

## **EXHIBIT A TO MASTER DEED**

### **THE LODGE AT EAST BAY BYLAWS**

#### **ARTICLE I**

#### **ASSOCIATION OF CO-OWNERS**

**The Lodge at East Bay**, a condominium located in Antrim County, Michigan, shall be administered by an Association of Co-owners which shall be a nonprofit corporation, herein referred to as the "Association," organized under the applicable laws of the State of Michigan, and responsible for the management, maintenance, operation and administration of the Common Elements, easements, and affairs of the Condominium, in accordance with the Condominium Documents and the laws of the State of Michigan. These Bylaws shall constitute both the Bylaws referred to in the Master Deed, and required by Section 3(g) of the Act; and the Bylaws provided for under the Michigan Nonprofit Corporation Act. Each Co-owner shall be entitled to membership and no other person or entity shall be entitled to membership in the Association.

The share of a Co-owner in the lands and assets of the Association cannot be assigned, pledged or transferred in any manner except as an appurtenance to the Co-owner's Unit. The Association shall keep current copies of the Master Deed, all amendments to the Master Deed, and other Condominium Documents for the Condominium available at reasonable hours to Co-owners, prospective purchasers, and prospective mortgagees of Units in the Condominium. The Association, all Co-owners in the Condominium, and all persons using or entering upon or acquiring any interest in any Unit therein or the Common Elements thereof shall be subject to the provisions and terms set forth in the aforesaid Condominium Documents. All terms used herein shall have the same meaning as set forth in the Master Deed to which these Bylaws are attached as an Exhibit, or as set forth in the Act.

#### **ARTICLE II**

#### **ASSESSMENTS**

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

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

Section 2. Receipts and Expenditures Affecting Administration. Expenditures affecting administration of the Condominium shall include all costs incurred in satisfaction of any liability arising within, caused by or connected with the Common Elements or the administration of the Condominium.

Receipts affecting administration of the Condominium shall include all sums received by the Association as proceeds of, or pursuant to, a policy of insurance securing the interests of the Co- owners against liabilities or losses arising within, or caused by or connected, with the Common Elements or the administration of the Condominium.

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

(a) The Annual Budget and Regular Assessments. 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 Condominium, including a reasonable allowance for contingencies and reserves. Upon adoption of an annual budget by the Board of Directors, copies of the budget shall be delivered to each Co-owner and the assessment for said year (payable not less than quarterly) shall be established based upon said budget, although the failure to deliver a copy of the budget to each Co-owner shall not affect or in any way diminish the liability of any Co-owner for any existing or future assessments. 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 monthly payments as set forth in Section 5 below rather than by special assessments. The Board of Directors shall annually consider the needs of the Condominium to determine if a greater amount should be set aside in reserve or if additional reserve funds should be established for any other purposes. **The regular Association assessments provided in this Article II, Section 3(a) shall be levied in the sole discretion of the Board of Directors.** Regular assessments shall be based on the percentage of value set forth in the Master Deed, because maintenance needs can be expected to be equal.

(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 Co-owners as hereinafter provided to meet other appropriate requirements of the Association. Special assessments referred to in this subparagraph (b) shall be levied only with the prior approval of 4 of all Co-owners in number. The discretionary authority of the Board of Directors to levy assessments pursuant to this subparagraph shall rest solely with the Board of Directors for the benefit of the Association and the members thereof, and shall not be enforceable by any creditors of the Association or of the members thereof.

Section 4. Apportionment of Assessments. Unless otherwise provided herein or in the Master Deed, all assessments levied against the Co-owners to cover expenses of management, administration and operation of the Condominium shall be apportioned among and paid by the Co-owners in accordance with the Percentage of Value assigned to each Unit in Article VI of the Master Deed. Provided, that the Board of Directors may allocate assessments to limited common elements only to the units to which such limited common elements appertain. Provided, further, that the Developer, while it owns any unsold Units, shall only be responsible for payment of variable annual operating expenses, and in no event shall the Developer be required to pay into any reserve or other capital funds.

