

# HAWTHORNE RIDGE BY-LAWS

*Updated 12/31/05*

## ARTICLE I

### ASSOCIATION OF OWNERS

Hawthorne Ridge, a residential building site condominium located in the Township of Pittsfield, Washtenaw County, Michigan, shall be administered by an association of owners which shall be a non-profit corporation, hereinafter called the "Association", organized under the applicable laws of the State of Michigan, and responsible for the management, maintenance, operation and administration of the common elements, easements and affairs of the Project in accordance with the Project documents and the laws of the State of Michigan. These By-Laws shall constitute both the By-Laws referred to in the Master Deed and required by Section 3(8) of the Act and the By-Laws provided for under the Michigan Non-Profit Corporation Act. Each owner shall be entitled to membership, and no other person or entity shall be entitled to membership. The share of an owner in the funds and assets of the Association cannot be assigned, pledged or transferred in any manner except as an appurtenance to his lot. The Association shall keep current copies of the Master Deed, all amendments to the Master Deed and other Project documents for the Project available at reasonable hours to owners, prospective purchasers and prospective mortgagees of lots in the Project. All owners in the Project and all persons using or entering upon or acquiring any interest in any lot therein or the common elements thereof shall be subject to the provisions and terms set forth in the aforesaid Project documents.

## ARTICLE II

### ASSESSMENTS

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

**Section 1. Assessments for Common Elements.** All costs incurred by the Association in satisfaction of any liability arising within, caused by, or connected with the common elements or the administration of the Project shall constitute expenditures affecting the administration of the Project, and all sums received as the proceeds of or pursuant to any policy of insurance securing the interest of the owners against liabilities or losses arising within, caused by, or connected with the common elements or the administration of the Project shall constitute receipts affecting the administration of the Project within the meaning of Section 54(4) of the Act.

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**Section 2. Determination of Assessments.** Assessments shall be determined in accordance with the following provisions:

(a) **Budget.** The Board of Directors of the Association shall establish an annual budget in advance for each fiscal year, and such budget shall project all expenses for the forthcoming year which may be required for the proper operation, management and maintenance of the Project, including a reasonable allowance for contingencies and reserves. 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 periodic payments as set forth in Section 3 below rather than by special assessments. At a minimum, the reserve fund shall be equal to ten percent (10%) of the Association's current annual budget on a noncumulative basis. Since the minimum standard required by this subparagraph may prove to be inadequate for this particular Project, the Board of Directors should carefully analyze the Project to determine if a greater amount should be set aside or if additional reserve funds should be established for other purposes from time to time and, in the event of such a determination, the Board of Directors shall be empowered to establish such greater or other reserves without owner approval. 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. Should the Board of Directors at any time decide, in the sole discretion of the Board of Directors: (1) that the assessments levied are or may prove to be insufficient to pay the costs of operation and management of the Project; (2) to provide replacements of existing common elements; (3) to provide additions to the common elements not exceeding \$12,500.00 annually for the entire Project (adjusted for increases in the Consumers Price Index used by the United States Department of Labor, Bureau of Vital Statistics, Metropolitan Detroit area, since the date of recording of the initial Master Deed); or (4) that an emergency exists, then the Board of Directors shall have the authority to increase the general assessment or to levy such additional assessment or assessments as it shall deem to be necessary. The Board of Directors also shall have the authority, without owner consent, to levy assessments pursuant to the provisions of Article V, Section 3 hereof. The discretionary authority of the Board of Directors to levy assessments pursuant to this subparagraph shall rest solely with the Board of Directors for the benefit of the Association and the members thereof, and shall not be enforceable by any creditors of the Association or of the members thereof.

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**(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 as hereinafter provided to meet other requirements of the Association, including, but not limited to: (1) assessments for additions to the common elements of a cost exceeding \$12,500.00 per year for the entire Project (adjusted for increases in the Consumers Price Index used by the United States Department of Labor, Bureau of Vital Statistics, Metropolitan Detroit area, since the date of recording of the initial Master Deed); (2) assessments to purchase a lot upon foreclosure of the lien for assessments described in Section 5 hereof; or (3) assessments for any other appropriate purpose not elsewhere herein described. Special assessments referred to in this subparagraph (b) (but not including those assessments referred to in subparagraph (a) above, which shall be levied in the sole discretion of the Board of Directors) shall not be levied without the prior approval of more than sixty percent (60%) of all owners. The authority to levy assessments pursuant to this subparagraph is solely for the benefit of the Association and the members thereof, and shall not be enforceable by any creditors of the Association or of the members thereof.

**(c) Special Assessments for Roadway Purposes.** At some time subsequent to the initial development, the Board of Directors may determine that it is necessary to pave or improve some or all of the roads within or adjacent to the Project. The improvement may be financed, in whole or in part, by the creation of a special assessment district, or districts, which may include Hawthorne Ridge. The acceptance of a conveyance or the execution of a land contract by any owner or purchaser of a lot shall constitute the agreement by such owner or purchaser, his/her heirs, personal representatives, or assigns, that the Board of Directors of the Association shall be vested with full power and authority to obligate all owners to participate in a special assessment district, sign petitions requesting said special assessment, and consider and otherwise act on all assessment issues on behalf of the Association and all owners; provided, that prior to signature by the Association on a petition for improvement of such public roads, the desirability of said improvement shall be approved by an affirmative vote of not less than fifty-one percent (51%) of all owners. No consent of mortgagees shall be required for approval of said public road improvement. All road improvement special assessments levied by any public taxing authority shall be assessed in accordance with Section 131 of Act 59, Public Acts of 1978, as amended, or such other statutes as may be applicable.

**Section 3. Apportionment of Assessments' and Penalty for Default.** Unless otherwise provided herein or in the Master Deed, all assessments levied against the owners to cover expenses of administration shall be apportioned among and paid by the owners in accordance with the percentage of value allocated to each lot in Article V of the Master Deed. Any other unusual common expenses benefiting less than all of the lots, or any expenses incurred as a result

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of the conduct of less than all those entitled to occupy the Project, or their tenants or invitees, shall be specifically assessed against the lot or lots involved, in accordance with such reasonable rules and regulations as shall be adopted by the Board of Directors of the Association Annual assessments as determined in accordance with Article II, Section 2(a) above shall be payable by owners in one (1) annual or two (2) equal bi-annual installments, commencing with acceptance of a deed to or a land contract vendee's interest in a lot, or with the acquisition of fee simple title to a lot 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 seven percent (7%) per annum, plus such additional interest rate surcharge as the Board of Directors shall approve, until each installment is paid in full. Provided, however, that the interest rate and interest rate surcharge combined applying to delinquent amounts shall not exceed the limit set by usury laws in the State of Michigan. The Association may, pursuant to Article XIX, Section 4 hereof, levy fines for late payment of assessments in addition to such interest. Each owner (whether one (1) or more persons) shall be, and remain, personally liable for the payment of all assessments pertinent to his lot which may be levied while such owner is the owner thereof. Payments on account of installments of assessments in default shall be applied as follows: First, to cost of collection and enforcement of payment, including actual attorney's fees (not limited to statutory fees); second, to any interest charges and fines for late payment on such installments; third, to installments in default in order of their due dates.

