

Exhibit A

To

MASTER DEED OF SIGNATURE ESTATES

BYLAWS

January 7, 2022

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ARTICLE I

Association of Owners

Signature Estates, a residential Condominium Project located in Holland Township, Ottawa County, Michigan, shall be administered by an Association of Owners which shall be a nonprofit corporation, called Signature Estates Association (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 Project in accordance with the Condominium Documents and the laws of the State of Michigan. These Bylaws shall constitute both the Bylaws referred to in the Master Deed and required by Section 3(8) of the Michigan Condominium Act, as amended (the "Act") and the Bylaws provided for under the Michigan Nonprofit Corporation Act. Each Owner shall be entitled to membership and no other person or entity shall be entitled to membership. The share of an Owner in the funds and assets of the Association cannot be assigned, pledged or transferred in any manner except as an appurtenance to his Unit. The Association shall keep current copies of the Master Deed, all amendments to the Master Deed, and other Condominium Documents for the Condominium Project available at reasonable hours to Owners, prospective purchasers and prospective mortgagees of Units in the Condominium Project. All Owners in the Condominium Project and all persons using or entering upon or acquiring any interest in any Unit in it or the Common Elements of it shall be subject to the provisions and terms of the Condominium Documents.

ARTICLE II

Assessments

All expenses arising from the management, administration and operation of the Association in pursuance of its authorizations and responsibilities as stated in the Condominium Documents and the Act shall be levied by the Association against the Units and the Owners of it in accordance with the following provisions:

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

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

(a) **Budget.** The Board of Directors of the Association shall establish an annual budget in advance for each fiscal year and such budget shall project all expenses for the forthcoming year which may be required for the proper operation, management and maintenance of the Condominium Project, including a reasonable allowance for contingencies and reserves. An adequate reserve fund for maintenance, repairs and replacement of those Common Elements that must be replaced on a periodic basis shall be established in the minimum amount stated below on or before the Transitional Control Date and after that must be maintained by regular monthly payments as stated in Section 3 below rather than by special assessments. At a minimum, the reserve fund shall be equal to ten percent (10%) of the Association's current annual budget on a noncumulative basis. In other words, the Association must maintain a reserve fund each year that does not fall below ten percent (10%) of the Association's current annual budget for the coming year. Since the minimum standard required by this subparagraph may prove

to be inadequate for this particular project, the Association of 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 from time to time. Upon adoption of an annual budget by the Board of Directors, copies of the budget shall be delivered to each Owner and the assessment of the year shall be established based upon the budget, although the failure to deliver a copy of the budget to each Owner shall not affect or in any way diminish the liability of any Owner for any existing or future assessments. Should the Board of Directors at any time decide, in the sole discretion of the Board of Directors, that the assessments levied are or may prove to be insufficient to pay the costs of operation and management of the Condominium, to provide replacements of existing Common Elements, to provide additions to the Common Elements not exceeding \$5,000.00 annually for the entire condominium Project, or in the event of emergencies, the Board of Directors shall have the authority to increase the general assessment or to levy such additional assessment or assessments as it shall deem to be necessary. The Board of Directors also shall have the authority, without Owner consent, to levy assessments pursuant to the provisions of Article V, Section 3. 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, and shall not be enforceable by any creditors of the Association or of the members.

(b) **Special Assessments.** Special assessments, in addition to those required in subparagraph (a) above, may be made by the Board of Directors from time to time and approved by the Owners to meet other requirements of the Association, including, but not limited to: (i) assessments for additions to the Common Elements of a cost exceeding \$5,000.00 for the entire Condominium Project per year; (ii) assessments to purchase a Unit upon foreclosure of the lien for assessments described in Section 5 of this Article; or (iii) assessments for any other appropriate purpose. Special assessments referred to in this subparagraph (b) (but not including those assessments referred to in subparagraph 2(a) above, which shall be levied in the sole discretion of the Board of Directors) shall not be levied without the prior approval of more than sixty percent (60%) of all Owners in number and in value. The authority to levy assessments pursuant to this subparagraph is solely for the benefit of the Association and the members and shall not be enforceable by any creditors of the Association or of the members.

3. **Apportionment of Assessments and Penalty for Default.** Unless otherwise provided in these Bylaws or in the Master Deed, all assessments levied against the Owners to cover expenses of administration shall be apportioned among and paid by the Owners in accordance with the percentage of value allocated to each Unit in Article V of the Master Deed, without increase or decrease for the existence of any rights to the use of Limited Common Elements appurtenant to a Unit.

Annual assessments as determined in accordance with Article II, Section 2(a) above, shall be payable by non-Developer Owners (and as may be required to be paid by Developer only in accordance with Section 7 below of this Article II) in 12 equal monthly installments, or at such regular intervals as the Board shall from time to time determine, 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 the assessment, or any part of it, is not paid to the Association in full on or before the due date for the payment. Each installment in default for ten (10) or more days may bear interest from its initial due date at the rate of seven percent (7%) per annum until each installment is paid in full. The Association may, pursuant to Article XXI below, levy fines for late payment of assessments in addition to interest. Each Owner (whether one or more persons) shall be, and remain, personally liable for the payment of all assessments (including fines for late payment and costs of collection and enforcement of payment) pertinent to his Unit which may be levied while such Owner is the owner of it, except a land contract purchaser from any Owner including Developer shall be so

personally liable and the land contract seller shall not be personally liable for all such assessments levied up to and including the date upon which 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 attorney's fees; second, to any interest charges and fines for late payment on such installments; and third, to installments in default in order of their due dates.