Section 5. Payment of Assessments and Penalty for Default. Annual and any special assessments as

determined in accordance with Article II, Sections 3(a) or 3(b) above shall be payable by Co-owners in periodic installments, commencing with acceptance of a deed to or a land contract vendee's interest in a Unit, or with the acquisition of fee simple title to a Unit by any other means. The payment of an assessment shall be in default if such assessment, or any part thereof, is not paid to the Association in full on or before the due date for such payment. Each installment in default for ten (10) or more days shall bear interest from the initial due date thereof at the rate of 7% per annum until each installment is paid in full. The Board of Directors may also adopt uniform late charges pursuant to Section 10 of Article VI of these Bylaws. Each Co-owner (whether one or more persons) shall be, and remain, personally liable for the payment of all assessments (including interest, late charges, costs of collection, attorney's fees as determined to be reasonable, and enforcement of payment) levied against the Unit which may be levied while such Co-owner is the owner thereof. The land contract seller of a Unit shall not be personally liable for all such assessments levied up to and including the date upon which, if applicable, such land contract seller actually takes possession of the Unit following extinguishment of all rights of the land contract purchaser in the Unit. Payments on account of installments of assessments in default shall be applied as follows: first, to costs of collection and enforcement of payment, including reasonable attorneys' fees; second, to any interest and other charges for late payment on such installments; and third, to installments in default in order of their due dates. **A Co-owner selling a Unit shall not be entitled to any refund whatsoever from the Association with respect to any reserve, account, or other asset of the Association.**

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

Section 7. Enforcement.

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

**(b) Foreclosure Proceedings. Each Co-owner, and every other person who from time to time has any interest in the Condominium, shall be deemed to have granted to the Association the unqualified right to elect to foreclose the statutory lien that secures payment of assessments either by judicial action or by advertisement. The Association specifically reserves all rights under Section 108(2) of the Act. The provisions of Michigan law pertaining to foreclosure of mortgages**

**by judicial action and by advertisement, as the same may be amended from time to time, are incorporated herein by reference for the purposes of establishing the alternative procedures to be followed in lien foreclosure actions and the rights and obligations of the parties to such actions. Further, each Co-owner and every other person who, from time to time has any interest in the Condominium shall be deemed to have authorized and empowered the Association to sell or cause to be sold the Unit with aspect 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 Michigan law. The Association, acting on behalf of all Co-owners, may bid at the foreclosure sale, and acquire, hold, lease, mortgage, or convey the Unit sold.**

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

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

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

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

(d) Expenses of Collection. The expenses incurred in collecting unpaid regular and special assessments, including interest, costs (litigation or recording), late charges, penalties, reasonable attorneys' 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 the Unit.

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

Section 9. Unpaid Assessments Due on Unit Sale; Statement of Unpaid Assessments. Upon the sale or conveyance of a Condominium Unit, all unpaid assessments against the Condominium Unit shall be paid out of the sale price or by the purchaser in preference over any other assessments or charges of whatever nature except (a) amounts due the State of Michigan or any subdivision thereof for taxes or

special assessments due and unpaid on the Unit; and (b) payments due under first mortgages having priority thereto. A purchaser of a Condominium Unit is entitled to a written statement from the Association setting forth the amount of unpaid assessments outstanding against the Unit, and the purchaser is not liable for unpaid assessments in excess of the amount set forth in such written statement, nor shall the Unit be subject to any lien for any amounts in excess of the amount set forth in the written statement. **Any purchaser or grantee who fails to request a written statement from the Association as provided herein at least five days before the sale, or arrange for the payment of any unpaid assessments against the Unit at the closing of the Unit purchase if such a statement was requested, shall be liable for any unpaid assessments** against the Unit together with interest, costs, and attorneys' fees incurred in connection with the collection thereof.

Section 10. 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 11. Construction Liens. A construction lien otherwise arising under Act No. 497 of the Michigan Public Acts of 1980, as amended, shall be subject to Section 132 of the Act.

### **ARTICLE III**

#### **JUDICIAL ACTIONS AND CLAIMS**

Actions on behalf of and against the Co-owners shall be brought in the name of the Association. The Association may assert, defend or settle claims on behalf of all Co-owners in connection with the Common Elements of the Condominium. The commencement of any such civil action (other than one to enforce or collect delinquent assessments) shall require the approval of 66% in value and number of the Co-owners.

### **ARTICLE IV**

#### **INSURANCE**

Section 1. Extent of Coverage. The Association shall carry (i) fire, (ii) extended coverage vandalism and malicious mischief, (iii) general liability insurance (including for injuries due to the riparian rights), (iv) worker's compensation insurance, if applicable, and (v) pollution prevention, spill, and cleanup for inland lakes, pertinent to the ownership, use and maintenance of the Common Elements, and (vi) such other insurance as the Board of Directors deems advisable. All insurance shall be carried and administered in accordance with the following provisions:

(a) Responsibilities of Co-owners and Association. All such insurance shall be purchased by the Association for the benefit of the Association, and the Co-owners and their mortgagees, as their interests may appear, and provision shall be made for the issuance of certificates of mortgagee endorsements to the mortgagees of Co-owners. Co-owners shall obtain additional insurance upon their Units (and contents), at their own expense, in addition to the coverage carried by the Association. It shall be each Co-owner's responsibility to obtain insurance coverage for personal property located

within a Unit or elsewhere in the Condominium and for personal liability for occurrences within a Unit or upon Limited Common Elements appurtenant to a Unit, and also for alternative living expense in event of fire, and the Association shall have absolutely no liability for obtaining such coverages. The Association and all Co-owners shall use their best efforts to obtain property and liability insurance containing appropriate provisions whereby the insurer waives its right of subrogation as to any claims against any Co-owner *or* the Association.

