

## EXHIBIT A TO MASTER DEED

### CONDOMINIUM BYLAWS

#### OF

### GRAND RIVER LANDING

#### ARTICLE I

#### ASSOCIATION OF CO-OWNERS

Section 1. Organization. GRAND RIVER LANDING, a senior (plus 55) recreational unit campground site condominium project with 24 condominium units (the "Units") located in Crockery Township, Ottawa County, Michigan, (the "Condominium" or "Project"), shall be administered by an association of co-owners (the "Association") which shall be organized as a nonprofit corporation under the laws of the State of Michigan. The Association will be responsible for the management, maintenance, operation and administration of the common elements, easements and affairs of the Condominium in accordance with the Master Deed and Bylaws of the Condominium, the Articles of Incorporation, Bylaws, Rules and Regulations of the Association, and the laws of the State of Michigan.

Section 2. Compliance. All present and future co-owners, mortgagees, lessees and all other persons who may in any manner use, enter upon or acquire any interest in the Condominium Premises, or any unit in the Condominium, shall be subject to and comply with the provisions of the Michigan Condominium Act (Act 59, of the Public Acts of 1978, as amended), and the Condominium Documents pertaining to the use and operation of and the property of the Condominium. The acceptance of a deed or conveyance, the taking of a mortgage, the execution of a lease or the act of occupancy of a Unit, or presence, in the Condominium shall constitute an acceptance of the terms of the Condominium Documents and an agreement to comply therewith.

Section 3. Purpose of Bylaws. These Bylaws govern the general operation, maintenance, administration, use and occupancy of the Condominium, and all such activities shall be performed in accordance with the provisions hereof.

#### ARTICLE II

#### MEMBERSHIP AND VOTING

Section 1. Membership. Each Co-owner of a Unit in the Condominium, present and future, shall be a member of the Association during the term of ownership, and no other person or entity shall be entitled to membership. Membership in the Association and the share of a member in the funds and assets of the Association may only be assigned, pledged or transferred as an appurtenance to a Unit in the Condominium.

Section 2. Voting Rights. Except as otherwise provided in the Master Deed and in these Bylaws, the Co-owners of a Unit shall be entitled for each Unit owned to one vote when voting by

number and one vote, the value of which shall equal the total percentage assigned to the Unit or Units owned by them in Article VI.B of the Master Deed, when voting by value. Voting when required or permitted herein, or elsewhere in the Condominium Documents, shall be by number, except in those instances where voting is specifically required to be both in value and in number, and no cumulation of votes shall be permitted.

Section 3. Persons Entitled to Vote. For each Unit, the co-owners shall file a written certificate signed by all Co-owners of record designating one individual representative entitled to cast the vote for the unit and to receive all notices and other communications from the Association. The certificate shall be signed by all the record owners of the unit and filed with the Secretary of the Association. The certificate shall state the name and address of the individual representative designated, the number or numbers of the Unit or Units owned, the name and address of the person or persons, corporation, trust or other legal entity who is the co-owner thereof. All certificates shall be valid until revoked, until superseded by a subsequent certificate, or until a change occurs in the record ownership of the Unit concerned. The Developer shall, at any meeting, be entitled to cast a vote on behalf of each Unit it owns without submitting any proof of ownership.

Section 4. Method of Voting. Votes on a specific issue may be cast (i) in person, (ii) any person entitled to vote at any meeting may also appear and vote via telecommunications equipment, phone, fax or email, as provided in the Association Bylaws, or by written proxy (either specifically on an issue or by the general designation of a person to cast a vote). Proxies shall be valid only for the particular meeting designated, and any adjournment thereof, and must be filed with the Association before the appointed time of the meeting.

Section 5. Majority. At any meeting of the members at which a quorum is present, fifty-one percent (51%) in value of the Co-owners voting, whether in person, by telecommunications or by proxy, on any particular matter, shall constitute a majority for the approval of such matter, except as otherwise required herein, by the Master Deed, or by law.

### ARTICLE III

#### MEETINGS AND QUORUM

Section 1. First Meeting of Members. The first meeting of the members of the Association may be convened only by the Developer or Board of Directors and may be called at any time upon ten (10) days' written notice to all members. The first meeting shall be held no later than (a) 120 days after legal or equitable title to 25% of the Condominium Units that may be created have been conveyed to non-Developer Co-owners; or (b) 54 months after the first conveyance of legal or equitable title to a Condominium Unit to a non-Developer co-owner, whichever first occurs. The Board of Directors may call meetings of members of the Association for informational or other appropriate purposes before the first meeting of members, but no such meeting shall be construed as the first meeting of members. Before the first annual meeting, the Developer shall appoint all directors.

Section 2. Advisory Committee. The Developer shall establish an Advisory Committee of non-Developer members (a) 120 days after the legal or equitable title to 25% of the Condominium Units that may be created has been conveyed to non-Developer co-owners; or (b) 1 year after the

initial conveyance of legal or equitable title to a Condominium unit to a non-Developer co-owner, whichever first occurs. The Advisory Committee shall meet with the Board of Directors from time to time to facilitate communication with the non-Developer members and to aid in transferring control from the Developer to non-Developer members. The Advisory Committee shall be composed of up to 3 non-Developer members, who shall be appointed from time to time by the Developer in any manner it selects, and who shall serve at the pleasure of the Developer. The Advisory Committee shall automatically dissolve at the Transitional Control Date. Reasonable notice of the meetings shall be provided to all members of the Advisory Committee.

Section 3. Annual Meetings of Members. Following the first meeting of members, an annual meeting of the members shall be held each year at the time and place specified in the Association Bylaws. At least 10 days before the date of an annual meeting, written notice of the time, place and agenda of the meeting shall be sent by first-class mail, postage prepaid, to each person entitled to vote at the meeting; provided, that not less than 20 days written notice shall be provided to each member of any proposed amendment to these By-Laws or to other Condominium Documents.

Section 2. Special Meetings of Members. After the Transitional Control Date, it shall be the duty of the President to call a special meeting of the co-owners upon a petition signed by (25%, in number, of the Co-owners and presented to the Secretary of the Association. Notice of any special meeting shall state the time and place of such meeting and purposes thereof and shall be given at least ten (10) days before the date of the meeting. No business shall be transacted at a special meeting except as stated in the notice.

Section 3. Quorum of Members. Unless otherwise provided herein, the presence, in person or by proxy, of a majority in number of the Co-owners entitled to vote shall constitute a quorum of members. If a quorum shall not be present at any meeting, the members present may adjourn the meeting for not more than thirty (30) days.

Section 4. Composition of Board. Until the initial meeting of members as provided in Article III Section 1 above, the Directors designated by the Developer, or their appointed successors, shall serve. The entire Board of Directors shall be elected or appointed at the first meeting of the Association, each annual meeting of the Association and at any meeting of the Association called by the Board of Directors for the particular purpose of electing directors, in the following manner: Not later than 120 days after conveyance of legal or equitable title to non-developer Co-owners of 25% of the Units that may be created, at least 1 Director and not less than one-fourth of the Board of Directors of the Association shall be elected by non-developer Co-owners. Not later than 120 days after conveyance of legal or equitable title to non-developer Co-owners of 50% of the Units that may be created, not less than one-third of the Board of Directors shall be elected by non-developer Co-owners. Not later than 120 days after conveyance of legal or equitable title to non-developer Co-owners- of 75% of the Units that may be created, and before conveyance of 90% of such units, the non-developer Co-owners shall elect all Directors on the Board except that the Developer shall have the right to designate at least one Director as long as the Developer owns and offers for sale at least 10% of the Units in the Project or as long as 10% of the Units remain that may be created.

Notwithstanding the formula provided above, 54 months after the first conveyance of legal or equitable title to a non-developer Co-owner of a Unit in the Project, if title to not less than 75% of

the Units that may be created has not been conveyed, the non-developer Co-owners shall have the right to elect a number of members of the Board of Directors of the Association equal to the percentage of Units they hold, and the Developer has the right to elect a number of members of the Board equal to the percentage of Units which are owned by the Developer and for which assessments are payable by the Developer. This election may increase, but shall not reduce, the minimum election and designation rights otherwise established herein. Application of this provision does not require a change in the size of the Board as set forth in the corporate by-laws.