4. **Waiver of Use or Abandonment of Unit.** No Owner may exempt himself from liability for his contribution toward the expenses of administration by waiver of the use or enjoyment of any of the Common Elements or by the abandonment of his Unit.

5. **Enforcement.**

(a) **Remedies.** In addition to any other remedies available to the Association, the Association may enforce collection of delinquent assessments by a suit at law for a money judgment or by foreclosure of the statutory lien that secures payment of assessments. In the event of default by any 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 also may discontinue the furnishing of any utilities or other services to an Owner in default upon seven (7) days' written notice to such Owner of its intention to do so. An Owner in default shall not be entitled to utilize any of the General Common Elements of the Project and shall not be entitled to vote at any meeting of the Association so long as such default continues; provided, however, this provision shall not operate to deprive any Owner of ingress or egress to and from his Unit. In a judicial foreclosure action, a receiver may be appointed to collect a reasonable rental for the Unit from the Owner of it or any persons claiming under him. The Association may also assess fines for late payment or nonpayment of assessments in accordance with the provisions of Article XXI of these Bylaws. All of these remedies shall be cumulative and not alternative.

(b) **Foreclosure Proceedings.** Each Owner, and every other person who from time to time has any interest in the Project, shall be deemed to have granted to the Association the unqualified right to elect to foreclose the lien securing payment of assessments (including expenses of collection as described in subparagraph (d) below) either by judicial action or by advertisement. The provisions of Michigan law pertaining to foreclosure of mortgages by judicial action and by advertisement, as the same may be amended from time to time, are incorporated by reference for the purposes of establishing the alternative procedures to be followed in lien foreclosure actions and the rights and obligations of the parties to such actions. Further, each Owner and every other person who from time to time has any interest in the Project shall be deemed to have authorized and empowered the Association to sell or to cause to be sold the Unit with respect to which the assessment(s) is or are delinquent and to receive, hold and distribute the proceeds of such sale in accordance with the priorities established by applicable law. Each Owner of a Unit in the Project acknowledges that at the time of acquiring title to such Unit, he was notified of the provisions of this subparagraph and that he voluntarily, intelligently and knowingly waived notice of any proceedings brought by the Association to foreclose by advertisement the lien for nonpayment of assessments and a hearing on the same prior to the sale of the subject Unit. The Owner of a Unit subject to foreclosure pursuant to Section 108 of the Act, and any purchaser, grantee, successor, or assignee of the Owner's interest in the Unit, is liable for assessments by the Association chargeable to the Unit that become due before expiration of the period of redemption together with the expenses of collection described in subparagraph (d) below. The mortgagee of a first mortgage of record of a Unit shall give notice in accordance with Section 108(9) of the Act to the Association of the commencement of foreclosure of the first mortgage.

(c) **Notice of Action.** Notwithstanding the foregoing, neither a judicial foreclosure action nor a suit at law for a money judgment shall be commenced, nor shall any notice of foreclosure by advertisement be published, until the expiration of ten (10) days after mailing, by first class mail, postage prepaid, addressed to the delinquent Owner(s) at his or their last known address, a written notice that one or more installments of the annual assessment levied against the pertinent Unit is or are delinquent and that the Association may invoke any of its remedies under these Bylaws if the default is not cured within ten (10) days after the date of mailing. Such written notice shall be accompanied by a written affidavit of an authorized representative of the Association that sets forth (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, attorney's fees and future assessments); (iv) the legal description of the subject Unit(s); and (v) the name(s) of the Owner(s) of record. Such affidavit shall be recorded in the office of the Register of Deeds in the county in which the Project is located prior to commencement of any foreclosure proceeding, but it need not have been recorded as of the above date of mailing. If the delinquency is cured within the 10-day period, the Association may take such remedial action as may be available to it under these Bylaws or under Michigan law. In the event the Association elects to foreclose the lien by advertisement, the Association shall so notify the delinquent Owner and shall inform him that he may request a judicial hearing by bringing suit against the Association.

(d) **Expenses of Collection.** The expenses incurred in collecting unpaid assessments, including interest, collection and late charges, costs, actual attorney's fees (not limited to statutory fees), advances for taxes or other liens paid by the Association to protect its lien, and fines in accordance with the Condominium Documents shall be chargeable to the Owner in default and shall be secured by the lien on his Unit.

6. **Liability of Mortgagee.** Notwithstanding any other provisions of the Condominium Documents, the holder of any first mortgage covering any Unit in the Project which comes into possession of the Unit pursuant to the remedies provided in the mortgage or by deed (or assignment) in lieu of foreclosure shall take the property subject to any claims for unpaid assessments or charges against the mortgaged Unit which accrue prior to the time such holder comes into possession of the Unit, or the expiration of the period of redemption, whichever is later (except to the extent that the foreclosure of a first mortgage having priority over such assessments or charges extinguishes the Association's lien for such assessments or charges).