**Section 4. Waiver of Use or Abandonment of Lot.** No owner may exempt himself from liability for his contribution toward the expenses of administration by waiver of the use or enjoyment of any of the common elements or by the abandonment of his lot.

**Section 5. 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, including interest, collection and late charges and any advances made by the Association. In the event of default by any owner in the payment of any installment of the annual assessment levied against his lot, the Association shall have the right to declare all unpaid installments of the annual assessment for the pertinent fiscal year immediately due and payable. The Association also may discontinue the furnishing of any utilities or other services to 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 utilize any of the general

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common elements of the Project and shall not be entitled to vote at any meeting of the Association so long as such default continues; provided, however, this provision shall not operate to deprive any owner of ingress or egress to and from his lot. In a judicial foreclosure action, a receiver may be appointed to collect a reasonable rental for the lot from the owner thereof or any persons claiming under him and, if the lot is not occupied, to lease the lot and collect and apply the rental therefrom to any delinquency owed to the Association. All of these remedies shall be cumulative and not alternative and shall not preclude the Association from exercising such other remedies as may be available at law or in equity.

**(b) Foreclosure Proceedings.** Each owner, and every other person who from time to time has any interest in the Project, shall be deemed to have granted to the Association the unqualified right to elect to foreclose the lien securing payment of assessments, including interest, collection and late charges and any advances made by the Association, 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 the Project shall be deemed to have authorized and (empowered the Association to sell or to cause to be sold the lot with respect to which the assessment(s) is or are delinquent and to receive, hold and distribute the proceeds of such sale in accordance with the priorities established by applicable law. Each owner of a lot in the Project acknowledges that, at the time of acquiring title to such lot, he was notified of the provisions of this subparagraph and that he voluntarily, intelligently and knowingly waived notice of any proceedings brought by the Association to foreclose by advertisement the lien for nonpayment of assessments and a hearing on the same prior to the sale of the subject lot

**(c) Notice of Action.** Notwithstanding the foregoing, neither a judicial foreclosure action nor a suit at law for a money judgment shall be commenced, nor shall any notice of foreclosure by advertisement be published, until the expiration of ten (10) days after mailing, by first class mail, postage prepaid, addressed to the delinquent owner(s) at his or their last known address, of a written notice that one or more installments of the annual assessment levied against the pertinent lot is or are delinquent and that the Association may invoke any of its remedies hereunder if the default is not cured within ten (10) days after the date of mailing. Such written notice shall be accompanied by a written affidavit of an authorized representative of the Association that sets forth: (1) the affiant's capacity to make the affidavit; (2) the statutory and other authority for the lien; (3) the amount outstanding (exclusive of interest, costs, attorney's

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fees, and future assessments); (4) the legal description of the subject lot(s); and (5) the name(s) of the owner(s) of record. Such affidavit shall be recorded in the office of the Register of Deeds in the county in which the Project is located prior to commencement of any foreclosure proceeding, but it need not have been recorded as of the date of mailing as aforesaid. If the delinquency is not cured within the ten (10) day period, the Association may take such remedial action as may be available to it hereunder or under Michigan law. In the event the Association elects to foreclose the lien by advertisement, the Association shall so notify the delinquent owner and shall inform him that he may request a judicial hearing by bringing suit against the Association.

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

**Section 6. Liability of Mortgagee.** Notwithstanding any other provision of the project documents, the holder of any first mortgage covering any lot in the Project which acquires title to the lot pursuant to the remedies provided in the mortgage or by deed (or assignment) in lieu of foreclosure, or any purchaser at a foreclosure sale, shall take the property free of any claims for unpaid assessments or charges against the mortgaged lot which accrue prior to the time such holder acquires title to the lot (except for claims for a pro rata share of such assessments or charges resulting from a pro rata reallocation of such assessments or charges to all lots, including the mortgaged lot).

**Section 7. 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 8. Personal Property Tax Assessment of Association Property.** The Association shall be assessed as the person or entity in possession of any tangible personal property of the Project owned or possessed in common by the owners, and personal property taxes based thereon shall be treated as expenses of administration.

**Section 9. Mechanic's Lien.** A mechanic's lien otherwise arising under Act No. 497 of the Michigan Public Acts of 1980, as amended, shall be subject to Section 132 of the Act.

**Section 10. Statement as to Unpaid Assessments.** The purchaser of any lot may request a statement of the Association as to the amount of any unpaid Association assessments thereon,

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

**Section 11. Lawsuit. Defense Expenses.** Any owner bringing an unsuccessful lawsuit against the Association and/or its Board of Directors for the administration of the affairs of the Association, found to be consistent with the provisions contained in the Project documents, shall be chargeable for all expenses incurred by the Association. Such expenses may be collected by the Association in the same manner as an assessment.

## ARTICLE III

### ARBITRATION

**Section 1. Scope and Election.** Disputes, claims or grievances arising out of or relating to the interpretation or the application of the Project 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. In the absence of an agreement between the parties to use other rules, 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.

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

## ARTICLE IV

### INSURANCE

**Section 1. Extent of Coverage.** The Association shall, to the extent appropriate given the nature of the general common elements of the Project, carry property coverage for all risks of direct physical loss and liability insurance, fidelity coverage, and workmen's compensation insurance, if applicable, pertinent to the ownership, use and maintenance of the general common elements of the Project, and 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 Common Elements.** All general common elements of the Project shall be insured against fire and other perils covered by a standard extended coverage endorsement, if appropriate, in an amount equal to the maximum insurable replacement value, excluding foundation and excavation costs, as determined annually by the Board of Directors of the Association.

(c) **Premium Expenses.** All premiums for insurance purchased by the Association pursuant to these By-Laws shall be expenses of administration.

(d) **Proceeds of Insurance Policies.** Proceeds of all insurance policies owned by the Association shall be received by the Association, held in a separate account and distributed to the Association and the owners and their mortgagees, as their interests may appear; provided, however, whenever repair or reconstruction of the project shall be required as provided in Article V of these By-Laws, the proceeds of any insurance received by the Association as a result of any loss requiring repair or reconstruction shall be applied to 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 the Project unless two-thirds (2/3) of all of the institutional holders of first mortgages on lots in the Project have given their prior written approval.



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**Section 2. Authority of Association to Settle Insurance Claims.** Each owner, by ownership of a lot in the Project, shall be deemed to appoint the Association as his true and lawful attorney-in-fact to act in connection with all matters concerning the maintenance of “all risk” property coverage, vandalism and malicious mischief, liability insurance, fidelity coverage and workmen’s compensation insurance, if applicable, pertinent to the Project and the common elements appurtenant thereto and such insurer as may from time to time provide such insurance to the Project. Without limitation on the generality of the foregoing, the Association as said attorney shall have full power and authority to purchase and maintain such insurance, to collect and remit premiums therefore, to collect proceeds and to distribute the same to the Association, the owners and their respective mortgagees, as their interests may appear (subject always to the Project documents), to execute releases of liability, and to execute all documents and to do all things on behalf of such owner and the Project as shall be necessary or convenient to the accomplishment of the foregoing.