(b) Amount of Insurance on Common Elements. All Common Elements of the Condominium shall be insured against fire and other perils covered by a standard extended coverage endorsement, in an amount equal to the appropriate percentage of maximum insurable replacement value, as determined annually by the Board of Directors of the Association. Any other improvements made by a Co-owner within a Unit shall be covered by insurance obtained by and at the expense of said Co-owner.

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

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

Section 2. Authority of Association to Settle Insurance Claims. Each Co-owner, by ownership of a Unit in the Condominium, shall be deemed to appoint the Association as the Co-owner's true and lawful attorney-in-fact to act in connection with all matters concerning the maintenance of fire and extended coverage, vandalism and malicious mischief, liability insurance and workmen's compensation insurance, if applicable, pertinent to the Condominium, with such insurer as may, from time to time, be designated to provide such insurance for the Condominium. Without limitation on the generality of the foregoing, the Association as attorney shall have full power and authority to purchase and maintain such insurance, to collect and remit premiums therefor, to collect proceeds and to distribute the same to the Association, the 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-owner and the Condominium as shall be necessary or convenient to the accomplishment of the foregoing.

## ARTICLE V

### RECONSTRUCTION OR REPAIR

Section 1. Reconstruction or Repair Unless Unanimous Vote to the Contrary. If any part of the

Condominium shall be partially or completely destroyed, it shall be reconstructed or repaired unless it is determined by a unanimous vote of all Co-owners that the Condominium shall be terminated, and each institutional holder of a first mortgage lien on any Unit in the Condominium has given prior written approval of such termination.

Section 2. Repair in Accordance with Master Deed and Plans and Specification. Any reconstruction or repair shall be substantially in accordance with the Master Deed and the Plans and specifications for the Condominium, and to a condition as comparable as possible to the condition existing prior to damage unless the Co-owners shall unanimously decide otherwise.

Section 3. Responsibility for Reconstruction and Repair. If the damage is only to a part of a Unit which is the responsibility of a Co-owner to maintain and repair, it shall be the responsibility of the Co-owner to repair such damage in accordance with Section 4 hereof. In all other cases, the responsibility for reconstruction and repair shall be that of the Association.

Section 4. Damage to Part of Unit Which a Co-owner Has the Responsibility to Repair. Each Co-owner shall be responsible for the reconstruction and repair of the improvements in and on the Co-owner's Unit. In the event of substantial damage to or destruction of any Unit or any part of the Common Elements, the Association promptly shall so notify each institutional holder of a first mortgage lien on any Unit in the Condominium.

Section 5. Association Responsibility for Reconstruction and Repair. The Association shall be responsible for the reconstruction and repair of the Common Elements (except as specifically otherwise provided in the Master Deed) and any incidental damage to a Unit caused by such Common Elements or the reconstruction and repair thereof. Immediately after a casualty causing damage to property for which the Association has the responsibility of repair and reconstruction, the Association shall obtain reliable and detailed estimates of the cost to replace 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 costs 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 repayment 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. This provision shall not be construed to require replacement of mature trees and vegetation with equivalent trees or vegetation. Assessments pursuant to this Article V, Section 5 may be made by the Association without a vote of the Co-owners.

Section 6. Timely Reconstruction and Repair. Subject to Section 1 of this Article V, if damage to Common Elements or a Unit adversely affects the appearance of the Condominium, the Association or Co-owner responsible for the reconstruction and repair thereof shall proceed with replacement of the damaged property without delay.

Section 7. Eminent Domain. The following provisions shall control upon any taking by eminent domain:

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

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

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

Section 8. Notices to Certain Mortgagees. In the event any mortgage in the Condominium is held by the Federal Home Loan Mortgage Corporation ("FHLMC"), or in the event any mortgage is held by or insured by the United States Department of Housing and Urban Development ("HUD"), the Association shall give FHLMC and HUD written notice at such address as it may from time to time direct of any loss to or taking of the Common Elements of the Condominium, or any loss to or taking of any Unit, or part thereof, if the loss or taking exceeds \$10,000 in amount.