7. **Financial Responsibility of the Developer.** The Developer of the Condominium, although a member of the Association, will not be responsible for payment of either general or special assessments levied by the Association during the Development and Sales Period. Notwithstanding the foregoing sentence, Developer shall pay all costs related to any offices, model Units, or other facilities it maintains on the Condominium Premises.

(a) **Pre-Transitional Control Date Expenses.** Prior to the First Annual Meeting of the Owners, it will be the Developer's responsibility to keep the books balanced, and to avoid any continuing deficit in operating expenses. At the time of the First Annual Meeting, the Developer will be liable for the funding of any existing deficit of the operating expenses of the Association that was incurred prior to the date of the First Annual Meeting. The Developer shall not be responsible for any further Association assessments or other financial obligation other than those specifically imposed on developers by the Act.

(b) **Post-Transitional Control Date Expenses.** After the First Annual Meeting and for the duration of the Development and Sales Period, the Developer shall not be responsible for the

payment of either general or special assessments levied by the Association on Units owned by the Developer, except for completed Units owned by the Developer. A "completed Unit" is a Unit for which a certificate of occupancy has been issued. To the extent the Developer holds title to Units that were previously conveyed or leased, the Developer shall be responsible for the same maintenance assessment levied against other Units in the Project and for all special assessments levied by the Association.

(c) **Exempted Transactions.** At no time will the Developer be responsible for the payment of any portion of any assessment that is levied for deferred maintenance, reserves for replacement or capital improvements or additions, or to finance litigation or other claims against the Developer, including any cost of investigating and/or preparing such litigation or claim, or any similar related costs.

8. **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.

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

10. **Construction Lien.** 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.

11. **Statement as to Unpaid Assessments.** The purchaser of any Unit may request a statement of the Association as to the amount of any unpaid Association assessments, whether regular or special, interest, late charges, fines, costs, and attorney's fees against the seller or grantor (collectively referred to in this paragraph as the "unpaid assessments"). Upon written request to the Association accompanied by a copy of the executed purchase agreement pursuant to which the purchaser holds the right to acquire a 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. Upon the payment of that sum within the period stated, the Association's lien for assessments as to such Unit shall be deemed satisfied; provided, however, that the failure of a purchaser to request such statement at least five (5) days prior to the closing of the purchase of such Unit shall render any unpaid assessments and the lien securing the same fully enforceable against such purchaser and the Unit itself, to the extent provided by the Act. Under the Act, unpaid assessments constitute a lien upon the Unit and the proceeds of sale of the Unit prior to all claims except real property taxes and first mortgages of record.

ARTICLE III Arbitration

1. **Scope and Election.** Disputes, claims or grievances arising out of or relating to the interpretation or the application of the Condominium Documents, or any disputes, claims or grievances arising among or between the Owners and the Association, upon the election and written consent of the parties to any such disputes, claims or grievances (which consent shall include an agreement of the parties that the judgment of any circuit court of the State of Michigan may be rendered upon any award pursuant to such arbitration), and upon written notice to the Association, shall be submitted to arbitration and the parties 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 shall be applicable to any such arbitration.

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

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

ARTICLE IV Insurance

1. **Extent of Coverage.** The Association may, to the extent appropriate in light of the nature of the General Common Elements, carry fire and extended coverage, vandalism and malicious mischief and liability insurance, and workmen's compensation insurance, if applicable, pertinent to the ownership, use and maintenance of the Common Elements and certain other portions of the Condominium Project, as set forth below, and such insurance, other than title insurance, shall be carried and administered in accordance with the following provisions:

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

(b) **Insurance of Common Elements and Fixtures.** All Common Elements of the Condominium Project shall be insured against fire and other perils covered by a standard extended coverage endorsement, in an amount equal to the current insurable replacement value, excluding foundation and excavation costs, as determined annually by the Board of Directors of the Association in consultation with the Association's insurance carrier and/or its representatives in light of commonly employed methods for the reasonable determination of replacement costs. However, notwithstanding the previous sentence, any improvements constructed or to be constructed upon the Common Elements as may be authorized under Section 14 of Article VI of these Bylaws must be insured by the Owner of the Unit to which such Common Element improvements appertain rather than by the Association.

(c) **Premium Expenses.** All premiums upon 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 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.