**Section 3. Responsibility of Owners.** Each owner shall be obligated and responsible for obtaining “all risk” property coverage and vandalism and malicious mischief insurance with respect to his residential dwelling and all other improvements constructed or to be constructed within the perimeter of his lot and for his personal property located therein or thereon or elsewhere on the Project. 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 also shall be obligated to obtain insurance coverage for his personal liability for his undivided interest as a tenant in common with all other owners in the common elements, for occurrences within the perimeter of his lot or the improvements located thereon, and also for alternative living expenses in the event of fire. 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.

**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.

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## ARTICLE V

### RECONSTRUCTION OR REPAIR

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

(a) **General Common Elements.** If the damaged property is a general common element, the damaged property shall be rebuilt or repaired by the Association unless two-thirds (2/3) of the owners and two-thirds (2/3) of the institutional holders of mortgages on any lot in the Project agree to the contrary, and the Township of Pittsfield consents to such action.

(b) **Lot or Improvements Thereon.** If the damaged property is a lot or any improvements thereon, the owner of such lot alone shall determine whether to rebuild or repair the damaged property, subject to the rights of any mortgagee or other person or entity having an interest in such property, and such owner shall be responsible for any reconstruction or repair that he elects to make. The owner shall in any event remove all debris and restore his lot and the improvements thereon to a clean and slightly condition satisfactory to the Association as soon as reasonably possible following the occurrence of the damage.

**Section 2. Repair in Accordance with Master Deed.** Any such reconstruction or repair shall be substantially in accordance with the Master Deed unless the owners shall unanimously decide otherwise.

**Section 3. Association Responsibility for Repair.** Immediately after the occurrence of a casualty causing damage to property for which the Association has the responsibility of maintenance, repair and reconstruction, the Association shall obtain reliable and detailed estimates of the cost to place the damaged property in a condition as good as that existing before the damage. If the proceeds of insurance are not sufficient to defray the estimated cost of reconstruction or repair required to be performed by the Association, or if at any time during such reconstruction or repair, or upon completion of such reconstruction or repair, the funds for the payment of the cost thereof are insufficient, assessment shall be made against all co-owners for the costs of reconstruction or repair of the damaged property in sufficient amounts to provide funds to pay the estimated or actual cost of repair.

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**Section 4. Timely Reconstruction and Repair.** If damage to the general common elements adversely affects the appearance of the project, the Association 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) Taking of Lot or Improvements Thereon.** In the event of any taking of all or any portion of a lot or any improvements thereon by eminent domain, the award for such taking shall be paid to the owner of such lot and the mortgagee thereof, as their interests may appear, notwithstanding any provision of the Act to the contrary. If an owner's entire lot is taken by eminent domain, such owner and his mortgagee shall, after acceptance of the condemnation award therefor, be divested of all interest in the Project.

**(b) Taking of General Common Elements.** If there is any taking of any portion of the general common elements, the condemnation proceeds relative to such taking shall be paid to the owners and their mortgagees in proportion to their respective interest in the common elements, and the affirmative vote of at least two-thirds (2/3) of the owners in number and in value shall determine whether to rebuild, repair or replace the portion so taken or to take such other action as they deem appropriate.

**(c) Continuation of Project after Taking.** In the event the Project continues after taking by eminent domain, then the remaining portion of the Project shall be re-surveyed and the Master Deed amended accordingly and, if any lot shall have been taken, then Article V of the Master Deed shall also be amended to reflect such taking and to proportionately readjust the percentages of value of the remaining lots based upon the continuing value of the Project of one hundred percent (100%). Such amendment may be effected by an officer of the Association duly authorized by the Board of Directors without the necessity of execution of specific approval thereof by any owner.

**(d) Notification of Mortgagees.** In the event any lot in the Project, 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 shall so notify each institutional holder of a first mortgage lien on any lots in the Project, provided that the name and address of each has been provided to the Association.

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

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**Section 6. Notification of FHLMC.** In the event any mortgage in the Project is held by the Federal Home Loan Mortgage Corporation (FHLMC), then, upon request therefor by FHLMC, the Association shall give it written notice at such address as it may from time to time direct of any loss to or taking of the common elements of the Project if the loss or taking exceeds \$10,000 in amount or damage to a lot covered by a mortgage purchased in whole or in part by FHLMC if such damage exceeds \$1,000.

**Section 7. Priority of Mortgagee Interests.** Nothing contained in the Project documents shall be construed to give an owner or any other party priority over any rights of first mortgagees of lots pursuant to their mortgages in the case of a distribution to owners of insurance proceeds or condemnation awards for losses to or a taking of lots and/or common elements.

## ARTICLE VI

### RESTRICTIONS

All of the lots in the Project shall be held, used and enjoyed subject to the following limitations and restrictions:

**Section 1. Residential Use.** No lot in the Project shall be used for other than single-family residential purposes as defined by the Township of Pittsfield Zoning Ordinance, and the common elements shall be used only for purposes consistent with single-family residential use. Use of lots shall also be restricted in the following manner:

(a) **Building Size and Height:** No building or structure shall exceed two stories above grade or thirty-five (35) feet in height and all buildings or structures shall be constructed within the perimeter of a lot. All buildings and structures shall be in conformity with the following minimum size standards as to living area measured by the external walls

(1) **One Story/Ranch:** 1,500 square feet.

(2) **Multi-Story:** 1,600 square feet.

Garages, porches and breezeways shall not be included in computing minimum size requirements. No part of a single story or ranch structure that is below ground level shall be included in computing minimum size requirements. No part of any other structure that is more than one-half below ground level shall be included in computing minimum size requirements. All buildings shall be constructed by a licensed contractor and completed

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within one (1) year from the date of issuance of a building permit by the Pittsfield Township Building Department. All unused building materials and temporary construction shall be removed from the premises within sixty (60) days after substantial completion of the structure. The portion of the surface of the earth which is disturbed by excavation and other construction work shall be finish graded and seeded or covered with other landscaping as soon as the construction work and weather permit. All mail boxes shall be located uniformly with reference to the dwellings in accordance with U. S. Post Office requirements.

**(b) Garages:** All single family dwellings shall have a minimum of a two-car attached garage. Carports and detached garages shall not be erected, placed or permitted to remain on any lot. All driveways shall be surfaced with asphalt, concrete or paving bricks, at the time of construction of the dwelling served thereby, weather permitting. For security and aesthetic reasons, garage doors will be kept closed at all times except as may be reasonably necessary to gain access to and from any garage.

**(c) Temporary Structures:** No old or used structure, of any kind, shall be placed upon any lot. No temporary structure of any character such as a tent, camper, mobile home, trailer, shack, barn, and/or other out-building of any design whatsoever shall be erected or placed upon any lot prior to construction of the main residence, nor shall any such structure be occupied as living quarters at any time. This provision shall not prevent the use of temporary structures incidental to and during construction of the main residence provided that such temporary structures shall be removed from the premises immediately upon completion of the main residence.

**(d) Accessory Buildings:** No accessory building or other out-building shall be permitted on any lot unless it is approved by the Association, as hereinafter provided in Section 3. The Association, in the exercise of its discretion, may permit the erection of structures such as swimming pool accessory buildings, greenhouses or lawn/garden storage sheds. Notwithstanding the Association's approval, such structures shall be architecturally compatible with the main residence, be constructed of similar materials on a concrete slab with a rat wall, and shall not exceed 200 square feet in size. No oil or fuel storage tanks may be installed on any lot.