If the calculation of the percentage of members of the Board that the non-developer Co-owners have a right to elect hereunder, or if the product of the number of members of the Board multiplied by the percentage of Units held by the non-developer Co-owners results in a right of non-developer Co-owners to elect a fractional number of members of the Board, then a fractional election right of 0.5 or greater shall be rounded up to the nearest whole number, which number shall be the number of members of the Board that the non-developer Co-owners shall have the right to elect. After application of this formula, the Developer shall have the right to elect the remaining members of the Board. Application of this provision shall not eliminate the right of the Developer to designate at least one member as provided herein.

#### ARTICLE IV ADMINISTRATION

Section 1. Board of Directors. The business, property and affairs of the Association shall be managed by a Board of Directors to be elected and to serve in the manner set forth in the Association Bylaws; provided that until the initial meeting of members as provided in Article III, Section 1, hereof, the Directors designated by the Developer, or their appointed successors, shall serve. The entire Board of Directors shall be elected or appointed at the first meeting of the Association, each annual meeting of the Association and at any meeting of the Association called by the Board of Directors for the particular purpose of electing directors. A Board of Directors elected pursuant to these provisions shall serve until the earlier of the next annual meeting of the Association or such time as it has been replaced in accordance with the provisions of these Condominium Bylaws and the Association Bylaws.

Section 2. Powers and Duties. The Association shall have all powers and duties necessary for the administration of the affairs of the Condominium and may do all things which are not prohibited by law or the Condominium Documents or required thereby to be done by the Co-owners. The powers and duties to be exercised by the Association through the Board shall include, but shall not be limited to, the following:

- (a) To manage and administer the affairs of and to maintain the Condominium, and to care for, improve and maintain the Common Elements;
- (b) To develop an annual budget, determine, levy and collect assessments against and from the members of the Association and to use the proceeds therefrom for the purposes of the Association, and to enforce assessments through liens and foreclosure proceedings when, in the judgment of the Directors, appropriate;

(c) Employment and dismissal of personnel as necessary for the efficient management and operation of the Condominium property;

(d) Opening bank accounts, borrowing money and issuing evidences of indebtedness in furtherance of the purposes of the Condominium, and designating signatories required therefor;

(e) To make and amend reasonable rules and regulations consistent with the Michigan Condominium Act, the Master Deed and these Condominium Bylaws affecting co-owners and their tenants, guests, employees and invitees concerning the use and enjoyment of the Condominium and to enforce regulations by all legal methods, including, but not limited to, the imposition of fines and late payment charges, eviction proceedings or legal proceedings (copies of all such regulations and amendments shall be furnished to all members and shall become effective 15 days after mailing or delivery to the designated voting representative, as provided for in Article II, Section 3 above, of each member, and any regulation or amendment may be revoked at any time at any duly convened meeting of the Association by the affirmative vote of more than 50% of all Co-owners in number and in value, except that the members may not revoke any regulation or amendment before the first meeting of the Association;

(f) Obtaining insurance for Condominium property, the premiums of which shall be an expense of administration;

(g) Granting easements and licenses for the use of portions of the Common Elements for purposes not inconsistent with the provisions of the Act or of the Condominium Documents;

(h) Authorizing the execution of contracts, deeds of conveyance, easements and rights-of-way affecting any real or personal property of the Condominium on behalf of the Co-owners;

(i) Make repairs, additions and improvements to, or alterations of, the Condominium property, and repairs to and restoration of the property in accordance with the other provisions of these By-Laws after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings;

(j) Asserting, defending or settling claims on behalf of all Co-owners in connection with the Common Elements of the Project and, upon written notice to all Co-owners, instituting actions on behalf of and against any Co-owners in the name of the Association; and

(k) Such further duties as may be imposed by resolution of the members of the Association or which may be set forth in the Condominium Documents.

(l) To enforce the provisions of the Condominium Documents, as amended from time to time, and to sue on behalf of the Condominium or the members and to assert, defend or settle claims on behalf of the members with respect to the Condominium;

(m) In general, to enter into any kind of activity; to make and perform any contract and to exercise all powers necessary, incidental or convenient to the administration, management, maintenance, repair, replacement and operation of the Condominium and to the accomplishment of any of the purposes thereof, and with all powers conferred upon nonprofit corporations by the laws of the State of Michigan.

Section 3. Managing Agent. The Board may employ, at a compensation established by it, a professional management agent for the Condominium to perform such duties and services as the Board shall authorize, including, but not limited to, the powers and duties set forth in Section 2 of this Article. Before the transitional control date, the Developer, or any related person or entity, may serve as professional managing agent if so appointed. In no event shall the Board be authorized to enter into any contract with a professional management agent, or any contract providing for services by the Developer or its affiliates, in which the maximum term is greater than 3 years or which is not terminable by the Association upon the Transitional Control Date or within 90 days thereafter and upon 30 days' written notice for cause. Upon the transitional control date, or within 90 days thereafter, the Board of Directors may terminate a service or management contract with the Developer or its affiliates.

Section 4. Officers. The Association Bylaws shall provide the designation, number, terms of office, qualifications, manner of election, duties, removal and replacement of the officers of the Association and may contain any other provisions pertinent to affairs of the Association not inconsistent herewith. Officers may be compensated, but only after the affirmative vote of two-thirds (2/3) of the members.

Section 5. Actions Before First Meeting. Subject to the provisions of Section 3 of this Article IV, all the actions (including without limitation, the adoption of these Bylaws, the Association Bylaws, any Rules and Regulations for the Association, and any undertakings or contracts entered into with others on behalf of the Association) of the first Board of Directors of the Association designated by the Developer, or their appointed successors, before the first meeting of members, shall be binding upon the Association in the same manner as though such actions had been authorized by a Board of Directors duly elected by the members of the Association at the first or any later meeting of members so long as such actions are within the scope of the powers and duties which may be exercised by any Board of Directors as provided in the Condominium Documents.

Section 6. Indemnification of Officers and Directors. The Association shall indemnify every Association director and officer against all expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him as a consequence of his being made a party to or being threatened to be made a party to any threatened, pending or contemplated action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of his being or having been a director or officer of the Association, except in such cases where he is adjudged guilty of willful and wanton misconduct or gross negligence in the performance of his duties or adjudged to have not acted in good faith and in a manner he reasonably believed to be in or

not opposed to the best interests of the Association and its members, and with respect to any criminal action or proceeding, he is adjudged to have had no reasonable cause to believe that his conduct was unlawful; provided, that, if a director or officer claims reimbursement or indemnification hereunder based upon his settlement of a matter, he shall be indemnified only if the Board of Directors (with any director seeking reimbursement abstaining) approves such settlement and reimbursement as being in the best interests of the Association and, if a majority of the members request it, such approval is based on an opinion of independent counsel supporting the propriety of such indemnification and reimbursement. The foregoing right of indemnification shall not be exclusive and shall be in addition to all other rights such director or officer may have. The Board of Directors shall notify all members that it has approved an indemnification payment at least ten (10) days before making the payment.

## ARTICLE V

### OPERATION OF THE CONDOMINIUM

Section 1. Personal Property. The Association shall be assessed as the person or entity in possession of any tangible personal property of the Condominium owned or possessed in common by the co-owners, and personal property taxes based thereon shall be treated as Expenses of Administration, as defined in Section 4 below.

Section 2. Costs and Receipts to Be Common. All costs incurred by the Association in satisfaction of any liability arising within, or caused by or in connection with, the common elements or the administration of the Condominium shall be Expenses of Administration. All sums received as proceeds of, or pursuant to, any policy of insurance carried by the Association securing the interests of the co-owners against liabilities or losses arising within, caused by or connected with the general common elements or the administration of the Condominium shall be receipts of administration.