Section 9. Priority of Mortgagees in Proceeds. Nothing contained in the Condominium Documents shall be construed to give a Co-owner or any other party priority over any rights of first mortgagees of Condominium Units pursuant to their mortgages in the case of a distribution to Condominium Unit owners of insurance proceeds or condemnation awards for losses to or a taking of Condominium Units and/or Common Elements.

## **ARTICLE VI**

### **RESTRICTIONS**

Section 1. Uses Permitted. No Unit shall be used for other than residential purposes. No Co-owner shall carry on any commercial activities anywhere on the premises of the Condominium, except for home occupations as permitted by local zoning.

Section 2. Alterations and Modifications. No Co-owner shall make alterations in exterior appearance or make structural modifications to any Unit or make changes in any of the Common Elements, limited or general, without the express written approval of the Board of Directors, including but not limited to, the erection of decks, antennas, satellite receivers (dishes), lights, aerials, awnings, carports, or other exterior fixtures or modifications. The Board of Directors may approve only such modifications as do not impair the soundness, safety, utility or appearance of the Condominium.

Section 3. Activities. No immoral, improper, unlawful or offensive activity shall be carried on in any Unit or upon the Common Elements, nor shall anything be done which may be or become an annoyance or a nuisance to the Co-owners of the Condominium, nor shall any unreasonably noisy activity be carried on in or on the Common Elements or within any Unit at any time. No Co-owner shall do or permit anything to be done or keep or permit to be kept in the Co-owner's Unit or on the Common Elements anything that will increase the rate of insurance on the Condominium without the written

approval of the Association, and each Co-owner shall pay to the Association the increased cost of insurance premiums resulting from any such activity or the maintenance of any such condition even if approved, which increased cost may be assessed to and collected from the Co-owner in the manner provided in Article II hereof.

Section 4. Animals or Pets. Without the prior written consent of the Board of Directors, no animal or pet shall be kept in the Condominium by any Co-owner. Any pets kept in the Condominium shall have such care and restraint as not to be obnoxious on account of noise, odor or unsanitary conditions. No savage or dangerous animal shall be kept. No animal may be permitted to run loose upon the Common Elements, and any animal shall at all times be attended by a responsible person while on the Common Elements. All Co-owners and their invitees shall be required to promptly clean up and remove all fecal deposits from anywhere within the Condominium. Any person who causes or permits an animal to be brought or kept on the Condominium property shall indemnify and hold harmless the Association for any loss, damage or liability which the Association may sustain as a result of the presence of such animal on the property. No commercial breeding shall be allowed. All pets must be registered with the Board of Directors of the Association.

Section 5. Aesthetics. Common Elements shall not be used for storage of supplies, materials, personal property, trash, or refuse of any kind, except as provided in the Master Deed or in duly adopted rules and regulations of the Association. All rubbish, trash, garbage and other waste shall be regularly removed from each Unit, placed in the receptacles provided for that purpose, and shall not be allowed to accumulate therein. Unless special areas are designated by the Association, trash receptacles shall not be permitted on the Common Elements. The Common Elements shall not be used in any way for the drying, shaking, or airing of clothing or other fabrics. Automobiles may only be washed in areas approved by the Board of Directors. In general, no activity shall be carried on nor condition maintained by a Co-owner, either in a Unit or upon the Common Elements, which is detrimental to the appearance of the Condominium.

Section 6. Common Elements. The Common Elements shall not be obstructed in any way nor shall they be used for purposes other than for which they are reasonably and obviously intended. No Co-owner may leave personal property of any description (including by way of example and not limitation bicycles, vehicles, chairs, and benches) unattended on or about the Common Elements contrary to any rules adopted by the Board of Directors. Use of all General Common Elements may be limited to such times and in such manner as the Board of Directors shall determine by duly adopted regulations.

Section 7. Vehicles. No house trailers, commercial vehicles, boat trailers, boats, camping vehicles, snowmobiles, snowmobile trailers, recreational vehicles, or motor homes may be parked or stored upon the General Common Elements. Provided, a Co-owner may park or store such vehicles as may fit in the Limited Common Element garage space assigned to that Unit. Cars and SUVs may be parked in the General Common Elements in areas assigned for that purpose, but only for reasonable periods of time.

Section 8. Weapons. No Co-owner shall use, or permit the use by any occupant, agent, employee, invitee, guest or member of his or her family of any firearms, air rifles, pellet guns, B-B guns, bows and arrows, sling shots, or other similar weapons, projectiles or devices anywhere on or about the

Condominium.