**(e) Swimming Pools:** Swimming pools, children's play pools, hot tubs, and Jacuzzi tubs, may be installed with the prior written approval of the Association, and subject to such restrictions as it may place upon their use and location.

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**(f) Fences:** No owner shall construct, or cause to be constructed upon his lot or the common elements, any fence or enclosure of any nature, including but not limited to, child play areas, dog runs, or screened patios, without the prior written approval of the Association as to size, location and fencing materials. In no event shall perimeter fences be permitted. Owners desiring to erect a fence or enclosure must first complete an Alternation/Modification Form and submit it to the Association for approval at least 45 days prior to commencing erection of the fence or enclosure. If approved by the Association, fences and/or enclosures shall not be: (i) Located within the front or side set-back of the house/garage; (ii) visible from the front of the lot; (iii) wider than the house/garage; (iv) more than 24 feet in length or width; and (v) more than 48 inches in height. Fences and/or enclosures for child play areas and dog runs must be attached to the rear of the dwelling to allow direct access from the house, deck or patio. Fences shall be used primarily for limited enclosure purposes. All fencing and/or enclosures shall be made of vinyl, specifically excluding chain link or cyclone fencing, snow fencing, iron or steel gage and wood. The owner desiring to erect the fence or enclosure shall be responsible for all associated costs.

**(g) Antenna:** No radio, television or other antenna or aerial shall be permitted on any lot. All cable boxes and satellite dishes are encouraged to be installed at the rear of house and substantially out of sight from the adjacent owners' lots. Cable hook-ups or satellite dish equipment are preferred not to be visible from the front of the house.

**(h) Maintenance of Unimproved Lots:** Lots which have not been improved shall be maintained by the owner. No dumping shall be allowed on unimproved lots.

**(i) Refuse and Garbage:** Each owner shall promptly dispose of all refuse and garbage so that it will not be objectionable or visible to adjacent owners. No outside storage of refuse or garbage or outside incinerator shall be permitted. Each residence shall be equipped with an interior garbage disposal. No disposal of garbage, rubbish, leaves or debris shall be allowed on vacant lots. Owners shall arrange for weekly pick-up of garbage by only one private garbage/refuse contractor. The Association may elect to take over selection of a garbage/refuse contractor and may assess each lot for an equal share of the cost of garbage/refuse collection. Garden composting shall be allowed provided that it shall not result in a violation of any other restriction in these By-Laws.

**(j) Access to Units 1 through 7, 72, 73, 164, 165 and 167 through 173:** Vehicular access for Units 1 through 7 shall be restricted to Moss Rose Court. Vehicular access for Units 72 and 73 shall be restricted to Tiger Lily Drive. Vehicular access for Units 164 and 165 shall be restricted to Gallinger Drive. Vehicular access for Units 167 through 173 shall be restricted to Honeysuckle Drive.

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**(k) Landscape Buffers on Units 1 through 7, 72, 73, 164, 165, and 167 through 173:**

In conjunction with the Association, the owners of Units 1 through 7, 72, 73, 164, 165, and 167 through 173 shall maintain their respective portions of the twenty (20) foot wide landscape buffers along the Ann Arbor-Saline Road and Waters Road frontages as shown on Exhibit "B" and on the final site plan approved by the Township of Pittsfield. Trees and shrubs shall be installed and maintained within said landscape buffers as required by the Township of Pittsfield.

**(l) Drainage Easement:** Some units are subject to storm water drainage easements granted to the Washtenaw County Drain Commissioner or created by this Master Deed, as shown on Exhibit "B" hereto. Notwithstanding anything else contained in the condominium documents to the contrary, each unit owner shall maintain the surface area of such easements within his unit, shall keep the grass cut to a reasonable height, shall keep the area free of trash and debris and shall take such action as may be necessary to eliminate surface erosion. The unit owner may construct concrete or brick paver patios and wood decks within said drainage easement, provided, however, the unit owner shall not contour the land or install any structure or landscaping within said easements that would impede or alter the surface drainage of storm water. The Association shall have access to such units to maintain, repair and replace such easement.

**(m) Landscape Buffer on Lots 1 through 7:** In conjunction with the Association, the owners of Lots 1 through 7 shall maintain their respective portions of the twenty (20) foot wide landscape buffer along the Ann Arbor-Saline Road frontage as shown on Exhibit "B" and on the final site plan approved by the Township of Pittsfield. Trees and shrubs shall be installed and maintained within said landscape buffer as required by the Township of Pittsfield.

## **Section 2. Leasing and Rental.**

**(a) Right to Lease.** An owner may lease his lot and the improvements thereon for the same purposes set forth in Section 1 of this Article VI. With the exception of a lender in possession of a lot following a default in a first mortgage, foreclosure, or deed or other arrangement in lieu of foreclosure, no owner shall lease less than an entire lot and the improvements thereon, and no tenant shall be permitted to occupy except under a lease the initial term of which is at least six (6) months unless specifically approved in writing by the Association. The terms of all leases, occupancy agreements and occupancy arrangements shall incorporate, or be deemed to incorporate, all of the provisions of the Project documents.

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(b) **Leasing Procedures.** The leasing of lots and improvements thereon shall conform to the following provisions:

- (1) Tenants and non-owner occupants shall comply with all of the conditions of the project documents, and all leases and rental agreements shall so state.
- (2) If the Association determines that the tenant or non-owner occupant has failed to comply with the conditions of the Project 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.
  - ii. The owner shall have fifteen (15) days after receipt of such notice to investigate and correct the alleged breach by the tenant or advise the Association that a violation has not occurred.
  - iii. If, after fifteen (15) days, the Association believes that the alleged breach is not cured or may be repeated, it may institute on its behalf or derivatively by the owners on behalf of the Association, 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 Project 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 lot or the Project.
- (3) When an owner is in arrears to the Association for assessments, the Association may give written notice of the arrearage to a tenant occupying an owner's lot 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.

**Section 3. Architectural Control.** No dwelling, structure or other improvement shall be constructed within a lot or elsewhere within the Project, including but not limited to, decks, patios, exterior additions or improvements to the lot, nor shall any exterior modification be made to any existing dwelling, structure or improvement, unless plans and specifications containing



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such detail as the Association may reasonably request have first been approved by the Association after owner's submission of a Alteration/Modification Request Form. Construction of any dwelling or other improvements must also receive any necessary approvals from the local public authority. The Association shall have the right to refuse to approve any such plans or specifications or grading or landscaping plans which are not suitable or desirable in its opinion for aesthetic or other reason; and in passing upon such plans and specifications it shall have the right to take into consideration the suitability of the proposed structure, improvement or modification, proposed exterior materials (which may include vinyl, wood, brick, and stone, but no cultured stone or brick laminate) and exterior colors which shall blend in with existing residences and the natural surroundings, the site upon which it is proposed to be constructed, the location of the dwelling within each lot, and the degree of harmony thereof with the Project as a whole. No log, panelized, modular, manufactured or any, other type of residential housing constructed off -site will be permitted. All dwellings must be constructed on-site. The purpose of this Section is to assure the continued maintenance of the project as a beautiful and harmonious residential development, and shall be binding upon both the Association and upon all owners, except as follows:

**(a) Persons with Disabilities.** A owner may make improvements or modifications to the owner's lot, including improvements or modifications to common elements and to the route from the public way to the door of the dwelling, at his or her expense, if the purpose of the improvement or modification is to facilitate access to or movement within the unit for persons with disabilities who reside in or regularly visit the unit, or to alleviate conditions that could be hazardous to persons with disabilities who reside in or regularly visit the unit. The improvement or modification shall not impair the structural integrity of a structure or otherwise lessen the support of a portion of the condominium project. The owner is liable for the cost of repairing any damage to a common element caused by building or maintaining the improvement or modification, unless the damage could reasonably be expected in the normal course of building or maintaining the improvement or modification. The improvement or modification may be made notwithstanding prohibitions and restrictions in the condominium documents, but shall comply with all applicable state and local building code requirements and health and safety laws and ordinances and shall be made as closely as reasonably possible in conformity with the intent of applicable prohibitions and restrictions regarding safety and aesthetics of the proposed modification.