Section 3. Books of Account. The Association shall keep or cause to be kept detailed books of account showing all expenditures and receipts affecting administration of the Condominium. The books of account shall specify the maintenance and repair expenses of the common elements and any other expenses incurred by or on behalf of the Association of co-owners and shall be open for inspection by the co-owners and their mortgagees during reasonable working hours on normal working days at a place to be designated by the Association. The books of account shall be reviewed at least annually and audited at such times as required by the Board of Directors by qualified independent accountants. The accountants need not be certified public accountants. The cost of the review or audit, and all accounting expenses, shall be Expenses of Administration. Any institutional holder of a first mortgage lien on any unit in the Condominium shall, upon request, be entitled to receive a copy of the accountant's report within ninety (90) days following the end of the Association's fiscal year. At least once a year, the Association shall prepare and distribute to each co-owner a statement of its financial condition, the contents of which shall be defined by the Association.

Section 4. Regular Assessments. The Board shall establish an annual budget in advance for each fiscal year for the Condominium. The budget shall contain a statement of the estimated funds

required to defray the "Expenses of Administration" for the forthcoming year, which shall mean all items specifically defined as such in these Bylaws and all other common expenses. The common expenses shall consist, among other things, of such amounts as the Board may consider proper for the operation, management and maintenance of the Condominium Project to the extent of the powers and duties delegated to it hereunder, and in the Master Deed, and shall include, without limitation, amounts to be set aside for working capital of the Condominium, the cost of fulfilling the Association's maintenance, repair and replacement responsibilities, management wages, fees and salaries, common area utilities, common area landscaping maintenance and replacement, snow removal, licenses and permits, banking, legal and accounting fees, insurance, and creation and maintenance of an appropriate reserve fund. Each purchaser of a unit in the Condominium is required to pay the Association an amount equal to 20% of the regular annual assessment as a nonrefundable working capital contribution. As provided in Section 11 below, an adequate reserve fund for maintenance, repair and replacement of the limited common elements must be established in the budget and must be funded by regular assessments rather than by special assessments. The budget shall also allocate and assess all Expenses of Administration against all co-owners in accordance with the percentage of value allocated to each unit by the Master Deed without increase or decrease for the existence of any rights to the use of the common elements.

The Board shall advise each non-Developer Co-owner in writing of the amount of common charges payable by him and shall furnish copies of each budget on which such common charges are based to all Co-owners, although failure to deliver a copy of the budget to each Co-owner shall not affect the liability of any co-owner for any existing or future assessments. All assessments levied in accordance with the foregoing provisions of this Section 4 shall be payable by the non-Developer co-owners in an annual payment on or before June 1<sup>st</sup> of each year, commencing with acquisition of legal or equitable title to a unit by any means. The Board may, in its sole discretion, elect to collect the regular assessments on a quarterly basis. Should the Board at any time determine, in its sole discretion, that the assessments levied are or may prove to be insufficient (1) to pay the costs of operation and management of the Condominium, (2) to provide for the maintenance, repair or replacement of existing common elements, (3) to provide additions to the general common elements not exceeding Five Thousand and 00/100 Dollars (\$5,000.00) annually, or (4) to provide for emergencies, the Board shall have the authority to increase the general assessments or to levy such additional assessment or assessments as it shall consider necessary. Such assessments shall be payable when and as the Board shall determine.

Any sums owed to the Association by any individual Co-owner may be assessed to and collected from the responsible Co-owner as an addition to the regular assessment installment next coming due. The discretionary authority of the Board to levy assessments pursuant to this Section will rest solely with the Board for the benefit of the Association and the members thereof and will not be enforceable by any creditors of the Association or its members.

Section 5. Special Assessments. Special assessments, in addition to those provided for in Section 4 above, may be levied by the Board from time to time, following approval by the Co-owners as hereinafter provided, to meet other needs, requirements or desires of the Association, including, but not limited to, (1) assessments for capital improvements for additions to the General Common Elements at a cost exceeding \$5,000.00 dollars per year, (2) assessments to purchase a Unit upon foreclosure of the lien for assessments as described in Section 6 hereof, and (3) assessments for



any other appropriate purpose not described elsewhere herein. Special assessments referred to in this Section 5 (but not including assessments referred to in Section 4 above, which shall be levied in the sole discretion of the Board) shall not be levied without first being approved by two-thirds (2/3) of all members in value and in number, which approval shall be granted only by a vote of the co-owners taken at a meeting of the co-owners called in accordance with the provisions of Article III hereof. The discretionary authority of the Board to levy assessments pursuant to this Section will rest solely with the Board for the benefit of the Association and the members and will not be enforceable by any creditors of the Association or its members.

Section 6. Collection of Assessments. When used in this Section 6 and Section 12 below, and wherever else appropriate in these Condominium Bylaws, the term "assessment" shall include all regular annual and special assessments referred to in Sections 4 and 5 above and, in addition, all other charges whatsoever levied by the Association against any co-owner. This Section 6 is designed to provide the Association with a vehicle for collection.

Each Co-owner, whether one or more persons, shall be and shall remain personally obligated for the payment of all assessments levied with regard to his Unit during the time that he is the owner thereof. If any Co-owner defaults in paying an assessment, interest at the maximum legal rate shall be charged on such assessment from the due date and further penalties or proceedings may be instituted by the Board in its discretion. The payment of an assessment shall be in default if such assessment is not paid in full on or before the due date established by the Board for the payment. In the event of default by any Co-owner in the payment of any installment of the annual assessment levied against his Unit, the Association shall have the right to declare all unpaid installments of the annual assessment for the pertinent fiscal year immediately due and payable. The Association may also discontinue the furnishing of any services to a Co-owner in default upon seven (7) days' written notice to such Co-owner of its intent to do so. A Co-owner in default on the payment of any assessment shall not be entitled to vote at any meeting of the Association so long as such default continues. The Board may, but need not, report such a default to any first mortgagee of record; provided, however, that if such default is not cured within 60 days, the Association shall give the notice required by Section 2 of Article IX of these Condominium Bylaws. Any first mortgagee of a unit in the Condominium may consider a default in the payment of any assessment a default in the payment of its mortgage. When a Co-owner is in arrears to the Association for assessments, the Association may give written notice of arrearage to any person occupying his Unit under a lease or rental agreement, and such person, after receiving the notice, shall deduct from rental payments due the Co-owner the arrearage and future assessments as they fall due and pay them to the Association. The deductions shall not be a breach of the rental agreement or lease by the occupant.

Unpaid assessments shall constitute a lien upon the Unit prior to all other liens except unpaid ad valorem real estate taxes and special assessments imposed by a governmental entity and sums unpaid on a first mortgage of record. The Association may enforce collection of delinquent assessments by a suit at law for a money judgment or by foreclosure of the lien that secures payment of assessments. Each Co-owner, and every other person, except a first mortgagee, who from time to time has any interest in the Condominium, shall be considered to have granted to the Association the unqualified right to elect to foreclose such lien either by judicial action or by advertisement. The provisions of Michigan law pertaining to foreclosure of mortgages by judicial action and by advertisement, as they 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. **THE ASSOCIATION IS HEREBY GRANTED WHAT IS COMMONLY KNOWN AS A "POWER OF SALE."** Further, each Co-owner and every other person, except a first mortgagee, who from time to time has any interest in the Condominium shall be considered to have authorized and empowered the Association to sell or to cause to be sold the Unit with respect to which the assessment is delinquent and to receive, hold and distribute the proceeds of such sale in accordance with the priorities established by applicable law. **EACH CO-OWNER ACKNOWLEDGES THAT AT THE TIME OF ACQUIRING TITLE TO HIS UNIT, HE WAS NOTIFIED OF THE PROVISIONS OF THIS SECTION AND THAT HE VOLUNTARILY, INTELLIGENTLY AND KNOWINGLY WAIVED NOTICE OF ANY PROCEEDINGS BROUGHT BY THE ASSOCIATION TO FORECLOSE BY ADVERTISEMENT THE LIEN FOR NONPAYMENT OF ASSESSMENTS AND A HEARING ON SUCH FORECLOSURE BEFORE THE SALE OF THE SUBJECT UNIT.**

Notwithstanding the foregoing, neither a judicial foreclosure action nor a suit at law for a money judgment shall be commenced, nor shall any notice of foreclosure by advertisement be published, until the expiration of 10 days after the mailing of a written notice that an assessment, or any part thereof, levied against his Unit is delinquent, and the Association may invoke any of its remedies hereunder if the default is not cured within 10 days after the date of mailing. The notice shall be mailed by certified mail, return receipt requested, and postage prepaid, and shall be addressed to the individual representative of the delinquent Co-owner designated in the certificate filed with the Association pursuant to Section 3 of Article II above, at the address set forth in the certificate or at his last known address. The written notice shall be accompanied by a written affidavit of an authorized representative of the Association that sets forth (i) the affiant's capacity to make the affidavit, (ii) the statutory and other authority for the lien, (iii) the amount outstanding (exclusive of interest, costs, attorneys' fees and future assessments), (iv) the legal description of the subject unit, and (v) the name of the Co-owner of record. The affidavit shall be recorded in the Office of the Register of Deeds for Ottawa County before the commencement of any foreclosure proceeding, but it need not have been recorded as of the date of mailing the notice as provided above.