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

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

3. **Responsibilities of Owners.** Each Owner shall be obligated and responsible for obtaining fire and extended coverage and vandalism and malicious mischief insurance with respect to portions of the building within the perimeter of his Unit (from the paint in); all other improvements constructed or to be constructed within the perimeter of the Unit (including but not limited to fixtures [including lighting and plumbing fixtures], improvements and alterations that are a part of the building or structure; porch or deck enclosures; appliances, such as those used for refrigerating, ventilating, cooking, dishwashing, laundering, security or housekeeping; countertops; cupboards; and wall and floor coverings); or upon a Common Element Alteration as may be authorized under Section 14 of Article VI of the Bylaws, including but not limited to awnings; and his personal property located in or on his Unit or elsewhere on the Condominium Project, and Limited Common Elements appurtenant to his Unit. All insurance shall be carried by each Owner in an amount equal to the maximum insurable replacement value, excluding foundation and excavation costs. Each Owner shall deliver certificates of insurance to the Association from time to time to evidence the continued existence of all insurance required to be maintained by the Owner under these Bylaws. In the event of the failure of an Owner to obtain such insurance or to provide evidence of it to the Association, the Association may obtain such insurance on behalf of such Owner and the premiums shall constitute a lien against the Owner's Unit which may be collected from the Owner in the same manner that Association assessments may be collected in accordance with Article II of these Bylaws. Each Owner also shall be obligated to obtain insurance coverage for his personal liability for occurrences within the perimeter of or for the improvements located on his Unit or the Common Elements, and also for any other personal insurance coverage that the Owner wishes to carry. The Association shall under no circumstances have any obligation to obtain any of the insurance coverage described in this Section 3 or any liability to any person for failure to do so.

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

5. **Duplication of or Conflict in Coverage.** In the event of duplicate insurance coverage concerning a loss, coverage under the Unit Owner's policy shall be primary. In the event of a conflict between the Association's and/or the Owner's policy and the Condominium Documents, the Unit Owner's policy shall control to the extent insurance proceeds are available to cover the loss, and thereafter the Association's policy shall apply.

ARTICLE V

Reconstruction or Repair

1. **Determination to Reconstruct or Repair.** If any part of the Condominium Premises shall be damaged, the determination of whether or not it shall be reconstructed or repaired, and the responsibility for reconstruction or repairs, shall be made in the following manner:

(a) **General Common Element.** If the damaged property is a General Common Element, the damaged property shall be rebuilt or repaired unless all of the Owners and all of the institutional holders of mortgages on any Unit in the Project unanimously agree to the contrary.

(b) **Unit or Improvements On It.** If the damaged property is a Unit or its Limited Common Elements or any improvements on it, the Owner of such Unit alone shall determine whether to rebuild or repair the damaged property, subject to the rights of any mortgagee or other person or entity having an interest in such property, and such Owner shall be responsible for any reconstruction or repair that he elects to make. The Owner shall in any event remove all debris and restore his Unit or its Limited Common Elements and the improvements on it to a clean and sightly condition satisfactory to the Association and in accordance with the provisions of Article VI as soon as reasonably possible following the occurrence of the damage. Despite the foregoing language to the contrary, any damage to a Limited Common Element that is covered by the Association's insurance policy shall be repaired or replaced by the Association rather than the Owner to the extent insurance proceeds are available to cover the loss.

2. **Repair in Accordance with Plans and Specifications.** Any such reconstruction or repair shall be substantially in accordance with the Master Deed and the original plans and specifications for any damaged improvements located within the Unit and appurtenant Limited Common Elements unless the Owners shall unanimously decide otherwise.

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

4. **Timely Reconstruction and Repair.** If damage to the General Common Elements adversely affects the appearance of the Project, the Association shall proceed with replacement of the damaged property without delay.

5. **Eminent Domain.** Section 133 of the Act and the following provisions shall control upon any taking by eminent domain:

(a) **Taking of Unit or Improvements.** In the event of any taking of all or any portion of a Unit or any improvements on it by eminent domain, the award for such taking shall be paid to the Owner or the mortgagee of such Unit as their interests may appear. If an Owner's entire Unit is taken

by eminent domain, such Owner and his mortgagee shall, after acceptance of such award, be divested of all interest in the Condominium Project.

(b) **Taking of General Common Elements.** If there is any taking of any portion of the General Common Elements, the condemnation proceeds relative to such taking shall be paid to the Owners and their mortgagees in proportion to their respective interests in the Common Elements and the affirmative vote of more than fifty percent (50%) of the Owners in number and in value shall determine whether to rebuild, repair or replace the portion so taken or to take such other action as they deem appropriate.

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

(d) **Notification of Mortgagees.** In the event any Unit in the condominium, or any portion of it, or the Common Elements or any portion of it, 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.

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

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

ARTICLE VI

Restrictions

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

1. **Use.** Each Unit shall be used exclusively for residential purposes. No Unit shall be designed, constructed or remodeled for the purpose of housing more than a single family. Despite the provisions of these restrictions, a Unit may be owned and used by persons who are not members of the same single family, including a company for occupancy by its employees, subject, however, to such reasonable rules and regulations that the Board of Directors may adopt to assure that the usage of the Unit is in harmony with the usage of Units by other residents, and with the applicable zoning ordinances.

(a) **Single Family.** Except to the extent prohibited by law, when used herein, the phrase “single family” shall mean: (i) a single adult person, their children and their parents; (ii) a married couple, their children and their parents; or (iii) two single adult persons living together, their children and their parents. No other persons, unless pre-authorized in writing by the Association, will be considered a single family. The phrase “single family” shall not include persons not so related, and no Unit shall be occupied by any group of persons who are not members of the same single family. Transient or temporary occupancy, whether for vacation or otherwise, is not within “single family” residential purposes as used in this Section.