Section 9. Signs and Advertising. No signs or other advertising devices (including without limitation political signs) shall be displayed which are visible from the exterior of a Unit or on the Common Elements, including "For Sale" signs, without written permission from the Board of Directors.

Section 10. Rules and Regulations. Reasonable regulations consistent with all laws and the Condominium Documents concerning the use of the Common Elements or the rights and responsibilities of the Co-owners and the Association with respect to the Condominium or the manner of operation of the Association and of the Condominium may be made and amended from time to time by any Board of Directors. Copies of all such rules, regulations and amendments thereto shall be furnished to all Co-owners or posted on General Common Elements. Any such regulation or amendment may be revoked at any time by the affirmative vote of 55% of the Co-owners.

Section 11. Association's Right of Access. The Association or its duly authorized agents shall have access to each Unit, any Limited Common Elements appurtenant thereto, and any vessel, from time to time, during reasonable working hours, upon notice to the Co-owner thereof, as may be necessary for the maintenance, repair or replacement of any of the Common Elements. The Association or its agent shall also have access to each Unit and any Limited Common Elements appurtenant thereto at all times without notice as may be necessary to make emergency repairs to prevent damage to the Common Elements, to another Unit, or for essential safety concerns. It shall be the responsibility of each Co-owner to provide the Association with means of access to the Co-owner's Unit and any Limited Common Elements appurtenant thereto during all periods of absence and in the event of the failure of such Co-owner to provide means of access, the Association may gain access in such manner as may be reasonable under the circumstance, and shall not be liable to such Co-owner for any necessary damage to any Unit or any Limited Common Elements appurtenant thereto caused thereby or for repair or replacement of such damage. Subject to the foregoing and other provisions in the Master Deed and these Bylaws, each Co-owner shall be entitled to exclusive occupancy and control over the Co-owner's Unit and all Limited Common Elements appurtenant thereto.

Section 12. Co-owner Maintenance. Each Co-owner shall maintain the Unit owned and any Limited Common Elements appurtenant thereto for which the Co-owner has maintenance responsibility in a safe, clean and sanitary condition. Each Co-owner shall also use due care to avoid damaging any of the Common Elements including but not limited to the telephone, water and sewerage, gas, plumbing, electrical or other utility conduits and systems. 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 the Co-owner or the Co-owner's family, guests, agents or invitees, unless such damages or costs are covered by insurance carried by the Association in which case there shall be no such responsibility, unless reimbursement to the Association excluded by virtue of a deductible provision, in which case the responsible Co-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 Co-owner in the manner provided in Article II hereof.

Section 13. Leasing and Rental. Co-owners may rent or allow to be used by their invitees a Unit at

any time for a term as permitted under local ordinances (which at the time of recording the Master Deed is **not less than six months per tenant**), subject to the following:

(a) Disclosure of Lease Terms to Association. A Co-owner desiring to rent or lease a Unit shall disclose that fact in writing to the Association at least ten (10) days before presenting a lease form to a potential lessee and, at the same time, shall supply the Association with a copy of the exact lease form for its review for compliance with the Condominium Documents.

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

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

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

(ii) The Co-owner shall have 24 hours (or such additional time as may be granted by the Association if the Co-owner is diligently proceeding to cure) after receipt of such notice to investigate and correct the alleged breach by the tenant or advise the Association that a violation has not occurred.

(iii) If after 24 hours the Association believes that the alleged breach is not cured or may be repeated, it may institute on its behalf or derivatively by the Co-owners on behalf of the Association, if it is under the control of the Developer, an action for both eviction against the tenant or non-owner occupant and, simultaneously, for money damages against the Co-owner and tenant or non-owner occupant for breach of the conditions of the Condominium Documents. The relief provided for in this subparagraph may be by summary proceeding. The Association may hold both the tenant and the Co-owner liable for any damages to the Common Elements caused by the Co-owner or tenant in connection with the Unit or Condominium.

(d) Notice to Co-owner's Tenant Permitted Where Co-owner in Arrears to the Association for Assessments. When a Co-Owner is in arrears to the Association for assessments, the Association may give written notice of the arrearage to a tenant occupying Co-owner's Unit under a lease or rental agreement and the tenant, 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 constitute a breach of the rental agreement or lease by the tenant.

(e) No Written Lease. If no written lease is used, then the lessor shall provide the Association with the name and address of the potential lessee, along with the rental amount, term, and due dates under the proposed oral agreement.

(f) Eviction Proceedings. The Association shall have the rights conferred under Section 212(5) of the Act.

Section 14. Reserved Rights of Developer.