If the delinquency is not cured within the 10-day period, the Association may take such remedial action as may be available to it hereunder or under Michigan law. In the event the Association elects to foreclose the lien by advertisement, the Association shall so notify the individual representative designated above and shall inform such representative that he may request a judicial hearing by bringing suit against the Association. The expenses incurred in collecting unpaid assessments, including interest, costs, actual attorneys' fees (not limited to statutory fees) and advances for taxes or other liens paid by the Association to protect its lien, shall be chargeable to the Co-owner in default and shall be secured by the lien on his Unit. In a judicial foreclosure action, a receiver may be appointed to collect a reasonable rental for the Unit from the Co-owner or any persons claiming under him, and each co-owner hereby consents to the appointment of such a receiver. The Association may purchase a Unit at any foreclosure sale.

If the holder of a first mortgage on a Unit in the Condominium obtains title to the Unit as a result of foreclosure of the mortgage, deed in lieu of foreclosure or similar remedy, or any other remedy provided in the mortgage, such person, and its successors and assigns, or other purchaser at a foreclosure sale shall not be liable for unpaid assessments chargeable to the Unit which became due before the acquisition of title to the Unit by that person; provided, however, that those unpaid

assessments shall be considered common expenses collectible from all the Unit owners including that person, its successors and assigns, and that all assessments chargeable to the Unit after the acquisition of title shall be the responsibility of that person as provided above with respect to all co-owners.

Section 7. Obligations of the Developer. The Developer will maintain the Units it owns and pay a pro rata share of the expenses of road and common area maintenance. Provided, that if a Unit owned by the Developer is leased or otherwise occupied for all or part of the rental season in any year by a person holding under or through the Developer, the Developer shall pay the regular annual assessment with respect to such Unit.

Section 8. Access; Maintenance and Repair. The Association or its agent shall have access to each Unit, except any residence constructed thereon, from time to time during reasonable working hours, upon notice to the occupant thereof, for the purpose of maintenance, repair or replacement of any of the general common elements located therein or accessible therefrom. The Association or its agent shall also have access to each Unit, including any residence located thereon, at all times without notice for making emergency repairs necessary to prevent damage to other Units, the common elements, or both.

Each co-owner shall repair, replace, decorate and maintain his Unit and any Limited Common Elements appurtenant thereto in a safe, clean and sanitary condition. Each co-owner shall also use due care to avoid damaging any of the Common Elements or any improvements located on or within a Common Element which is appurtenant to or which may affect any other Unit. Each co-owner shall be responsible for damages or costs to the Association resulting from negligent damage to or misuse of any of the Common Elements by him, or his guests, agents or invitees, unless those damages or costs are actually reimbursed from insurance carried by the Association, in which case there shall be no such responsibility. (If full reimbursement to the Association is excluded by virtue of a deductible provision, the responsible Co-owner shall bear the expense to the extent of the deductible amount, regardless of any contrary provisions in these Bylaws.)

The provisions of this Section 8 shall be subject to those of Article VI, Sections 1-3, inclusive, in the event of repair or replacement on account of a casualty loss.

Section 9. Taxes. After the year in which the Condominium is established, all governmental special assessments and property taxes shall be assessed against the individual Units and not upon the total property of the Condominium or any part thereof. Taxes and governmental special assessments which have become a lien against the property of the Condominium in the year of its establishment (as provided in Section 13 of the Act) shall be Expenses of Administration and shall be paid by the Association. Each Unit shall be assessed a percentage of the total bill for such taxes and assessments equal to the percentage of value allocated to it in the Master Deed, and the owner thereof shall reimburse the Association for his Unit's share of such bill within ten (10) days after he has been tendered a statement therefor.

Section 10. Documents to Be Kept. The Association shall keep current copies of the recorded Master Deed, and all amendments thereto, and other Condominium Documents available at

reasonable hours to Co-owners, mortgagees, prospective purchasers and prospective mortgagees of Units in the Condominium.

Section 11. Reserve for Major Repairs and Replacement. The Association shall maintain a reserve fund for major repairs and replacement of common elements in an amount equal to at least ten percent (10%) of the Association's current annual budget on a noncumulative basis. Moneys in the reserve fund shall be used only for major repairs and replacement of Common Elements. The minimum standards required by this Section may prove inadequate for a particular project. The Association of co-owners should carefully analyze the Condominium Project to determine if a greater amount should be set aside, or if additional reserve funds should be established for other purposes.

Section 12. Statement of Unpaid Assessments. Pursuant to the provisions of the Act, the purchaser of any Unit may request a statement from the Association as to the outstanding amount of any unpaid assessments thereon, whether regular or special or resulting from unpaid charges. Upon written request to the Association accompanied by a copy of the executed purchase agreement pursuant to which the purchaser holds a right to acquire a Unit, the Association shall provide a written statement of such unpaid assessments as may exist or a statement that none exist, which statement shall be binding upon the Association for the period stated therein. Upon the payment of that sum within the period stated, the Association's lien for assessments as to that Unit shall be considered satisfied; provided, however, that the failure of a purchaser to request such a statement at least 5 days before the closing of the purchase of a Unit shall render any unpaid assessments and the lien securing them fully enforceable against that purchaser and the Unit itself.

## ARTICLE VI

### INSURANCE; REPAIR OR REPLACEMENT; CONDEMNATION;

### CONSTRUCTION LIENS

Section 1. Insurance. The Association shall, to the extent appropriate given the nature of the common elements, carry vandalism and malicious mischief and liability insurance (including, without limitation, Directors' and Officers' coverage), worker's compensation insurance, if applicable, and such other insurance coverage as the Board may determine to be appropriate with respect to the ownership, use and maintenance of the Common Elements of the Condominium and the administration of Condominium affairs. The insurance shall be carried and administered in accordance with the following provisions:

(a) The Association shall purchase that insurance for the benefit of the Association, the Co-owners and their mortgagees, as their interests may appear, and provision shall be made for the issuance of certificates of insurance with mortgagee endorsements to the mortgagees of Co-owners. It shall be each Co-owner's responsibility to obtain insurance coverage for his property located within the boundaries of his Unit or elsewhere in the Condominium, and the Association shall have absolutely no responsibility for obtaining such coverage. The Association and all Co-owners shall use their best efforts to see that all property and liability insurance carried pursuant to the terms of this Article VI shall contain appropriate provisions by which the insurer waives its right of subrogation as to any claims against any Co-owner or the Association, and, subject to the provisions of Article

V, Section 8, hereof, the Association and each Co-owner hereby waive, each as to the other, any right of recovery for losses covered by insurance. The liability of carriers issuing insurance obtained by the Association shall not, unless otherwise required by law, be affected or diminished on account of any additional insurance carried by any Co-owner, and vice versa.

(b) The Association may carry fidelity bond insurance in such limits as the Board shall determine upon all officers and employees of the Association who in the course of their duties may reasonably be expected to handle funds of the Association or any co-owners.

(c) Each co-owner will be responsible for obtaining fire and extended coverage and vandalism and malicious mischief insurance with respect to his Recreational Unit and all other improvements constructed or to be constructed, and for his personal property located, within the boundaries of his Condominium Unit or elsewhere in the Condominium Project. Each co-owner will carry that insurance in an amount equal to the maximum insurable replacement value, and evidenced to the Association in a manner acceptable to the Association. Each co-owner also will be obligated to obtain insurance coverage for his personal liability for occurrences within the boundaries of his Unit, the Limited Common Elements appurtenant to his Unit. The Association will under no circumstances have any obligation to obtain any of the insurance coverage described in this subsection or any liability to any person for failure to do so.