A owner who has made exterior improvements or modifications allowed by this section shall notify the Association in writing of the owner's intention to convey or lease his or her unit to another at least 30 days before the conveyance or lease. Not more than 30 days after receiving a notice from a owner under this subsection, the Association may require the owner to remove the improvement or modification at the owner's expense. If the owner fails to give timely notice of a conveyance or lease, the Association at any time may remove or

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require the owner to remove the improvement or modification at the owner's expense. However, the Association may not remove or require the removal of an improvement or modification if a owner intends to resume residing in the unit within 12 months or a owner conveys or leases his or her unit to a person with disabilities who needs the same type of improvement or modification or who has a person residing with him or her who requires the same type of improvement or modification.

If a owner makes an exterior improvement or modification allowed under this section, the owner shall maintain liability insurance, underwritten by an insurer authorized to do business in this state and naming the association of co-owners as an additional insured, in an amount adequate to compensate for personal injuries caused by the exterior improvement or modification. The owner is not liable for acts or omissions of the Association with respect to the exterior improvement or modification and is not required to maintain liability insurance with respect to any common element. The Association is responsible for maintenance, repair, and replacement of the improvement or modification only to the extent of the cost currently incurred by the Association for maintenance, replacement, and repair of the common elements covered or replaced by the improvement or modification. All costs of maintenance, repair, and replacement of the improvement or modification exceeding that currently incurred by the Association for maintenance, repair, and replacement of the common elements covered or replaced by the improvement or modification shall be assessed to and paid by the owner or the unit serviced by the improvement or modification.

Before an improvement or modification allowed by this section is made, the owner shall submit plans and specifications for the improvements or modifications to the Association for review and approval. The Association shall determine whether the proposed improvement or modification substantially conforms to the requirements of this section and shall not deny a proposed improvement or modification without good cause. If the Association denies a proposed improvement or modification, the Association shall list, in writing, the changes needed to make the proposed improvement or modification conform to the requirements of this section and shall deliver that list to the owner. The Association shall approve or deny the proposed improvement or modification not later than 60 days after the plans and specifications are submitted by the co-owner proposing the improvement or modification to the Association. If the Association does not approve or deny submitted plans and specifications within the 60-day period, the owner may make the proposed improvement or modification without the approval of the Association. A owner may bring an action against the Association of owners and the officers and directors to compel those persons to comply with this section if the owner disagrees with a denial by the Association of owners of the owner's proposed improvement or modification.

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**Section 4. Changes in Common Elements.** No owner shall make changes in any of the common elements without the express written approval of the Board of Directors of the Association, and the Township of Pittsfield, if applicable.

**Section 5. Activities.** No unlawful or offensive activity shall be carried on in any lot 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 Project. No garage sales shall be permitted on any lot in the Project. No unreasonably noisy-activity shall occur in or on the common elements or in any lot at any time, and disputes among owners arising as a result of this provision which cannot be amicably resolved shall be arbitrated by the Association. No owner shall do or permit anything to be done or keep or permit to be kept in his lot or on the common elements anything that will increase the rate of insurance on the Project without the written approval of the Association, and each owner shall pay to the Association the increased insurance premiums resulting from any such activity or the maintenance of any such condition even if approved. Activities which are deemed offensive and are expressly prohibited include, but are not limited to, the following: any activity involving the use of firearms, air rifles, pellet guns, B-B guns, bows and arrows, or other similar dangerous weapons, projectiles or devices.

**Section 6. Pets.** Subject to the provisions of this Section 6, owners shall be entitled to keep pets of a domestic nature that will reside within the dwelling constructed within their lots. No pet or animal may be kept or bred for any commercial purpose. Pets shall have such care and restraint so as not to be obnoxious or offensive on account of noise, odor or unsanitary conditions. No dog which barks and can be heard on any frequent or continuing basis shall be kept in any lot or on the common elements. In the event an owner's pet causes unnecessary and unreasonable disturbance or annoyance to other owners, one or more, and such owner files a written complaint with the Association specifying the cause of such disturbance or annoyance, the Association may, if it determines that such pet is in fact causing unnecessary and unreasonable disturbance or annoyance, require the owner to remove the pet from his lot and the project or impose such other restrictions on the keeping of such pet as are reasonable. No pet or animal may be permitted to run loose at any time upon other lots or the common elements, and any animal shall at all times be leashed and attended by some responsible person while on the common elements. No dog houses or unattended tethering of dogs shall be allowed on any lot in the Project. No savage or dangerous animal shall be kept, and any owner who causes any animal to be brought or kept upon the Project shall indemnify and hold harmless the Association for any loss, damage or liability which the Association may sustain as the result of the presence of such animal on the premises, whether or not the Association has given its permission therefor. Each owner shall be responsible for collection and disposal of all fecal matter from any pet maintained by such owner. Owners are encouraged to not allow their pets to dispose of fecal matter in other owners' lots and, if this should occur, owners must promptly remove the fecal matter. The Association may, without liability to the owner thereof, remove or cause to be

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removed any animal from the Project which it determines to be in violation of the restrictions imposed by this Section. The Association shall have the right to require that any pets be licensed with Washtenaw County and registered with the Association and may adopt such additional reasonable rules and regulations with respect to animals as it may deem proper. In the event of any violation of this Section, the Board of Directors of the Association may assess fines for such violation in accordance with these By-Laws and in accordance with duly adopted rules and regulations of the Association.

**Section 7. Aesthetics.** Neither the common elements nor the lot outside of the dwelling and garage constructed thereon shall be used for storage of supplies, materials, personal property, or trash or refuse of any kinds, except as provided in duly adopted rules and regulations of the Association. Trash receptacles shall be maintained in garages and shall not be permitted to remain elsewhere on the lot or common elements except for such short periods of time as may be reasonably necessary to permit periodic collection of trash. Neither the common elements nor the lot outside of the dwelling and garage constructed thereon shall be used in any way for the drying, shaking or airing of clothing or other fabrics. In general, no activity shall be carried on nor condition maintained by an owner, either in his lot or upon the common elements, which is detrimental to the appearance of the Project.