(a) Developer's Rights in Furtherance of Development and Sales. None of the restrictions contained in this Article VI shall apply to the commercial activities, signs, or billboards of the Developer with respect to unsold Units owned by the Developer. Notwithstanding anything to contrary elsewhere herein contained, until all Units in the entire planned Condominium are sold by Developer, Developer shall have the right to maintain sales models, storage areas, reasonable parking incident to the foregoing, and access to, from and over the Condominium as may be reasonable to enable development and sale of the entire Condominium by the Developer. These rights shall extend to the Expandable Area as described in the Master Deed, Article VI-B.

(b) Enforcement of Bylaws. The Condominium shall at all times be maintained in a manner consistent with the highest standards of a beautiful, serene, private residential community for the benefit of the Co-owners and all persons having interests in the Condominium. If at any time the Association fails or refuses to carry out its obligation to maintain, repair, replace and landscape in a manner consistent with the maintenance of such high standards, then the Developer, or any entity to which it may assign this right, at its option, may elect to maintain, repair and/or replace any Common Elements, and to charge the cost thereof to the Association as an expense of administration. The Developer shall have the right to enforce these Bylaws so long as Developer owns any Unit which Developer offers for sale, which right of enforcement shall include without limitation an action to restrain the Association or any Co-owner from any activity prohibited by these Bylaws.

Section 15. Amendments. The foregoing restrictions contained in this Article VI (except those pertaining to the Developer, which shall require its consent) may be amended, canceled, or modified at any time by an instrument signed by the then Co-owners of record of more than 55% of the Units in the Condominium. No such amendment shall become effective until same shall have been recorded with the Register of Deeds for Antrim County.

**ARTICLE VI-A**

**CERTAIN PUBLIC POLICY RIGHTS PRESERVED**

Section 1. Flag Rights. In accordance with Section 56a of the Act, all Co-owners shall have the rights to raise and fly the United States flag as reserved by State law.

Section 2. Persons with Disabilities. In accordance with Section 47a of the Act, the right of Co-owners with disabilities to make improvements to reasonably accommodate their disability is preserved within the Condominium, but subject to the limitations set forth in that statutory provision. The Condominium nonetheless retains its character as private property, and this section shall not require construction of barrier-free accesses to common elements.

## **ARTICLE VI-B**

### **CERTAIN RESTRICTIONS ON DAY CARE AND FOSTER CARE**

Section 1. Statement of Policy. The Condominium hereby states that it is its policy to **PROHIBIT ABSOLUTELY** child foster care homes of any kind or type, regardless of whether they are licensed by the State of Michigan, for the reason that such homes might tend to diminish the values of the adjacent units due to poor supervision of the wards of such homes. The Condominium hereby states that it is its policy to **PROHIBIT ABSOLUTELY** day care and adult foster care homes.

Section 2. Violations. Any Co-owner who violates the prohibition contained in Section 1 shall be in violation of these Bylaws. Notwithstanding any expression of "public policy" favoring such prohibited uses, the Condominium declares that such uses shall be a nuisance, shall be counter to the spirit of this private property development, and shall trigger the remedies described in Section 3.

Section 3. Remedies. The remedies in Article XVIII shall apply to this Article VI-B. In addition, the Association, by simple majority vote of the Board of Directors, shall be expressly authorized to levy a special assessment against any unit being used for such prohibited purposes in an amount equal to the daily gross revenues realized by the unit co-owner who is using his/her/its unit in violation of this Article VI-B. This sum shall be deemed to constitute reasonable liquidated damages to the Association and all the other co-owners for loss of enjoyment and diminution in value of the Project caused by such violation(s).

## **ARTICLE VI-C**

### **CERTAIN RESTRICTIONS ON WATERFRONT USE**

The Condominium is located on Grand Traverse Bay and the Co-owners shall share in the full use and enjoyment of the rights thereto, subject to the following restrictions on use: (1) no permanent structures (including docks) shall be placed on the waterfront area below the mean high water mark or the bottomlands, (2) no Co-owner shall lease or license the right to use any docks, hoists or moorings, and (3) the Board or the Co-owners may adopt other regulations to restrict the use of the water frontage.

## **ARTICLE VII**

### **MORTGAGES**

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

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

Section 3. Notification of Meetings. Upon request submitted to the Association, any institutional holder of a first mortgage lien on any Unit in the Condominium shall be entitled to receive written notification of every meeting of the members of the Association and to designate a representative to attend such meeting. If a notice and ballot for action to be taken at a meeting is sent to a mortgagee, in compliance with Section 90(2) of the Act, at least 90 days before the meeting, then if that ballot is not returned within days of its mailing, it shall be counted as approval for the change. Provided that no mortgagee approval shall be required if an amendment to the Bylaws does not materially alter its rights, which may be evidenced [as permitted under Section 90(1) of the Act] in a written opinion of a licensed real estate appraiser.

