greater than 3 years or which is not terminable by the Association upon ninety (90) days' written notice thereof to the other party and no such contract shall violate the provisions of Section 55 of the Act.

Section 6. Vacancies. Vacancies in the Board of Directors 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 Association shall be filled by vote of the majority of the remaining directors, even though they may constitute less than a quorum, except that the Developer shall be solely entitled to fill the vacancy of any director whom it is permitted in the first instance to designate. Each person so elected shall be a director until a successor is elected at the next annual meeting of the members of the Association. Vacancies among non-developer Owner elected directors which occur prior to the Transitional Control Date may be filled only through election by non-developer Owners and shall be filled in the manner specified in Section 2(b) of this Article.

Section 7. Removal. At any regular or special meeting of the Association duly called with due notice of the removal action proposed to be taken, any one or more of the directors may be removed with or without cause by the affirmative vote of more than fifty (50%) percent in number and in value of all of the Owners and a successor may then and there be elected to fill any vacancy thus created. The quorum requirement for the purpose of filling such vacancy shall be the normal quorum set forth in Article VIII, Section 5. Any director whose removal has been proposed by the 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 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 for removal of directors generally.

Section 8. First Meeting. The first meeting of a newly elected Board of Directors shall be held within ten (10) days of election at such place as shall be fixed by the directors at the meeting at which such directors were elected, and no notice shall be necessary to the newly elected directors in order legally to constitute such meeting, providing a majority of the whole Board shall be present.

Section 9. Regular Meetings. Regular meetings of the Board of Directors may be held at such times and places as shall be determined from time to time by a majority of the directors, but at least two such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each director personally, by mail, telephone or telegraph, at least ten (10) days prior to the date named for such meeting.

Section 10. Special Meetings. Special meetings of the Board of Directors may be called by the President on three days' notice to each director given personally, by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of two directors.

Section 11. Waiver of Notice. Before or at any meeting of the Board of Directors, any director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meetings of the Board shall be deemed a waiver of notice by him of the time and place thereof. If all the directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 12. Quorum. At all meetings of the Board of Directors, a majority of the directors shall constitute a quorum for the transaction of business, and the acts of the majority of the directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, there is less than a quorum present, the majority of those present may adjourn the meeting to a subsequent time upon twenty-four (24) hours' prior written notice delivered to all directors not present. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice. The joinder of a director in the action of a meeting by signing and concurring in the minutes thereof, shall constitute the presence of such director for purposes of determining a quorum.

Section 13. First Board of Directors. All of the actions (including, without limitation, the adoption of these Bylaws and any Rules and Regulations for the Association, and any undertaking or contracts entered into with others on behalf of the Association) of the first Board of Directors of the Association named in its Articles of Incorporation or any successors thereto appointed before the First Annual Meeting of Owners shall be binding upon the Association in the same manner as though such actions had been authorized by a Board of Directors duly elected by the Owners.

Section 14. Fidelity Bonds. The Board of Directors shall require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be expenses of administration.



## ARTICLE XII

### OFFICERS

Section 1. Officers. The principal officers of the Association shall be a President, who shall be a member of the Board of Directors, a Vice President, a Secretary and a Treasurer. The directors may appoint an Assistant Treasurer, and an Assistant Secretary, and such other officers as in their judgment may be necessary. Any two offices except that of President and Vice President may be held by one person.

(a) President. The President shall be the chief executive officer of the Association, and shall preside at all meetings of the Association and of the Board of Directors. The President shall have all of the general powers and duties which are usually vested in the office of the President of an Association, including, but not limited to, the power to appoint committees from among the members of the Association from time to time in the President's discretion as may be deemed appropriate to assist in the conduct of the affairs of the Association.

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

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

(d) Treasurer. The Treasurer shall have responsibility for the Association's funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. The Treasurer shall be responsible for the deposit of all monies and other valuable effects in the name and to the credit of the Association, and in such depositories as may, from time to time, be designated by the Board of Directors.

Section 2. Election. The officers of the Association shall be elected annually by the Board of Directors at the organizational meeting of each new Board and shall hold office at the pleasure of the Board.

Section 3. Removal. Upon affirmative vote of a majority of the members of the Board of Directors, any officer may be removed either with or without cause, and the officer's successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board called for such purpose. No such removal action may be taken, however, unless the matter shall have been included in the notice of such meeting. The officer who is proposed to be removed shall be given an opportunity to be heard at the meeting.