(d) All insurance carried hereunder shall, to the extent possible, provide for cross-coverage of claims by one insured against another.

(e) All premiums upon insurance purchased by the Association pursuant to these Bylaws shall be Expenses of Administration.

(f) 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, the Co-owners and their mortgagees as their interests may appear; provided, however, whenever repair or reconstruction of the Condominium shall be required as provided in Section 3 of this Article, the proceeds of any insurance received by the Association as a result of any loss requiring repair or reconstruction shall be applied for such repair or reconstruction and in no event shall hazard insurance proceeds be used for any purpose other than for repair, replacement or reconstruction of the Condominium Project unless all the holders of first mortgages on Units in the Condominium have given their prior written approval.

Section 2. Appointment of Association. Each Co-owner, by ownership of a Unit in the Condominium, shall be considered to appoint the Association as his true and lawful attorney-in-fact to act in connection with all matters concerning insurance pertinent to the Condominium and the Common Elements. Without limiting the generality of the foregoing, the Association as attorney shall have full power and authority to purchase and maintain such insurance, to collect and remit premiums therefor, to collect proceeds and to distribute them to the Association, the Co-owners and respective mortgagees, as their interests may appear (subject always to the Condominium Documents), to execute releases of liability and to execute all documents and to do all things on

behalf of such Co-owners and the Condominium as shall be necessary or convenient to accomplish the foregoing.

Section 3. Reconstruction or Repair. If any part of the Condominium shall be damaged, the determination of whether or not, and how, it shall be reconstructed or repaired shall be made in the following manner:

(a) If the damaged property is a General or Limited Common Element, a Unit or a Recreational Unit or other improvements located within a Unit, the property shall be rebuilt or repaired, unless the Condominium Project is terminated in accordance with the Master Deed.

(b) If the Condominium is so damaged that no Unit is tenantable, the damaged property shall not be rebuilt and the Condominium shall be terminated, unless at least two-thirds (2/3) of the first mortgagees and the Co-owners in value and in number agree to reconstruction by vote or in writing within ninety (90) days after the destruction.

(c) Any reconstruction or repair shall be performed substantially in accordance with the Master Deed and the plans and specifications for the Condominium, to a condition as comparable as possible to the condition existing before damage, unless 2/3 of the Co-owners in value and in number and 2/3 of the first mortgagees agree otherwise by a vote or in writing.

(d) If the damage is only to a Unit, to a Recreational Unit, structure or improvement located within a Unit, to a limited common element appurtenant to a Unit, it shall be the responsibility of the Co-owner of the Unit to repair the damage in accordance with subsection (e) hereof. In all other cases, except as provided in subsection (f) hereof, the responsibility for reconstruction and repair shall be that of the Association.

(e) Each co-owner shall be responsible for the reconstruction and repair of his Unit, all structures or improvements, including landscaping, within his Unit, the limited common elements appurtenant to his Unit

(f) Except as otherwise provided herein, the Association shall be responsible for the reconstruction and repair of the General Common Elements, The Association shall receive all insurance proceeds and be responsible for all reconstruction and repair activity to the extent of such proceeds. Immediately after a casualty occurs causing damage to property for which the Association has the responsibility of repair and reconstruction, the Association shall obtain reliable and detailed estimates of the cost to return the damaged property to a condition as good as that existing before the damage.

(g) Any proceeds of casualty insurance for which the Association paid the premium, whether received by the Association or a Co-owner, shall be used for the reconstruction or repair when reconstruction or repair is required by these Bylaws. If the proceeds of insurance are not sufficient to pay the estimated costs of reconstruction or repair required to be performed by the Association, or if at any time during the reconstruction or repair, or upon completion of the reconstruction or repair, the funds for the payment of the

costs thereof are insufficient, assessments shall be made against all Co-owners for the cost of reconstruction or repair of the damaged property in sufficient amounts to provide funds to pay the estimated or actual cost of repair. Those assessments shall be levied in the same manner as the assessments described in Article V, Section 4, hereof, and shall be payable when and as the Board shall determine.

(h) If damage within the Condominium impairs the appearance of the Condominium, the Association or the co-owner responsible for the reconstruction and repair of the damage will proceed with the repair, reconstruction or replacement of the damaged item without delay, and will complete the repair, reconstruction or replacement within six (6) months after the date of the occurrence which caused the damage.

Section 4. Eminent Domain. The following provisions shall control upon any taking by eminent domain:

(a) The Association, acting through its Board of Directors, may negotiate on behalf of all Co-owners for any taking of General Common Elements. Any negotiated settlement shall be subject to the approval of at least 2/3 of the co-owners in number and shall thereupon be binding on all Co-owners.

(b) If an entire Unit is taken by eminent domain, the award for the taking shall be paid to the Association for the benefit of the owner of the Unit and the mortgagee thereof, as their interests may appear. After acceptance of the award by the Co-owner and his mortgagee, they shall be divested of all interest in the Condominium. The undivided interest in the Common Elements belonging to the Co-owner whose Unit has been taken shall then appertain to the remaining Units, including those restored or reconstructed under the provisions of this Section.

(c) In the event of a partial taking of any Unit, any condemnation award shall be paid by the condemning authority to the Association on behalf of the Co-owner of the Unit and his mortgagee, as their interests may appear. The entire undivided interest in the common elements appertaining to that Condominium Unit shall then appertain to the remaining Condominium Units, being allocated to them in proportion to their respective undivided interests in the common elements. The remaining portion of that Condominium Unit shall then be a common element.

(d) If there is any taking of any portion of the Condominium other than any Unit, the condemnation proceeds relative to the taking shall be paid to the Association, and the affirmative vote of the Co-owners at a meeting duly called shall determine whether to rebuild, repair or replace the portion so taken or to take such other action as they consider appropriate. If no such affirmative vote is obtained, the condemnation proceeds shall be remitted to the Co-owners and their respective mortgagees, as their interests may appear, in accordance with their respective percentages of value set forth in Article VI of the Master Deed.

(e) If the Condominium Project continues after a taking by eminent domain, then the remaining portion of the Condominium Project shall be re-surveyed and the Master Deed amended accordingly, and, if any Unit shall have been taken, then Article VI of the Master Deed shall also be amended to reflect the taking and to proportionately readjust the percentages of value of the remaining co-owners based upon a continuing value of the Condominium of one hundred percent (100%). The amendment may be effected by an officer of the Association duly authorized by the Board of Directors without the necessity of execution or specific approval thereof by any Co-owners.

(f) If any Unit in the Condominium, or any portion of a Unit, is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, the Association promptly shall so notify any holder of a first mortgage lien on the affected Unit, if the Association earlier received the notice of mortgage required by Section 1 of Article IX hereof. If the Common Elements or any portion thereof are made the subject matter of any condemnation or eminent domain proceeding or are otherwise sought to be acquired by a condemning authority, the Association shall so notify each holder of a first mortgage lien on any of the affected Units, if the Association earlier received the notice of mortgage required by Section 1 of Article IX hereof.

(g) Votes in the Association of Co-owners and liability for future Expenses of Administration appertaining to a Condominium Unit taken or partially taken (but which is not practical to rebuild) by eminent domain shall thenceforth appertain to the remaining Condominium Units, being allocated to them in proportion to their relative percentages of value.

Section 5. Construction Liens. A construction lien arising as a result of work performed upon a Condominium Unit or Limited Common Element shall attach only to the Unit upon which the work was performed, and a lien for work authorized by the Developer or a principal contractor shall attach only to Condominium Units owned by the Developer at the time of recording the statement of account and lien. A construction lien for work authorized by the Association shall attach to each Unit only to the proportionate extent that the Co-owner of such Unit is required to contribute to the expenses of administration. No construction lien shall arise or attach to a Condominium Unit for work performed on the common elements not contracted by the Association or the Developer.