2. **Number of Occupants.** Limitations on occupancy shall be as proscribed by the applicable zoning ordinances.

3. **Home Occupations.** Although all Units are to be used only for single-family residential purposes, nonetheless home occupations will be permitted if the home occupation is conducted entirely within the Unit and participated in solely by members of the immediate family residing in the Unit, which use must be clearly incidental and secondary to the use of the Unit for dwelling purposes and must not change the character of the use. To qualify as a home occupation, there must be (i) no sign or display that indicates from the exterior that the Unit is being used for any purpose other than that of a dwelling; (ii) no commodities sold on the premises; (iii) no person employed other than a member of the immediate family residing in the Unit; and (iv) no mechanical or electrical equipment used, other than computers and other office equipment.

4. **Zoning.** The use of any Unit must satisfy the requirements of the zoning ordinance which is in effect at the time of the contemplated use or construction of any structure unless a variance for the use or structure is obtained from the Zoning Board of Appeals and further there is obtained a written consent in advance from the Developer (or from the Association, after the Development and Sales Period.

5. **Signs.** No signs or any advertising will be displayed on any Unit unless their size, form and number are first approved in writing by the Developer during the Development and Sales Period and by the Board of Directors after that. Nothing in these Bylaws will be construed to prevent the Developer from erecting, placing, or maintaining signs and offices as may be deemed necessary by the Developer in connection with the sale or lease of Units. One “for sale” sign is permitted to be erected by the Owner, or his agent, subject to placement restrictions established by the rules and regulations of the Association. All signs in the Condominium Project must comply with zoning regulations which are in effect at the time of erection of the sign. No signs shall be placed in the windows of any building or structure, except for a for sale sign, if such placement is designated by the Association.

6. **Waste Disposal.** All waste, debris, and trash from each Unit shall be stored and placed in suitable and safe covered containers and removed from each Unit by the occupant at its expense at least weekly. No waste container shall be permitted in the front yard of any Unit. If the Association provides dumpsters, then all trash shall be deposited in the dumpster. If the Association arranges for trash removal services for all Units, then the trash removal expenses will be assessed to all Owners by the Association.

7. **Nuisances.** No nuisance shall be permitted in any Unit or on the Common Elements, nor shall any use or practice be permitted which is a source of annoyance to, or which interferes with the peaceful possession or proper use of the Project by its residents. The Common Elements shall not be used in whole or in part for the storage of rubbish or trash, nor for the storage of any property or thing that may cause the Condominium Project to appear in an unclean or untidy condition. No substance or material shall be kept in any Unit or on any Common Element that will emit foul or obnoxious odors, or that will

cause excessive noise which will or might disturb the peace, quiet, comfort or serenity of the occupants of surrounding Units.

8. **Activities.** No immoral, improper, unlawful or offensive activity shall be carried on in any Unit or upon the Common Elements nor shall anything be done which may be or become an annoyance or a nuisance to the Owners of the Condominium. No unreasonably noisy activity shall occur in or on the Common Elements or in any Unit at any time and disputes among Owners, arising as a result of the provision which cannot be amicably resolved, shall be arbitrated by the Association. No Owner shall store flammable or hazardous substances in his Unit or garage. No Owner shall do or permit anything to be done or keep or permit to be kept in his Unit or on the Common Elements anything that will increase the rate of insurance on the Condominium without the written approval of the Association, and each Owner shall pay to the Association the increased cost of insurance premiums resulting from any such activity or the maintenance of any such condition even if approved. Recreational activities, including golf and hockey, which pose a risk to others and/or damage the Condominium are prohibited on the Common Elements.

9. **Animals.** No animals, birds or fowl may be kept or maintained on any Unit, except dogs, cats and pet birds which may be kept for the pleasure and non-commercial use of the occupants. Up to two (2) pets, neither of which may exceed seventy-five pounds (75 lbs), will be allowed per Unit. An Owner may request a variance of this number and weight restriction, by submitting such request to the Board of Directors in advance and in writing. The Board of Directors, in its sole and unfettered discretion, shall approve or deny any such variance request in writing within thirty (30) days of receipt. When such a pet exceeding the ordinarily permitted pet number or weight dies, it cannot be replaced with a new pet, without a new request for variance submitted for the approval of the Board of Directors by the Owner. The following restrictions shall apply regarding pets:

(a) Any animal must have such care and restraint so as not to be obnoxious or offensive on account of noise, odor, or unsanitary conditions.

(b) No dog may be outside a residence at any time unless the dog is accompanied by an attendant who shall have such dog firmly held by collar and leash.

(c) No person owning, harboring, or having in his possession any cat shall permit or allow such cat to run at large or in any yard or enclosure on the Condominium premises, except in the person's Unit.

(d) No savage or dangerous animal will be kept in any Condominium unit. No savage or dangerous animal, or animal breed commonly perceived as such, shall be kept, including, but in no way limited to, pit bull dogs, german shepherd dogs, or rottweiler dogs.