**Section 8. Vehicles.** No travel trailers, motor homes, commercial vehicles, boat trailers, boats, camping vehicles, camping trailers, motorcycles, all-terrain vehicles, snowmobiles, snowmobile trailers, or vehicles other than automobiles or vehicles used primarily for general personal transportation purposes may be parked or stored upon the Project, unless parked in the garage with the door closed. Travel trailers, motor homes, camping vehicles, and camping trailers may be temporarily parked upon the lot for a period of no more than twenty-four (24) consecutive hours for loading-and unloading purposes. No inoperable vehicles of any type may be brought or stored upon the project either temporarily or permanently, unless parked in the garage with the doors closed. Commercial vehicles and trucks shall not be parked in or about the Project (except as above provided) except while making deliveries or pick-ups in the normal course of business. Use of motorized vehicles anywhere on the Project, other than passenger cars, authorized maintenance vehicles and commercial vehicles as provided in this Section 8, is absolutely prohibited. Overnight parking on any private road in the Project is prohibited except as the Association may make reasonable exceptions thereto from time to time.

**Section 9. Advertising.** No signs or other advertising devices of any kind shall be displayed which are visible from the exterior of a lot or on the common elements, including "For Sale" signs which shall not exceed three (3) square feet in area per side, without written permission from the Association.

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**Section 10. Rules and Regulations.** It is intended that the Board of Directors of the Association may make rules and regulations from time to time to reflect the needs and desires of the majority of the owners in the Project. Reasonable rules and regulations consistent with the Act, the Master Deed and these By-Laws concerning the use of lots and the common elements may be made and amended from time to time by any Board of Directors of the Association. Copies of all such rules and regulations and amendments thereto shall be furnished to all owners and shall become effective thirty (30) days after mailing or delivery thereof to the designated voting representative of each owner. Any such regulation or amendment may be revoked at any time by the affirmative vote of more than fifty percent (50%) of all owners in number and in value.

**Section 11. Right of Access of Association.** The Association or its duly authorized agents shall have access to the portion of each lot not occupied by the dwelling 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 agents shall also have access to each lot at all times without notice as may be necessary to make emergency repairs to prevent damage to the common elements or to another lot, and shall not be liable to such owner for any necessary damage to his lot caused thereby.

**Section 12. Landscaping.** No owner shall perform any landscaping or remove, trim or plant any trees, shrubs or flowers or place any ornamental materials on the general common elements without the prior written approval of the Association. Basic landscaping, including finish grading and sodding, must be completed within six (6) months after date of occupancy. The owner of each lot shall develop a landscape treatment which will tend to enhance, complement and harmonize with adjacent property. This will best be accomplished by saving as much mature tree growth as possible, and the clearing of selected areas of underbrush and less desirable tree growth in order to open special views and to reduce competition with the mature or specimen vegetation. No existing trees shall be cut, except for diseased and dead trees, without the prior written approval of the Developer or the Association, as set forth in Section 3 of this Article. All debris shall be promptly removed. New planting shall complement and enhance the character of the existing vegetation, topography and structures. Each owner shall have the responsibility to maintain the grounds of his lot, together with that portion of the general common elements in front thereof between the lot and the traveled portion of the road right-of-way, including the mowing of grass to a height of six inches (6") or less, removal of weeds, and proper trimming of bushes and trees. If the Association shall receive complaints from other owners regarding lack of maintenance of the grounds of a lot, then, and in that event, it shall have the right and duty to have such maintenance of the grounds of the lot performed as the Board of Directors shall determine as being reasonable, and the charges therefore shall become a lien upon the lot and collected in the fashion as set forth in Article II of these By-Laws.

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**Section 13. Common Element Maintenance.** Streets, sidewalks, yards, landscaped areas, and driveways shall not be obstructed nor shall they be used for purposes other than that for which they are reasonably and obviously intended. No bicycles, vehicles, chairs, or other obstructions may be left unattended on or about the common elements, or they may be removed and disposed of at the discretion of the Association.

**Section 14. Owner Maintenance.** Each owner shall maintain his lot, together with that portion of the general common elements in front thereof between the lot and the traveled portion of the road right-of-way, and the improvements on the lot in a safe, aesthetically pleasing, clean, and sanitary condition. Each owner shall also use due care to avoid damaging any of the common elements, including, but not limited to, the telephone, natural gas, electrical, plumbing, drainage courses or other utility conduits and systems and any other common elements within any lot which are appurtenant to or which may affect any other lot. 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 him or his family, guests, agents, or invitees, unless such damages or costs are covered by insurance carried by the Association (in which case there shall be no such responsibility unless reimbursement to the Association is limited 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 15. Exterior Painting.** Any exterior painting of an owner's dwelling or other structure must be approved by the Association prior to commencement of any preparation work. An owner desiring to paint the exterior of a dwelling must first submit to the Association the Alteration/Modification Form for Exterior Painting, except if the color chosen is the original color of the structure. Any requests must be accompanied by two color chips for each color to be applied. As a general guideline, only light earth-tone colors are permitted for exterior painting. If any owner violates this Section, the Association may request that the owner change his choice of exterior color(s) and re-paint the dwelling at the owner's expense.

**Section 16. Enforcement of Article VI.** The Project shall at all times be maintained in a manner consistent with the highest standards of a beautiful, serene, private residential community for the benefit of the owners and all persons interested in the Project. If at any time, an owner violates any of the Restrictions contained in this Article, in addition to any other rights the Association may possess, the Association shall have the right to:

- (a) Assess a lien on the owner's property at the minimum rate of \$50.00/month until the violation has been corrected; and

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(b) Assess any fines and costs that the Association deems appropriate under the circumstances, including any professional fees incurred by the owner's violation of such restriction/s; and

(c) The Association, at its discretion, may take any action to maintain, repair, demolish and/or replace any element of an owner's lot that violates these restrictions and charge the costs of such action to the owner who is in violation of these restrictions.

## ARTICLE VII

### MORTGAGES

**Section 1. Notice to Association.** Any owner who mortgages his lot shall notify the Association of the name and address of the mortgagee, and the Association shall maintain such information in a book entitled "Mortgages of Lots". The Association may, at the written request of a mortgagee of any such lot, which shall provide its name and address, and the lot number or address of the lot on which it has a mortgage, report any unpaid assessments due from the owner of such lot. The Association shall give to the holder of any first mortgage covering any lot in the Project, which shall have provided the information required, written notification of any default in the performance of the obligations of the owner of such lot that is not cured within sixty (60) days.

**Section 2. Insurance.** The Association shall notify each mortgagee appearing in said book of the name of each company insuring the general common elements against fire, perils covered by extended coverage, and against vandalism and malicious mischief, public liability, and fidelity coverage, and the amount of such coverage to the extent that the Association is obligated by the terms of these By-Laws to obtain such insurance coverage, as well as of any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association.

**Section 3. Notification of Meetings.** Upon request submitted to the Association, any institutional holder of a first mortgage lien on any lot in the Project 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.

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**Section 4. Notice.** Whenever a notice requirement appears in these By-Laws for the benefit of a mortgagee which requires a response in support of or against a proposal submitted by the Association, the mortgagee shall respond within thirty (30) days of receipt of said notice or the lack of response thereto shall be deemed as approval of the proposal, provided the notice was delivered by certified—mail with a return receipt requested.

## ARTICLE VIII

### VOTING

**Section 1. Vote.** Except as limited in these By-Laws, each owner shall be entitled to one vote for each lot owned.

**Section 2. Eligibility to Vote.** No owner shall be entitled to vote at any meeting of the Association until he has presented evidence of ownership of a lot in the Project to the Association, such as a copy of a recorded deed, signed land contract or title insurance policy. A land contract vendee shall be considered the owner for voting purposes. 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 lot or lots 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.