Section 6. Mortgagees. Nothing contained in the Condominium Documents shall be construed to give a Condominium Unit owner, or any other party, priority over any rights of first mortgagees of Condominium Units pursuant to their mortgages in the case of a distribution to Condominium Unit owners of insurance proceeds or condemnation awards for losses to or a taking of Condominium Units, common elements or both.



## ARTICLE VII

### USE AND OCCUPANCY RESTRICTIONS; ENFORCEMENT

Section 1. Establishment of Restrictions. In order to provide for congenial occupancy of the Condominium, and for the protection of the value of the Condominium Units, the use of Condominium property shall be subject to the limitations set forth below:

Section 2. Recreational Use. Condominium Units shall be used exclusively for recreational camping purposes and other purposes customarily incidental thereto. No recreational unit other than Park model, Class "A" motorhome, Class "C 11" motorhome, Fifth Wheel or other travel trailer, each of a minimum length of 28 feet, shall be parked or placed within the perimeters of a Condominium Unit without the prior written consent of the Board of Directors, and no tent, truck camper or camping trailer with fold-down or pop-up attachments shall be placed within a Unit or occupied at any time; provided, that Recreational Units which currently occupy campground sites on a seasonal basis will be permitted to occupy condominium campground units with prior approval of the Developer or Association. Park models and park trailers (destination trailers) may be skirted with aluminum or vinyl skirting, and Fifth Wheels with clip-on plastic skirting; and all slide-outs and tip-outs installed on such units may be similarly skirted. Tongues attached to any park model must also be removed or skirted. Occupancy of Units shall be limited to seasonal use during the period from April 1 until October 31 of each year.

Section 3. Age Restrictions. The Condominium is being developed and will be maintained for senior occupants pursuant to the requirements of the federal Fair Housing Act of 1968 and the Housing for Older Persons Act of 1995 (together, the "Housing Acts"). Specifically, Each Unit must have a Co-owner or occupant who is at least 55 years of age and all permanent occupants of a Unit must be at least 40 years of age. The Developer and the Association will have responsibility and authority to enforce age restrictions upon a sale or change in occupancy of a Unit and at all other times to ensure the Project maintains its character as a quiet Senior living Project and to ensure that the Condominium is, at all times, in compliance with the requirements of the Housing Acts.

Section 4. Common Areas. The common elements shall be used only by the Co-owners of Units in the Condominium and by their agents, tenants, family members, invitees and licensees for access, ingress to and egress from the respective Units and for other purposes incidental to the use of the Units. Walkways, yards, landscaped areas, driveways, roads and parking areas shall not be obstructed in any way nor used for purposes other than those for which they are reasonably and obviously intended. No bicycles, vehicles, chairs or benches shall be left unattended on or about the Common Elements, and all use of beaches and recreational facilities shall be limited to such times and in such manner as the Association may determine by duly adopted rules and regulations. Storage of docks and shore stations on General Common Element areas may be permitted during the offseason pursuant to rules set by the Developer or the Association, from time to time.

Section 5. Unit Improvements. The Developer intends that a Recreational Unit of the type described in Section 1 of this Article and other improvements permitted hereby may be located within the perimeters of each Condominium Unit by individual Co-owners. The age, style and appearance of the initial Recreational Unit and improvements shall be subject to approval of the Developer, and any later changes in a Recreational Unit or improvement shall be subject to approval

of the Association or any aesthetic committee established by the Association, to ensure that all Recreational Units (other than those exempted under the provisions of Section 1) and other living areas are maintained in "like new" condition. No Owner shall cover more than fifty (50%) percent of his Unit with concrete, blacktop or decks.

Section 6. Specific Prohibitions. Without limiting the generality of the foregoing provisions, use of the Project and all common elements by any Co-owner shall be subject to the following restrictions:

(a) No more than 8 persons (including family members and guests), based on Michigan State Campground rules, shall occupy or reside in any Recreational Unit on a Unit within the Project without the express prior written approval of the Association. Each Unit must have an occupant who is at least 55 years of age and all permanent occupants of a Unit must be at least 40 years of age.

(b) No screened porch, deck, patio, carport or outbuilding shall be placed or erected on any Condominium Unit without the prior written approval of the Association. Carports, screen enclosures and three season rooms must be pre-manufactured. Recreational Units must also be situated only on the RV pad or at another location within the Unit which has been approved by the Association. No additional cement patios shall be constructed on any Unit without prior consent of the Association.

(c) No Co-owner shall make any alterations, additions or improvements to any Common Element, nor remove any tree or live growth, nor make any other changes to the appearance of his Unit without the prior written approval of the Association. No fences, railroad ties or screening or view obstruction devices of any kind, either temporary or permanent, shall be placed upon or around the perimeter of any Condominium Unit, without prior Association approval.

(d) No nuisances shall be permitted on the Condominium Premises nor shall any use or practice be permitted which is a source of annoyance to its residents, or which interferes with the peaceful possession or proper use of the Project by its Co-owners.

(e) No immoral, improper, offensive or unlawful use shall be made of the Condominium Premises or any part thereof, and nothing shall be done or kept in any Unit or on the Common Elements which will increase the rate of insurance for the Project without the prior written consent of the Board of Directors. No Co-owner shall permit anything to be done or kept in his Unit or on the Common Elements which will result in the cancellation of insurance on any Unit, or any part of the Common Elements, or which would be in violation of any law.

(f) No signs or other advertising devices shall be displayed which are visible from the exterior of any Unit or upon the common elements, including "for sale" signs, without written permission from the Association; provided, however, typical campground type signs, with the names of occupants, sports teams or cute sayings, may be permitted subject to the rules and regulations established by the Association, from time to time.

(g) No Co-owner shall display, hang or store any clothing, sheets, blankets, laundry or other articles (other than swim suits and/or beach towels) outside a Recreational Unit without the prior written permission of the Board or the written permission of the Managing Agent. The foregoing restriction shall not be construed to prohibit a Co-owner from placing and maintaining outdoor furniture and decorative foliage of a customary nature and appearance on a porch, patio or deck attached to his Recreational Unit.

(h) No animal, including household pets, shall be kept without the prior written consent of the Association which consent, if given, shall be revocable at any time by the Board of Directors. Pets permitted by the Association shall be kept only in compliance with the rules and regulations promulgated by the Board of Directors from time to time, and must at all times be kept under such care and restraint as not to be obnoxious on account of noise, odor or unsanitary conditions. No animal shall be permitted to run loose upon the Common Elements, Limited or General, and the owner of each pet shall be responsible for cleaning up after it.

The Association may charge any Co-owner maintaining animals a reasonable additional assessment to be collected in the manner provided in these Bylaws if the Association determines such assessment to be necessary to defray the maintenance costs to the Association of accommodating animals within the Condominium. The Association may also, without liability to the owner, remove or cause any animal to be removed from the Condominium which it determines to be in violation of the restrictions imposed by this section or which otherwise proves to be an annoyance to other residents. Any person who causes or permits any animal to be brought or kept on the Condominium property shall indemnify and hold harmless the Association for any loss, damage or liability which the Association may sustain as a result of the presence of such animal on the Condominium Premises.

(i) No motorized vehicles, boats or trailers (other than a Recreational Unit and 2 automobiles) shall be parked or stored within the perimeters of a Condominium Unit for more than 24 hours without the prior written approval of the Association, nor shall any maintenance or repair be performed on any vehicle or boat except within a Recreational Unit where totally isolated from public view. No more than 2 automobiles or other vehicles customarily used for transportation purposes shall be kept on any campsite Unit by those persons residing in any Unit; provided, that a third automobile or other vehicle will be permitted outside the Unit if parked in designated visitor parking areas on General Common Elements and not along or adjacent to any drive or within the roadway Right-of-Way adjacent thereto. No commercial vehicles or trucks of more than 1 ton shall be parked in or about the Condominium except for the making of deliveries or pickups in the normal course of business.

(j) No Co-owner shall use, or permit the use by any occupant, agent, tenant, invitee, guest or member of his family of any firearms, air rifles, pellet guns, B-B guns, bows and arrows, sling-shots, fireworks (other than hand-held sparklers) or other dangerous weapons, projectiles or devices anywhere on or about the Condominium Premises. No barbecue pits

shall be constructed or open fires shall be permitted within a Unit or on the Common Elements without the express prior written approval of the Association or its managing agent. Campfires in approved fire pit locations are permitted.