(e) Owners will have full responsibility for any damage to persons or property caused by his or her pet.

(f) The owner of any pet shall be responsible for cleaning up after it. Deposits of fecal matter shall be immediately removed by the owner of the pet dropping them. The Owner is required to properly dispose of the waste his or her animal deposits on any property.

(g) No dog which barks and can be heard on any frequent or continuing basis will be kept in any residence or on any of the Common Elements.

The Association may charge all Owners maintaining animals a reasonable additional assessment to be collected in the manner provided in these Bylaws for monthly maintenance fees if the Association determines the assessment is necessary to defray the maintenance cost to the Association of accommodating animals within the Condominium. The Association may, without liability to the Owner, cause to be removed any animal from the Condominium which it determines to be in violation of these restrictions. The Association may require that animals be registered with it and may adopt such additional reasonable rules with respect to animals as it may deem proper. The Association may require the removal from the Condominium of any animal which is the subject of repeated complaints and may require the removal of all animals of any Owner if the Association receives repeated complaints regarding the failure of the Owner to comply with these restrictions. Any person who causes an animal to be brought or kept in the Condominium shall indemnify and hold harmless the Association from any damage, loss or liability which might accrue to the Association as a result of the presence of the animal in the Condominium regardless of whether the animal's presence is permitted.

10. **Vehicles.** No recreational vehicles, all-terrain vehicles, house trailers, commercial vehicles, boat trailers, boats, boat lifts, campers, motor homes, snowmobiles, snowmobile trailers, jet skis or other personal watercraft, or vehicles other than automobiles (which shall include light trucks, sport utility vehicles, and vans) and motorcycles may be visibly parked or stored upon the premises of the Condominium at any time, even temporarily. Campers and similar vehicles may be kept at the Condominium, but only fully inside a garage. Anything stored inside a garage shall be completely within the garage and all garage doors must be kept closed at all times when they are not in use. No inoperable vehicle or vehicle without a valid license plate may be parked outside of a garage. There is no parking of any vehicle at any time, except in a garage or within the Limited Common Element driveways appurtenant to an individual Unit. No Owner shall block a shared common driveway. Each Owner shall, if the Association shall require, register all vehicles parked in the Condominium with the Association. No recreational vehicle shall be operated within the boundaries of the Condominium, except an Owner may drive to and from their garage as long as they operate the recreational vehicle in a safe and considerate manner. Commercial vehicles shall not be parked in the Condominium (unless fully inside a garage) except while making deliveries or pickups in the normal course of business. No off-season storage of vehicles, including those described in this paragraph, shall be allowed except in garages with the garage door closed. Vehicles may only be parked on designated, paved parking areas and no vehicle, including automobiles, shall be parked on the General Common Elements, including the lawn.

11. **Aesthetics.** The Common Elements shall not be used for storage of supplies, materials, personal property or trash or refuse of any kind, except as provided in duly adopted rules and regulations of the Association. In general, no activity shall be carried on nor condition maintained by an Owner, either in his Unit or upon the Common Elements, which is detrimental to the appearance of the Condominium.

12. **Rules and Regulations.** It is intended that the Board of Directors of the Association may make rules and regulations from time to time to reflect the needs and desires of the majority of the Owners in the Condominium. Reasonable regulations consistent with the Act, the Master Deed and these Bylaws concerning the use of the Common Elements may be made and amended from time to time by any Board of Directors of the Association, including the first Board of Directors (or its successors) prior to the Transitional Control Date. Copies of all such rules, regulations and amendments shall be furnished to all Owners.

13. **Right of Access of Association.** The Association or its duly authorized agents shall have access to each Unit and any Limited Common Elements appurtenant to the Unit from time to time, during

reasonable working hours, upon notice to the Owner as may be necessary for the maintenance, repair or replacement of any of the Common Elements. The Association or its agents shall also have access to each Unit and any Limited Common Elements appurtenant to the Unit at all times without notice as may be necessary to make emergency repairs to prevent damage to the Common Elements or to another Unit. It shall be the responsibility of each Owner to provide the Association means of access to his Unit and any Limited Common Elements appurtenant to it during all periods of absence, and in the event of the failure of such Owner to provide means of access, the Association may gain access in such manner as may be reasonable under the circumstances and shall not be liable to such Owner for any necessary damage to his Unit and any Limited Common Elements appurtenant to the Unit caused by such access or for repair or replacement of any doors or windows damaged in gaining such access.

14. **Alterations; Blocking Access.** No Owner shall make alterations in exterior appearance or make structural modifications to his Unit (including interior walls through or in which there exist easements for support or utilities) or make changes in any of the Common Elements without the express written approval of the Board of Directors, including, without limitation, exterior painting or the erection of deck or porch enclosures, antennas, lights, aerials, awnings, doors, shutters, or other exterior attachments or modifications. Also, no Owner shall in any way restrict access to any plumbing, water line, water line valves, water meter, or any other element that must be accessible to service the Common Elements or any element which affects an Association responsibility in any way. Should access to any facilities of any sort be required, the Association may remove any coverings or attachments of any nature that restrict such access and will have no responsibility for repairing, replacing or reinstalling any materials, whether or not installation of it has been approved under these Bylaws, that are damaged in the course of gaining such access, nor shall the Association be responsible for monetary damages of any sort arising out of actions taken to gain necessary access. All alterations or modifications for persons with disabilities as defined in Section 2 of the State Construction Code Act of 1972, 1972 P.A. 230, MCL 125.1502, shall be subject to Section 47a of the Michigan Condominium Act.