**Section 4. Quorum.** The presence in person or by proxy of 30% of the owners 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 Project documents to require a greater quorum. The written vote of any person furnished at or prior to any duly called meeting at which meeting said person is not otherwise present in person or by proxy shall be counted in determining the presence of a quorum with respect to the question upon which the vote is cast.

**Section 5. Voting.** Votes may be cast only in person or by a writing duly signed by the designated voting representative not present at a given meeting in person or by proxy. Proxies



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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 6. Majority.** A majority, except where otherwise provided herein, shall consist of more than 50% of those qualified to vote and present in person or by proxy (or written vote, if applicable) at a given meeting of the members of the Association. Whenever provided specifically herein, a majority may be required to exceed the simple majority hereinabove set forth of designated voting representatives present in person or by proxy, or by written vote, if applicable, at a given meeting of the members of the Association.

## 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 Sturgis' Code of Parliamentary Procedure, Roberts Rules of Order or some other generally recognized manual of parliamentary procedure when not otherwise in conflict with the Project documents or the laws of the State of Michigan.

**Section 2. Annual Meetings.** Annual meetings of members of the Association shall be held in the month of October of each succeeding year after the year in which the first annual meeting is held, on such date and at such time and place as shall be determined by the Board of Directors; provided, however, that the second annual meeting shall not be held sooner than eight months after the date of the first annual meeting. At such meetings there shall be elected by ballot of the owners a Board of Directors in accordance with the requirements of Article XI of these By-Laws. The owners may also transact at annual meetings such other business of the Association as may properly come before them.

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

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**Section 4. Notice of Meetings.** It shall be the duty of the Secretary (or other Association officer in the Secretary's absence) to serve a notice of each annual or special meeting, stating the purposes thereof as well as the time and place where it is to be held, upon each owner of record at least ten (10) days but not more than sixty (60) days prior to such meeting. The mailing, postage prepaid, of a notice to the representative of each owner at the address shown in the notice required to be filed with the Association by Article VIII, Section 3 of these By-Laws shall be deemed notice served. Any member may, by written waiver of notice signed by such member, waive such notice, and such waiver, when filed in the records of the Association, shall be deemed due notice.

**Section 5. 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 forty-eight (48) hours from the time the original meeting was called.

**Section 6. 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) proof of notice of meeting or waiver of notice; (c) reading of minutes of preceding meeting; (d) reports of officers; (e) reports of committees; (f) appointment of inspectors of election (at annual meetings or special meetings held for the purpose of electing Directors or officers); (g) election of Directors (at annual meeting or special meetings held for such purpose); (h) unfinished business; and (i) new business. Meetings of 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 7. Action without Meeting.** Any action which may be taken at a meeting of the members (except for the election or removal of Directors) may be taken without a meeting by written ballot of the members. Ballots shall be solicited in the same manner as provided in Section 5 for the giving of notice of meetings of members. Such solicitations shall specify (a) the number of responses needed to meet the quorum requirements; (b) the percentage of approvals necessary to approve the action; and (c) the time by which the ballots must be received in order to be counted. The form of written ballot shall afford an opportunity to specify a choice between approval and disapproval of each matter and shall provide that, where the member specifies a choice, the vote shall be cast in accordance therewith. Approval by written ballot shall be constituted by receipt, within the time period specified in the solicitation, of (i) a number of ballots which equals or exceeds the quorum which would be required if the action were taken at a meeting; and (ii) a number of approvals which equals or exceeds the number of votes which would be required for approval if the action were taken at a meeting at which the total number of votes cast was the same as the total number of ballots cast.

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

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

## ARTICLE XI

### BOARD OF DIRECTORS

**Section 1. Number and Qualification of Directors.** The Board of Directors shall consist of five (5) persons. The members of the Board of Directors must be members of the Association or officers, partners, trustees, employees, or agents of members of the Association. Association dues for Directors shall be waived after completion of 1<sup>st</sup> year of service and continue to be waived while such Director remains on the Board.

**Section 2. Election of Directors.**

(a) At the first annual meeting of members, three Directors shall be elected for a term of two years and two Directors shall be elected for a term of one year. At such meeting, all nominees shall stand for election as one slate, and the three persons receiving the highest number of votes shall be elected for a term of two years and the two persons receiving the next highest number of votes shall be elected for a term of one year. At each annual meeting held thereafter, either three or two Directors shall be elected, depending upon the number of Directors whose terms expire. After the first annual meeting, the term of office (except for the two Directors elected for one year at the first annual meeting) of each Director shall be two years. The Directors shall hold office until their successors have been elected and hold their first meeting. 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.

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

**Section 4. Other Duties.** In addition to the foregoing duties imposed by these By-Laws 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 the Project and the common elements thereof.

(b) To levy, collect and disburse assessments against and from the members of the Association and to use the proceeds thereof for the purposes of the Association, and to impose late charges for nonpayment of said assessments.

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

(d) To rebuild improvements to the common elements after casualty, subject to all of the other applicable provisions of the Project documents.

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

(f) To acquire, possess, maintain and improve, and to buy, operate, manage, sell, convey, assign, mortgage, or lease any real or personal property (including any lot in the project and easements, rights-of-way and licenses) on behalf of the Association in furtherance of any of the purposes or obligations 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; provided, however, that any such action shall also be approved by affirmative vote of sixty percent (60%) of all of the members of the Association.

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

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

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

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

(l) To assert, defend or settle claims on behalf of all owners in connection with the common elements of the Project. The Board shall provide at least a ten (10) day written notice to all owners on actions proposed by the Board with regard thereto.

(m) To enforce the provisions of the Project documents.

**Section 5. Management Agent.** The Board of Directors may employ a professional management agent for the Association at reasonable compensation established by the Board to perform such duties and services as the Board shall authorize, including, but not limited to, the duties listed in Sections 3 and 4 of this Article, and the Board may delegate to such management agent any other duties or powers which are not by law or by the Project 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 in which the maximum term is greater than one (1) year or which is not terminable by the Association upon thirty (30) 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. Each person so elected shall be a Director until a successor is elected at the next annual meeting of the members of the Association.

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**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, anyone or more of the Directors may be removed with or without cause by the affirmative vote of more than fifty percent (50%) 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 thirty percent (30%) requirement set forth in Article VIII, Section 4. Any Director whose removal has been proposed by the owners shall be given an opportunity to be heard at the meeting.

**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 (2) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each Director personally, by mail, telephone or 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 (3) days' notice to each Director given personally, by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of two (2) 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, less than a quorum is 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,

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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.** The actions of the first Board of Directors of the Association or any successors thereto selected or elected before the transitional control date shall be binding upon the Association so long as such actions are within the scope of the powers and duties which may be exercised generally by the Board of Directors as provided in the Project documents.

**Section 14. Fidelity Bonds.** The Board of Directors shall require that all officers and employees of the Association handling or responsible for the funds of the Association 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. He shall preside at all meetings of the Association and of the Board of Directors. He shall have all of the general powers and duties which are usually vested in the office of the President of an association, including, but not limited to, the power to appoint committees from among the members of the Association from time to time as he may in his discretion deem appropriate to assist in the conduct of the affairs of the Association.