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

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## ARTICLE XIII

### SEAL

The Board of Directors may adopt a seal on behalf of the Association which shall have inscribed thereon the name of the Association, the words "corporate seal", and "Michigan".

## ARTICLE XIV

### FINANCE

Section 1. Records. The Association shall keep detailed books of account showing all expenditures and receipts of administration, and which shall separately specify the maintenance and repair expenses of the Common Elements of each Condominium and any other expenses incurred by or on behalf of the Association and the Owners of each Condominium. Such accounts and all other Association records shall be open for inspection by the Owners and their mortgagees during reasonable working hours. The Association shall prepare and distribute to each Owner at least once a year a financial statement, the contents of which shall be defined by the Association. The books of account shall be audited at least annually by qualified independent auditors; provided, however, that such auditors need not be certified public accountants nor does such audit need to be a certified audit. Any institutional holder of a first mortgage lien on any Unit shall be entitled to receive a copy of such annual audited financial statement within ninety (90) days following the end of the Association's fiscal year upon request therefor. The costs of any such audit and any accounting expenses shall be expenses of administration.

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

Section 3. Bank. Funds of the Association shall be initially deposited in such bank or savings Association as may be designated by the Board and shall be withdrawn only upon the check or order of such officers, employees or agents as are designated by resolution of the Board of Directors from time to time. Separate accounts shall be maintained with respect to the Common Elements of each Condominium. The funds may be invested from time to time in accounts or deposit certificates of such bank or savings Association as are insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation and may also be invested in interest-bearing obligations of the United States Government.

## ARTICLE XV

### INDEMNIFICATION OF OFFICERS AND DIRECTORS

Section 1. Indemnification of Directors and Officers. Every director and officer of the Association shall be indemnified by the Association against all expenses and liabilities, including attorneys' fees, incurred by or imposed upon the director or officer in connection with any proceeding to which the director or officer may be a party, or may become involved, by reason of the director or officer being or having been a director or officer of the Association, whether or not a director or officer at the time such expenses are incurred, except in such cases wherein the director or officer is adjudged guilty of willful or wanton misconduct or gross negligence in the performance of such director's duties; provided that, in the event of any claim for reimbursement or indemnification hereunder based upon a settlement by the director or officer seeking such reimbursement or indemnification, the indemnification herein shall apply only if the Board of Directors (with the director seeking reimbursement abstaining) approves such

settlement and reimbursement as being in the best interest of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such director or officer may be entitled. At least ten (10) days prior to payment of any indemnification which it has approved, the Board of Directors shall notify all Owners thereof. Further, the Board of Directors is authorized to carry officers' and directors' liability insurance covering acts of the officers and directors of the Association in such amounts as it shall deem appropriate.

Section 2. Directors and Officers' Insurance. The Association shall provide liability insurance for every director and every officer of the Association for the same purposes provided above in Section 1 and in such amounts as may reasonably insure against potential liability arising out of the performance of their respective duties. With the prior written consent of the Association, a director or an officer of the Association may waive any liability insurance for such director's or officer's personal benefit or other applicable statutory indemnification. No director or officer shall collect for the same expense or liability under Section 1 above and under this Section 2; however, to the extent that the liability insurance provided herein to a director or officer was not waived by such director or officer and is inadequate to pay any expenses or liabilities otherwise properly indemnifiable under the terms hereof, a director or officer shall be reimbursed or indemnified only for such excess amounts under Section 1 hereof or other applicable statutory indemnification.

ARTICLE XVI

AMENDMENTS

These Bylaws may be amended by the Association or by the Developer in the manner provided in the Master Deed. Any amendment to these Bylaws shall become effective upon recordation in the office of the register of deeds in Wayne County, Michigan. A copy of each amendment to these Bylaws shall be made available to every member of the Association after adoption; provided however, that any amendment adopted in accordance with this Article shall be binding upon all persons who have an interest in Cherry Hill Village and Cherry Hill Village II irrespective of whether such persons actually receive a copy of the amendment. These Bylaws may not be amended in any manner to eliminate or conflict with any mandatory provision of the Act or any applicable law or any provision of the Master Deed; nor may they be amended to materially reduce or eliminate the rights of any first mortgagees without the consent of the mortgagees affected.