15. **Common Element Maintenance.** Landscaped areas, yards, driveways, and parking areas shall not be obstructed nor shall they be used for purposes other than that for which they are reasonably and obviously intended.

16. **Maintenance.** Each Owner shall maintain his Unit and any Limited Common Elements appurtenant to it for which he has maintenance responsibility in a safe, clean and sanitary condition. In addition, Owners may be required to paint or otherwise repair or maintain its exterior Limited Common Element decks, stairs, porches and patios by the Association from time to time, in accordance with the aesthetic standards that the Association may establish for the Project from time to time, or the Association may undertake such painting, repairs of maintenance on behalf of all Owners, and assess each individual Owner appropriately, based on the work performed. Each Owner shall also use due care to avoid damaging any of the Common Elements including, but not limited to, the telephone, water, gas, plumbing, electrical or other utility conduits and systems and any other Common Elements in any Unit which are appurtenant to or which may affect any other Unit. Each Owner shall be responsible for damages or costs to the Association resulting from negligent damage to or misuse of any of the Common Elements by him, or his guests, agents or invitees, unless such damages or costs are covered by insurance carried by the Association (in which case there shall be no such responsibility, unless reimbursement to the Association is limited by virtue of a deductible provision, in which case the responsible Owner shall bear the expense to the extent of the deductible amount). Any costs or damages to the Association may be assessed to and collected from the responsible Owner in the manner provided in Article II of these Bylaws.

17. **Reserved Rights of Developer.**

(a) **Architectural Control.** No one other than the Developer will be entitled to alter the nature or appearance of any improvements constructed within the boundaries of a Condominium Unit or the Limited Common Elements appurtenant thereto without the prior written consent of the Developer, which consent may be withheld by the Developer in its absolute discretion. No building, wall, road, sidewalk or other structure or improvements will be placed on the Condominium Premises by any party other than the Developer unless the plans and specifications for them showing the nature, kind, shape, height, color, materials and location of the improvements (including floor plan and exterior colors) and the plot plan (including elevations) have the prior written approval of the Developer and no changes or deviations in or from such plans and specifications as approved will be made without the prior written consent of the Developer. Two sets of complete plans and specifications must be submitted; one will be retained by the Developer and one will be returned to the applicant. Any such plans for construction or alteration referred to above will include a plan for restoration of the Condominium Premises after construction or alteration to a condition satisfactory to the Developer. The Developer may impose a reasonable review fee to be paid by the Owner(s) with the submission of its prospective plans.

Developer may also, in its discretion, require as a condition of approval of any plans, an agreement for special assessment of increased maintenance charges from any Owner whose proposed residence and appurtenances and related improvements will cause the Association abnormal expenses in carrying out its responsibilities with respect thereto under the Master Deed.

The purpose of this Article is to assure the continued maintenance of the Condominium as a beautiful and harmonious residential building development, and will be binding upon the Association and all Owners. Developer's rights under this Section may, in Developer's discretion, be assigned to the Association or other successor to Developer. Developer may construct any improvements upon the Condominium Premises that it may, in its sole discretion, elect to make without the necessity of prior consent from the Association or any other person or entity, subject only to the express limitations contained in the Condominium Documents.

(b) **Developer's Rights in Furtherance of Development and Sales.** None of the restrictions contained in this Article VI shall apply to the commercial activities (including, but not limited to, the construction and showing of parade homes and model homes) or signs or billboards, if any, of the Developer during the Development and Sales Period or of the Association in furtherance of its powers and purposes stated in this Agreement and in its Articles of Incorporation, as the same may be amended from time to time. Notwithstanding anything to the contrary in these Bylaws, Developer and its duly authorized agents, representatives, employees, and residential builders who receive an assignment of rights from the Developer, shall have the right to engage in any useful construction activities during working construction hours, to the fullest extent and for the maximum hours permitted under local ordinances, from and over the Project as may be reasonable to enable development and sale of the entire project by the Developer; and may continue to do so during the entire Development and Sales Period. Notwithstanding anything to the contrary in these Bylaws, Developer, and its duly authorized agents, representatives, employees, and residential builders who receive an assignment of rights from the Developer, shall have the right to maintain a sales office, a business office, a construction office, storage areas and reasonable parking incident to the foregoing and such access to, from and over the Project as may be reasonable to enable development and sale of the entire Project by the Developer; and may continue to do so during the entire Development and Sales Period. The Developer shall restore the areas so utilized to habitable status upon termination of use.

(c) **Enforcement of Bylaws.** The Developer shall have the right to enforce these Bylaws throughout the Development and Sales Period, which right of enforcement shall include (without limitation) an action to restrain the Association or any Owner from any activity prohibited by these Bylaws. After the Development and Sales Period, the Board of Directors and/or any aggrieved Owner or Owners shall have the right to enforce these Bylaws.