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

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(c) **Secretary.** The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the members of the Association; he shall have charge of the corporate seal, if any, and of such books and papers as the Board of Directors may direct; and he shall, in general perform all duties incident to the office of 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. He shall be responsible for the deposit of all monies and other valuable effects in the name and to the credit of the Association, and in such depositories as may, from time to time, be designated by the Board of Directors.

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

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

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

## ARTICLE XIII

### SEAL

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



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## ARTICLE XIV

### FINANCE

**Section 1. Records.** The Association shall keep detailed books of account showing all expenditures and receipts of administration and which shall specify the maintenance and repair expenses of the common elements and any other expenses incurred by or on behalf of the Association and the owners. 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 that such audit be a certified audit. Any institutional holder of a first mortgage lien on any lot in the Project 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. If an audited statement is not available, any holder of a first mortgage on a lot in the Project shall be allowed to have an audited statement prepared at its own expense.

**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 Directors. The commencement date of the fiscal year shall be subject to change by the Directors for accounting reasons or other good cause.

**Section 3. Bank.** Funds of the Association shall be initially deposited in such bank or savings association as may be designated by the Directors and shall be withdrawn only upon the check or order of such officers, employees or agents as are designated by resolution of the Board of Directors from time to time. 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.

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*Updated 12/31/05*

## ARTICLE XV

### INDEMNIFICATION OF OFFICERS AND DIRECTORS

Every Director and officer of the Association shall be indemnified by the Association against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him in connection with any proceedings to which he may be a party or in which he may become involved by reason of his being or having been a Director or officer of the Association, whether or not he is a Director or officer at the time such expenses are incurred, except in such cases wherein the Director or officer is adjudged guilty of willful or wanton misconduct or gross negligence in the performance of his duties; provided that, in the event of any claim for reimbursement or indemnification hereunder based upon a settlement by the Director or officer seeking 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.

## ARTICLE XVI

### AMENDMENTS

**Section 1. Proposal.** Amendments to these By-Laws may be proposed by the Board of Directors of the Association acting upon the vote of the majority of the Directors or may be proposed by one-third (1/3) or more of the owners by instrument in writing signed by them.

**Section 2. Meeting.** Upon any such amendment being proposed, a meeting for consideration of the same shall be duly called in accordance with the provisions of these By-Laws.

**Section 3. Voting by Board of Directors.** These By-Laws may be amended by an affirmative vote of a majority of the Board of Directors, provided that such amendments do not materially alter or change the rights of owners, mortgagees or other interested parties

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**Section 4. Voting by Owners.** These By-Laws may be amended by the owners at any regular annual meeting or a special meeting called for such purpose by an affirmative vote of not less than two-thirds (2/3) of all owners entitled to vote. No consent of mortgagees shall be required to amend these By-Laws unless such amendment would materially alter or change the rights of such mortgagees, in which event the approval of two-thirds (2/3) of those mortgagees who hold a recorded first mortgage or a recorded assignment of a first mortgage shall be required, with each mortgagee to have one vote for each mortgage held. Mortgagees are not required to appear at any meeting of owners except that their approval shall be solicited through written ballots. Any mortgagee ballots not returned within 90 days of mailing shall be counted as a non-vote. Consent from the Township of Pittsfield shall be obtained if any public interest is affected. A person causing or requesting an amendment to the Project documents shall be responsible for costs and expenses of the amendment except for amendments based upon a vote of a prescribed majority of owners or based upon the Advisory Committee's decision, the costs of which are expenses of administration. Owners shall be notified of proposed amendments under this section not less than 10 days before the amendment is recorded.

**Section 5. When Effective.** Any amendment to these By-Laws shall become effective upon the recording of such amendment in the office of the Washtenaw County Register of Deeds.

**Section 6. Binding.** A copy of each amendment to the By-Laws shall be furnished to every member of the Association after adoption; provided, however, that any amendment to these By-Laws that is adopted in accordance with this Article shall be binding upon all persons who have an interest in the Project irrespective of whether such persons actually receive a copy of the amendment.

**Section 7. Notice.** Eligible mortgage holders, those holders of a first mortgage on a lot who have requested the Association to notify them on any proposed action that requires the consent of a specified percentage of eligible mortgage" holders, also shall have the right to join in the decision making-about certain amendments to the Project documents.

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*Updated 12/31/05*

## ARTICLE XVII

### COMPLIANCE

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

## ARTICLE XVIII

### DEFINITIONS

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

## ARTICLE XIX

### REMEDIES FOR DEFAULT

Any default by an owner shall entitle the Association or another owner or owners to the following relief:

**Section 1. Legal Action.** Failure to comply with any of the terms or provisions of the Project documents shall be grounds for relief, which may include, without intending to limit the same, an action to recover sums due for damages, injunctive relief, foreclosure of lien (if default in payment of assessment) or any combination thereof, and such relief may be sought by the Association or, if appropriate, by an aggrieved owner or owners.

**Section 2. Recovery of Costs.** In any proceeding arising because of an alleged default by an owner, the Association, if successful, shall be entitled to recover the costs of the proceedings and such reasonable attorney's fees (not limited to statutory fees) as may be determined by the court, but in no event shall any owner be entitled to recover such attorney's fees.

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**Section 3. Removal and Abatement.** The violation of any of the provisions of the Project documents shall also give the Association or its duly authorized agents the right, in addition to the rights set forth above, to enter upon the common elements or into any lot when 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 Project documents. The Association shall have no liability to any owner arising out of the exercise of its removal and abatement power authorized herein.

**Section 4. Assessment of Fines.** The violation of any of the provisions of the project documents by any owner shall be grounds for assessment by the Association, acting through its duly constituted Board of Directors, of monetary fines for such violations. No fine may be assessed unless rules and regulations establishing such fine have first been duly adopted by the Board of Directors of the Association and notice thereof given to all owners in the same manner as prescribed in Article IX, Section 5 of these By-Laws. Thereafter, fines may be assessed only upon notice to the offending owners as prescribed in said Article IX, Section 5, and after 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. All fines duly assessed may be collected in the same manner as provided in Article II of these By-Laws. No fine shall be levied for the first violation. No fine shall exceed Twenty-Five Dollars (\$25.00) for the second violation, Fifty Dollars (\$50.00) for the third violation, or One Hundred Dollars (\$100.00) for any subsequent violation.

**Section 5. Non-Waiver of Right.** The failure of the Association or of any owner to enforce any right, provision, covenant, or condition which may be granted by the Project 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 6. 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 aforesaid project documents shall be deemed to be cumulative, and the exercise of anyone or more shall not be deemed to constitute an election of remedies nor shall it preclude the party thus exercising the same from exercising such other additional rights, remedies or privileges as may be available to such party at law or in equity.

**Section 7. Enforcement of provisions of Project Documents.** An owner may maintain an action against the Association and its officers and Directors to compel such persons to enforce the terms and provisions of the Project 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 terms and provisions of the Project documents or the Act.

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## **ARTICLE XXI**

### **SEVERABILITY**

In the event that any of the terms, provisions or covenants of these By-Laws or the Project 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 Project documents or the remaining portions of any terms, provisions or covenants held to be partially invalid or unenforceable.