(k) The Common Elements shall not be used for the storage of supplies or personal property, and trash or refuse shall be placed only in common trash receptacles located at the discretion of the Board of Directors. In general, no activity shall be carried on nor condition maintained by any Co-owner either in his Unit or upon the Common Elements which despoil the appearance of the Condominium. All sanitary containers shall be kept in a clean and sanitary condition and shall be kept in an inconspicuous area of that Unit, as designated by the Developer or the Association, except as necessary to allow for trash collection.

(l) No Co-owner may install within his Unit a satellite dish (larger than 2 feet in diameter) or television antenna unless approved in writing by the Developer or the Association. All satellite dish locations shall be approved by the Developer or the Association; the Units which do not have river frontage will be able to place dishes either along the Unit lines of the waterfront Units or upon the general Common Element shoreline.

(m) The Developer and/or the Association may require that a common mailbox system be used for the Condominium Units which may require mailboxes to be located at a central location or at separate or joint locations within the Right-of-Ways. The Developer and/or Association may determine the design and location of the mailbox system or of joint or individual mailboxes. If the Developer and/or the Association requires a common mailbox system be used, the central, joint or separate mailboxes will be a Limited Common Element of all of the Units.

(n) All Co-owners of Units shall have the right to place/use a dock on the riverfront. Co-owners of Units with river frontage shall place their docks on their Units where and at a perpendicular angle to the shoreline as permitted by the Developer or the Association, so as to not interfere with boat access by other Co-owners to their docks. Co-owners of Units without river frontage shall either be permitted to place docks on General Common Elements or share a dock or docks on General Common Element river frontage, as reasonably determined by the Developer or the Association. No owner shall take any action on or with respect to his Unit that violates any federal, state or local statute, regulation, rule or ordinance. Co-owners may store their docks and shore stations on their Units during the offseason from September 1 until Memorial Day. All docks must be in the water by Memorial Day and cannot be removed before Labor Day unless they are stored on the General Common Element storage area. Co-owners may store boats on trailers on the General Common Element storage area during the season only with the consent and by paying the storage fee as determined by the Developer or the Association.

(o) Absent an election to arbitrate pursuant to Article X of these Bylaws, a dispute or question as to whether a violation of any specific prohibition contained in this Article has occurred shall be submitted to the Board of Directors of the Association, which shall conduct a hearing and render a decision thereon in writing, which decision shall be binding upon all Co-owners and other persons having an interest in the Condominium Project.

Section 7. Use by Developer. During the period of sale by the Developer of any Units, the Developer and its agents, employees, contractors and subcontractors, and their respective agents and employees, shall be entitled to access, ingress to and egress from any part of the Project as may be reasonably required for the purpose of sale of Units. Until all Units in the entire Project have been sold by the Developer, and until each Unit sold by it is occupied by the purchasers thereof, the Developer shall have the right to maintain a business and/or sales office, storage areas and customary signs in connection therewith as may be reasonable to enable development and sale of the entire Project. The Developer shall restore any areas so utilized to habitable status upon termination of use.

Section 8. Enforcement of Restrictions. The Association's costs of exercising its rights and administering its responsibilities hereunder shall be Expenses of Administration (as defined in Article V above), provided that the Association shall be entitled to recover its costs of proceeding against a breach by a co-owner as provided in Article XIII, subsection 1(b) below.

Section 9. Rules of Conduct. Reasonable rules and regulations concerning the use and rental of Condominium Units and Common Elements, Limited and General, may be promulgated and amended by the Board. Copies of such rules and regulations shall be furnished by the Board to each Co-owner at least 15 days prior to their effective date.

Section 10. Handicapped Persons. Reasonable accommodations in the rules, policies and practices of the Condominium will be made as required by the Federal Fair Housing Act to accommodate handicapped persons.

Section 11. Condominium Signs. The Developer and/or Association will place and maintain signs for the Condominium upon any area designated for signs as determined by the Developer or the Board. Other identity/humorous/affinity signs may be placed upon units as determined by the Developer or the Association

Section 12. Persons Subject to Restrictions. All present and future Co-owners, tenants and any other persons or occupants using the facilities of the Condominium in any manner are subject to and shall comply with the Act, the Master Deed, these Condominium Bylaws and the Articles of Incorporation, Bylaws, rules and regulations of the Association.

Section 13. Township Access, Rights and Enforcement.

(a) The Association will provide adequate and appropriate access to the Project for emergency services; and shall provide appropriate and regular updated access information to the Crockery Township Fire Department, and other emergency services, ensuring that adequate and appropriate access to the Project for emergency services is available at all times.

(b) The access drive will be appropriately marked as a fire lane and parking on the drive is prohibited.

(c) In the event of a conflict between any provisions of the Condominium Documents and the applicable provisions of the Crockery Township Zoning Ordinance, the more stringent provisions shall apply and be enforceable.

(d) The Township shall be authorized, in its discretion, to enforce the provisions of the Condominium Documents as well as the provisions of its approving resolution and its Zoning Ordinance against the Developer, the Association and the individual Condominium Co-Owners.

## ARTICLE VIII

### LEASES

Section 1. Notice of Intent to Lease. No Co-owner shall rent or lease a Condominium Unit for a term of less than a full summer season. A co-owner, including the Developer, desiring to rent or lease a Condominium Unit, shall disclose that fact in writing to the Association at least 10 days before presenting a lease form to a potential lessee, and at the same time, shall supply the Association with a copy of the exact lease form for its review for its compliance with the Condominium Documents. Developer may rent any Condominium Unit before the transitional control date upon the above terms. For security purposes, all non-co-owner occupants shall register their presence with the Developer or the Association prior to taking occupancy and shall notify the Association upon departure. Developer or the Association may designate a lease form that is acceptable for use in all situations.

Section 2. Conduct of Tenants. All tenants and non-co-owner occupants shall comply with all the terms and conditions of the Condominium Documents and the provisions of the Act. If the Association determines that a tenant or non-co-owner occupant has failed to comply with the conditions of the Condominium Documents or the provisions of the Act, the Association may advise the appropriate member by certified mail of the alleged violation by a person occupying his Unit. The member shall have fifteen (15) days after receipt of the notice to investigate and correct the alleged breach or advise the Association that a violation has not occurred. If after fifteen (15) days the Association believes that the alleged breach has not been cured or may be repeated, it may institute on its behalf, or the members may institute, derivatively on behalf of the Association if it is under the control of the Developer, an action for eviction against the tenant or non-co-owner occupant and, simultaneously, for money damages against the member and tenant or non-co-owner occupant for the breach of the conditions of the Condominium Documents or the Act. The relief set forth in this Section may be by any appropriate proceeding. The Association may hold both the tenant or non-co-owner occupant and the member liable for the damages caused to the Condominium.

Section 3. Assessments. When a Co-owner is in arrearage to the Association for assessments, the Association may give written notice of the arrearage to a tenant occupying a Co-owner's Unit under a lease or rental agreement and the tenant, after receiving such notice, shall deduct from rental payments due the Co-owner the full arrearage and future assessments as they fall due and shall pay them to the Association. Such deductions shall not be a breach of the rental agreement or lease by the tenant.

ARTICLE IX  
MORTGAGES

Section 1. Notice of Mortgage. A Co-owner who mortgages a Unit shall notify the Association of the name and address of his mortgagee and shall file a conformed copy of the note and mortgage with the Association, which shall maintain that information in a book entitled "Mortgages of Units." If the Association does not receive the notice, it shall be relieved of any duty to provide the mortgagee any notice required by the Master Deed or these Bylaws.

Section 2. Notice of Default. The Association shall give to the holder of any first mortgage covering any Unit in the Condominium Project written notification of any default in the performance of the obligations of the co-owner of such Unit that is not cured within 60 days if the mortgagee has, in writing, requested the Association to report such defaults to it.