ARTICLE XVII

COMPLIANCE

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

ARTICLE XVIII

REMEDIES

Section 1. Default by an Owner. Any default by an Owner shall entitle the Association or another Owner or Owners to the following relief:

(a) Legal Action. Failure to comply with any of the terms or provisions of the Condominium Documents or the regulations of the Association shall be grounds for relief, which may include without limitation an action to recover sums due for damages, injunctive relief, foreclosure of lien (if default in payment of assessment) or any combination thereof, and such relief may be sought by the Association or, if appropriate, by an aggrieved Owner or Owners.

(b) Recovery of Costs. In the event of a default of the Condominium Documents by an Owner, non-Owner resident, lessee, tenant and guest, the Association shall be entitled to recover from the Owner, non-Owner resident, lessee, tenant and guest, the prelitigation costs and reasonable attorney fees incurred in obtaining compliance with the Condominium Documents. In any proceeding arising because of an alleged default by any Owner, the Association, if successful, shall be entitled to recover the costs of the proceeding and such reasonable attorneys' fees (not limited to statutory fees) as may be determined by the court. In no event shall any Owner be entitled to recover such attorneys' fees. The Association, if successful, shall also be entitled to recoup the costs and attorney's fees incurred in defending any claim, counterclaim or other matter from the Owner asserting the claim, counterclaim or other matter.

(c) Removal and Abatement. The violation of any of the provisions of the Condominium Documents, including the rules and regulations promulgated by the Board of Directors of the Association hereunder, shall also give the Association, or its duly authorized agents, the right, in addition to the rights set forth above, to enter upon the Common Elements, Limited or General, or into any Unit, where reasonably necessary, and summarily remove and abate, at the expense of the Owner in violation, any structure, thing or condition existing or maintained contrary to the provisions of the Condominium Documents; provided, however, that judicial proceedings shall be instituted before items of construction are altered or demolished pursuant to this subsection. The Association shall have no liability to any Owner arising out of the exercise of its removal and abatement power, authorized herein.

(d) Assessment of Fines. The violation of any of the provisions of the Condominium Documents, including any of the rules and regulations promulgated by the Board of Directors of the Association hereunder, by any Owner, the Owner's tenant or the non-Owner occupant of the Owner's Unit, in addition to the rights set forth above, shall be grounds for assessment by the Association of a monetary fine for such violation against said Owner. No fine may be assessed unless the rules and regulations establishing such fine have first been duly adopted by the Board of Directors of the Association and notice thereof given to all Owners in the same manner as prescribed in Article VI, Section 10 of these Bylaws. Thereafter, fines may be assessed only upon notice to the offending Owner and an opportunity for such Owner to appear before the Board no less than seven (7) days from the date of the notice and offer evidence in defense of the alleged violation. Upon finding an alleged violation after an opportunity for hearing has been provided, the Board of Directors may levy a fine in such amount as it, in its discretion, deems appropriate, and/or as is set forth in the rules and regulations establishing the fine procedure. All fines duly assessed may be collected in the same manner as provided in Article II of these Bylaws.

Section 2. No Waiver. The failure of the Association or of any Owner to enforce any right, provision, covenant or condition which may be granted by the Condominium Documents shall not constitute a waiver of the right of the Association or of any such Owner to enforce such right, provision, covenant or condition in the future.

Section 3. Cumulative Rights, Remedies and Privileges. All rights, remedies and privileges granted to the Association or any Owner or Owners pursuant to any terms, provisions, covenants or conditions of the Condominium Documents shall be cumulative and the exercise of any one or more shall not be deemed to constitute an election of remedies, nor shall it preclude the party thus exercising the same from exercising such other and additional rights, remedies or privileges as may be available to such party at law or in equity.

Section 4. Enforcement of Provisions of Condominium Documents. An Owner may maintain an action against the Association and its officers and directors to compel such persons to enforce the provisions of the Condominium Documents. An Owner may maintain an action against any other Owner for injunctive relief or for damages or any combination thereof for noncompliance with the Condominium Documents or the Act.

## ARTICLE XIX

### ARBITRATION

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

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

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

## ARTICLE XX

### ASSIGNMENT OF RIGHTS RESERVED TO DEVELOPER

Any or all of the rights and powers granted or reserved to the Developer in the Condominium Documents or by law, including the right and power to approve or disapprove any act, use, or proposed action or any other matter or thing, may be assigned by it to any other entity or to the Association. Any such assignment or transfer shall be made by appropriate instrument in writing in which the assignee or transferee shall join for the purpose of evidencing its consent to the acceptance of such powers and rights and such assignee or transferee shall thereupon have the same rights and powers as herein given and reserved to the Developer.

## ARTICLE XXI

### SEVERABILITY

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