## ARTICLE VIII

### VOTING

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

Section 2. Eligibility to Vote. No Co-owner shall be entitled to vote at any meeting of the Association until the Co-owner has presented evidence of ownership of a Unit in the Condominium to the Association. The vote of each Co-owner may be cast only by the individual representative designated by such Co-owner in the notice required in Section 3 of this Article VIII or by a proxy given by such individual representative.

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

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

Section 5. Quorum. The presence in person or by proxy 55% in value of the Co-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 Condominium Documents to require a greater quorum. The written vote of any person furnished at or prior to any duly called meeting at which meeting such person is not otherwise present in person or by proxy shall be counted in determining the presence of a quorum with respect to the question upon which the vote is cast.

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

Section 7. Majority. Unless otherwise required by law or by the Condominium Documents, any action which could be authorized at a meeting of the members shall be authorized by an affirmative vote of a simple majority in value. The foregoing statement and any other provision of the Master Deed or these Bylaws requiring the approval of a majority (or other stated percentage) of the members shall be construed to mean, unless otherwise specifically stated, a majority (or other stated percentage) in value of the votes cast by those qualified to vote and present in person or by proxy (or written vote, if applicable) at a given meeting of the Co-owners duly called and held. Example: A quorum is 55%; action by majority vote can be taken by a vote of 28%.

Section 8. Advisory Committee and Transitional Control Date. All provisions of the Act respecting the establishment of an advisory committee (if requested) are incorporated by reference. Further, all provisions regarding the mandatory schedule for appointing board members, also as set forth in the Act, are incorporated by reference. If the time(s) or procedures for either lapses or not followed, all Co-owners shall be deemed to have waived those rights, unless they were specifically asserted in a writing sent to the Developer.

## **ARTICLE IX**

### **MEETINGS**

Section 1. Place of Meeting. Meetings of the Association shall be held at such suitable place convenient to the Co-owners as may be designated by the Board of Directors. Meetings of the Association shall be conducted in accordance with Roberts Rules of Order, when not otherwise in conflict with the Condominium Documents or the laws of the State of Michigan.

Section 2. First Annual Meeting. The First Annual Meeting of members of the Association shall be

held within six months of the recording of the Master Deed.

Section 3. Annual Meetings. Annual meetings of members of the Association shall be held on a date each summer and in succeeding years (commencing the year 2004), at such time and place as shall be determined by the Board of Directors. At such meetings there shall be elected by ballot of the Co-owners a Board of Directors in accordance with the requirements of these Bylaws. The Co-owners may also transact at annual meetings such other business of the Association as may properly come before them.

Section 4. Special Meetings. It shall be the duty of the President to call a special meeting of the Co-owners as directed by resolution of the Board of Directors or upon a petition signed by 25% of the Co-owners presented to the Secretary/Treasurer of the Association, but only after the First Annual Meeting has been held. Notice of any special meeting shall state the time and place of such meeting and the purposes thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 5. Notice of Meetings. It shall be the duty of the Secretary (or other Association officer in the Secretary's absence) to serve a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, upon each Co-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 Co-owner at the address shown in the notice required by Article VIII, Section 3 of these Bylaws to be filed with the Association shall be deemed notice served. Any member may, by written waiver of notice signed by such member, waive notice, and such waiver, when filed in the records of the Association, shall be deemed due notice.

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

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

Section 8. Action Without Meeting. Any action which may be taken at a meeting of the members (except for the election or removal of Directors) may be taken without a meeting by written ballot of the members. Ballots shall be solicited in the same manner as provided in Section 5 of this Article IX for

the giving of notice of meetings of members. Such solicitations shall specify (a) the number of responses needed to meet the quorum requirements; (b) the percentage of approvals necessary to approve the action; and (c) the time by which ballots must be received in order to be counted. The form of written 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 votes or total percentage of approvals which equals or exceeds the number of votes or percentage of approvals which would be required for approval if the action were taken at a meeting at which the total number of votes cast was the same as the total number of ballots cast.

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

## **ARTICLE X**

### **BOARD OF DIRECTORS**

Section 1. Number and Qualification of Directors. The Board of Directors shall consist of at least one but not more than three, all of whom must be members of the Association. Directors shall serve without compensation.

Section 2. Election of Directors. Directors shall be elected or re-elected at each Annual Meeting of the Members.

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

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

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

(b) To levy and collect assessments against and from the members of the Association and to use the proceeds thereof for the purposes of the Association.

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

(d) To rebuild improvements after casualty.