Section 3. Notice of Insurance. The Association shall notify each mortgagee appearing in the above-described book of the name of each company insuring the General Common Elements of the Condominium against vandalism and malicious mischief and the amounts of such coverage.

Section 4. Notice of Meetings. Upon a request submitted to the Association, any institutional holder of a first mortgage lien on any Unit in the Condominium shall be entitled to receive written notification of every meeting of the members of the Association and to designate a representative to attend such meeting.

Section 5. Acquisition of Title by First Mortgagee. Any first mortgagee who obtains title to a Unit pursuant to the remedies provided in the mortgage, or deed in lieu thereof, shall not be liable for that Unit's unpaid assessments which accrue before acquisition of title by the mortgagee, except to the extent provided in Article V, Section 6, above.

ARTICLE X  
TRANSFER OF UNITS

Section 1. Unrestricted Transfers. An individual Co-owner may, without restriction hereunder, sell, give, devise or otherwise transfer his Unit, or any interest therein.

Section 2. Notice to Association. Whenever a Co-owner shall sell, give, devise or otherwise transfer his Unit, or any interest therein, the Co-owner shall give written notice to the Association within five (5) days after consummating such transfer. The notice shall be accompanied by a copy of the sales agreement, deed or other documents effecting the transfer.

ARTICLE XI  
AMENDMENTS

Section 1. Proposal. Amendments to these Bylaws may be proposed by the Board of Directors of the Association acting upon the vote of the majority of the Directors or by one-third (1/3) or more of the members in number or in value by an instrument in writing signed by them.

Section 2. Meeting to Be Held. Upon any amendment being proposed, a meeting for consideration of the amendment shall be duly called in accordance with the provisions of the Association Bylaws.

Section 3. Vote Required. These Condominium Bylaws may be amended by an affirmative vote of two-thirds (2/3) of the members in number and in value and two-thirds (2/3) of all mortgagees at any regular meeting or special meeting called for that purpose, except that the method or formula used to determine the percentage of value of Units in the Condominium Project and any provisions relating to the ability or terms under which a Co-owner may rent a Unit may not be modified or amended without the consent of each affected member and mortgagee. For purposes of this voting, each co-owner will have 1 vote for each Unit owned, including as to the Developer all Units created by the Master Deed but not yet conveyed. Each mortgagee shall have 1 vote for each mortgage held.

Section 4. Amendments Not Materially Changing Condominium Bylaws. The Developer or Board of Directors may enact amendments to these Condominium Bylaws without the approval of any member or mortgagee, provided that the amendments shall not materially alter or change the rights of a member or mortgagee. The Developer may also enact amendments to these Condominium Bylaws as provided in the Master Deed. Whether an amendment "substantially alters or changes the rights of any co-owner or mortgagee" shall be determined by the Developer or by the Board of the Association following the Development and Sales Period. The determination of the Developer or the Board, as applicable, shall be deemed conclusive and binding. The Developer may also enact amendments to these Condominium Bylaws as provided in the Master Deed.

Section 5. Effective Date. Any amendment to these Bylaws (but not the Association Bylaws) shall become effective upon the recording of the amendment in the Office of the Register of Deeds in the county where the Condominium is located.

Section 6. Costs of Amendments. Any person causing or requesting an amendment to these Condominium Bylaws shall be responsible for the costs and expenses of considering, adopting, preparing and recording the amendment except as provided in the Master Deed.

Section 7. Notice; Copies to Be Distributed. Members and mortgagees of record of Condominium Units shall be notified of proposed amendments not less than 10 days before the amendment is recorded. A copy of each amendment to the Bylaws shall be furnished to every member after recording; provided, however, that any amendment to these Bylaws that is adopted in accordance with this Article shall be binding upon all persons who have an interest in the Condominium Project regardless of whether such persons actually receive a copy of the amendment.



Section 8. Township Approval of Changes. Any amendments which propose changes to the final Site Condominium Subdivision Plan approved by Crockery Township shall only be authorized upon and require the approval of the Township through the review and approval process as provided by ordinance for the original review and approval of preliminary and final plans.

## ARTICLE XII

### DEFINITIONS

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

## ARTICLE XIII

### REMEDIES FOR DEFAULT

Section 1. Relief Available. Any default by a Co-owner shall entitle the Association or another co-owner or co-owners to the following relief:

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

(b) In any proceeding arising because of an alleged default by any Co-owner or the failure of any Co-owner to abide by the provisions of the Condominium Documents, the Association, if successful, shall be entitled to recover the costs of the proceeding and such reasonable attorneys' fees (not limited to statutory fees) as may be determined by the court, but in no event shall any Co-owner be entitled to recover attorneys' fees.

(c) Such other reasonable remedies as are provided in the rules and regulations promulgated by the Board of Directors, including, without limitation, discontinuance of services upon 7 days notice, the levying of fines against Co-owners after notice and opportunity for hearing, as provided in the rules and regulations of the Association, and the imposition of late charges for nonpayment of assessments.

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

Section 2. Failure to Enforce. The failure of the Association or of any Co-owner to enforce any right, provision, covenant or condition which may be granted by the Condominium Documents shall not constitute a waiver of the right of the Association or of any such Co-owner to enforce that right, provision, covenant or condition in the future.

Section 3. Rights Cumulative. All rights, remedies and privileges granted to the Association or any Co-owner or Co-owners pursuant to any terms, provisions, covenants or conditions of the Condominium Documents shall be considered to be cumulative and the exercise of any one or more shall not be considered an election of remedies, nor shall it preclude the party exercising it or them from exercising such other and additional rights, remedies or privileges as may be available to that party at law or in equity.

Section 4. Hearing. Before the imposition of any fine or other penalty hereunder, the offending Unit owner shall be given a reasonable opportunity to appear before the Board and be heard. Following the hearing, the Board shall prepare a written decision and place it in the permanent records of the Association.

### ARTICLE XIII ARBITRATION

Section 1. Submission to Arbitration. Any dispute, claim or grievance arising out of or relating to the interpretation or application of the Master Deed, Condominium Bylaws or management agreement, if any, or any disputes, claims or grievances arising among or between the co-owners or between the co-owners and the Association shall, upon the election and written consent of all the parties to the dispute, claim or grievance, and written notice to the Association, be submitted to arbitration, and the parties thereto shall accept the arbiter's decision as final and binding. The Commercial Arbitration Rules of the American Arbitration Association, as amended and in effect from time to time hereafter, shall be applicable to the arbitration.

The arbiter may be either an attorney acceptable to both parties or a panel of three (3) individuals, at least one (1) of whom shall be an attorney. The panel shall be composed of one (1) individual appointed by the co-owner and one (1) individual appointed by the Board of Directors of the Association. These two (2) panelists will then promptly agree on the third member of the panel. No co-owner who is a natural person may appoint himself or a member of his household to the panel. No corporation or partnership member may appoint a director, partner, officer or employee to the panel. Neither may the Board appoint a person similarly associated with an individual, corporate or partnership member.

Costs of the arbitration shall be borne by the losing party to the arbitration. The arbiter may require a reasonable deposit to ensure payment of costs. The deposit shall be placed in escrow in the name of the arbiter as trustee in the name of the matter at issue.

Section 2. Effect of Election. Election by co-owners or the Association to submit any dispute, claim or grievance to arbitration as provided above shall preclude the parties from litigating that dispute, claim or grievance in the courts. Any appeal from an arbitration award shall be considered a statutory appeal.

Section 3. Preservation of Rights. No Co-owner shall be precluded from petitioning the courts to resolve any dispute, claim or grievance in the absence of election to arbitrate.

ARTICLE XIV  
SEVERABILITY

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

ARTICLE XV  
CONFLICTING PROVISIONS

In the event of a conflict between the provisions of the Act (or other law of the United States or of the State of Michigan) and any Condominium Document, the Act (or other law) shall govern. In the event of any conflict between the provisions of any one or more Condominium Documents, the following order of priority shall prevail and the provisions of the Condominium Document having the highest priority shall govern.

- (a) The Master Deed, including the Condominium Subdivision Plan;
- (b) These Condominium Bylaws;
- (c) The Articles of Incorporation of the Association;
- (d) The Bylaws of the Association; and
- (e) The Rules and Regulations of the Association.