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

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

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

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

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

Section 5. Vacancies. Vacancies in the Board of Directors which occur at any time 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.

Section 6. Removal. At any regular or special meeting of the Association duly called with due notice of the removal action proposed to be taken, any one or more of the directors may be removed with or without cause by the affirmative vote of 70% percent in value of all of the Co-owners and a successor may then and there be elected to fill any vacancy thus created. The quorum requirement for the purpose of filling such vacancy shall be the normal quorum set forth in Article VIII, Section 5. Any director whose removal has been proposed by the Co-owners shall be given an opportunity to be heard at the meeting.

Section 7. Organizational 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 8. Regular Meetings. Regular meetings of the Board of Directors may be held at such times and places as shall be determined from time to time by a majority of the directors, but at least two 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 9. Special Meetings. Special meetings of the Board of Directors may be called by the President on three days' notice to each director given by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting.

Section 10. Waiver of Notice. Before or at any meeting of the Board of Directors, any director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meetings of the Board shall be deemed a waiver of notice by him of the time and place thereof. If all the directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 11. Quorum. At all meetings of the Board of Directors, the directors present shall constitute a quorum for the transaction of business.

Section 12. Fidelity Bonds. The Board of Directors may require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be expenses of administration.

## **ARTICLE XI**

### **OFFICERS**

Section 1. Officers. The principal officers of the Association shall be the President, who shall be a member of the Board of Directors, a Secretary, and a Treasurer. Any two offices except that of President and Treasurer may be held by one person.

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

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

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

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

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

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

## **ARTICLE XII**

### **SEAL**

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

## **ARTICLE XIII**

### **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 Co-owners. Such accounts and all other Association records shall be open for inspection by the Co-owners and their mortgagees during reasonable hours. The Association shall prepare and distribute to each Co-owner at least once a year a financial statement, the contents of which shall be defined by the Association. Any institutional holder of a first mortgage lien on any Unit in the Condominium shall be entitled to receive a copy of such annual financial statement within ninety (90) days following the end of the Association's fiscal year upon request therefor. The costs of any accounting expenses shall be expenses of administration.

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

Section 3. Bank. Funds of the Association shall be initially deposited in such bank as may be designated by the Board and shall be withdrawn only upon the check or order of such officers,

employees or agents as are designated by resolution of the Board of Directors from time to time. The funds may be invested from time to time in accounts or deposit certificates of such banks as are insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation and may also be invested in interest-bearing obligations of the United States Government.

#### **ARTICLE XIV**

#### **INDEMNIFICATION OF OFFICERS AND DIRECTORS**

Every director and officer of the Association shall be indemnified by the Association against all expenses and liabilities, including attorneys' fees, incurred by or imposed upon the director or officer in connection with any proceeding to which the director or officer may be a party, or may become involved, by reason of the director or officer being or having been a director or officer of the Association, whether or not a director or officer at the time such expenses are incurred, **except in** such cases wherein the director or officer is adjudged guilty of willful or wanton misconduct or gross negligence in the performance of such duties. Provided that, in the event of any claim for reimbursement for 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 Co-owners thereof. Further, the Board of Directors is authorized to carry officers' and directors' liability insurance covering acts of the officers and directors of the Association in such amounts as it shall deem appropriate.

#### **ARTICLE XV**

#### **AMENDMENTS**

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

#### **ARTICLE XVI**

## COMPLIANCE

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

## ARTICLE XVII

### REMEDIES

Section 1. Default by a Co-owner. Any default by a Co-owner shall entitle the Association to the following relief:

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

(b) Recovery of Costs. In any proceeding arising because of an alleged default by any Co-owner, the Association, if successful, shall be entitled to recover the costs of the proceeding and such reasonable attorneys' fees as may be determined by the court, as permitted under the Act. **In no event shall any Co-owner be entitled to recover such attorneys' fees, unless the proceeding is adjudged to have been frivolous by the Association either as to its prosecution or defense.**

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

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

Section 4. Enforcement of Provisions of Condominium Documents. A Co-owner (including the Developer) may maintain an action against the Association and its officers and directors to compel such persons to enforce the provisions of the Condominium Documents. A Co-owner may maintain an action against any other Co-owner for injunctive relief or for damages or any combination thereof for noncompliance with the Condominium Documents or the Act, if a period of 45 days has elapsed from a

demand having been made on the Association to enforce the Condominium Documents or the Act.

## **ARTICLE XVIII**

### **ARBITRATION**

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

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

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

## **ARTICLE XIX**

### **SEVERABILITY**

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

Effective as of the same date as the Master Deed recorded herewith.

Prepared By:  
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