18. **Leasing and Sale of Units.** No Unit may be offered for sale except through a qualified licensed real estate broker; provided, however, that the Association may permit Unit owners to sell their Units under their own auspices if the owners demonstrate sufficient knowledge of real estate sales practices and a sufficient marketing plan to protect the harmony of the project and to prevent the value of the Units from being diminished. This restriction on sales does not apply to the Developer or its agents.

(a) **Right to Lease.** An Owner may lease his Unit for residential usage purposes; provided that written disclosure of the lease transaction is submitted to the Board of Directors of the Association in the manner specified in subsection (c). The terms of all leases, occupancy agreements and occupancy arrangements shall incorporate, or be deemed to incorporate, all of the provisions of the Condominium Documents.

(b) **Developer's Right to Lease.** The Developer may lease any number of Units in its discretion without regard to these restrictions, except the Developer must comply with the notice provisions of subsection (c)(1) below only.

(c) **Leasing Procedures.** The leasing of Units shall conform to the following:

(1) **Notice.** An 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 grant possession of a Unit 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. The Owner shall also provide the Association with a copy of the executed lease. No Owner may lease less than the entire Unit.

(2) **Approval.** Association approval of the proposed lease is not required. However, if the Association determines that the lease, tenant or non-Owner occupant failed to comply with the conditions of the Condominium Documents, the Association may pursue its remedies as further provided below. The Association shall not be liable for its acts or omissions concerning any lease provided by or approved by the Board.

(3) **[Deleted.]** This subsection is deleted and intentionally left blank.

(4) **Failure to Give Notice.** If proper notice is not given, the Association at its election may approve or disapprove the lease without prior notice. If it disapproves, the Association shall proceed as if it received notice on the date of such disapproval; however, the proposed lessee may provide the Board with the required notice and request reconsideration. Any lease entered into without notice or in violation of the above provisions shall, at the option of the Board, be treated as a nullity, and the Board shall have the right to evict the lessee with five (5) days' notice, without securing consent to such eviction from the Unit Owner.

(5) **Term of Lease.** No Unit may be leased for a period of less than six (6) months. No subleasing or assignment of lease rights is allowed unless the sublessee or subtenants are approved pursuant to the provisions of this section.

(6) **Occupancy During Lease Term.** No one but the lessee, his family as defined in Section 1 of Article VI of these Bylaws, and their guests may occupy the Unit.

(7) **Occupancy in Absence of Lessee.** If a lessee absents himself from the Unit for any period of time during the lease term, his family already in residence may continue to occupy the Unit. If the lessee and all of the family members mentioned in the foregoing sentence are absent, no other person may occupy the Unit, except the approved Unit Owner.

(8) **[Deleted.]** This Subsection is deleted and intentionally left blank.

(9) **Compliance.** 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.

(10) **Failure to Comply.** If the Association determines that the tenant or non-Owner occupant failed to comply with the conditions of the Condominium Documents, the Association shall take the following action, in addition to other action it may take:

(i) The Association shall notify the Owner by certified mail, advising of the alleged violation by the tenant. The Association may also notify the Owner personally, by telephonic facsimile or first class mail advising of the alleged violation by the tenant.

(ii) The Owner shall have fifteen (15) days after receipt of the notice to investigate and correct the alleged breach by the tenant or advise the Association that a violation has not occurred.

(iii) If after fifteen (15) days the Association believes that the alleged breach is not cured or may be repeated, it may institute on its behalf or derivatively by the Owners on behalf of the Association, 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 in the same action against the Owner and tenant or non-owner occupant for breach of the conditions of the Condominium Documents. The relief provided for in this subparagraph may be by summary proceeding. The Association may hold both the tenant and the Owner liable for any damages to the Common Elements caused by the Owner or tenant in connection with the Unit or Condominium Project.

(11) **Arrearages.** When an Owner is in arrears to the Association for assessments, the Association may give written notice of the arrearage to a tenant occupying an Owner's Unit under a lease or rental agreement and the tenant, after receiving the notice, shall deduct from rental payments due the Owner the arrearage and future assessments as they fall due and pay them to the Association. The deduction does not constitute a breach of the rental agreement or lease by the tenant. If the tenant, after being notified, fails or refuses to remit rent otherwise due the Owner or the Association, then the Association may do the following:

(i) Issue a statutory notice to quit for non-payment of rent to the tenant and shall have the right to enforce that notice by summary proceeding.

(ii) Initiate proceedings pursuant to Section 112(4)(b) of the Act.

19. **Satellite Dishes.** Any satellite dish permitted by the Board of Directors under Section 14 above must be 18" or smaller, cannot protrude more than two (2) feet from the building, and shall only be

installed in locations attached or adjacent to the Owner's Unit and pre-approved by the Board of Directors, or in certain common areas designated by the Association for such purposes. In any event, all satellite dishes attached or adjacent to a Unit must be placed behind the Unit's frontage line (a Unit's front being the side of the Unit facing the road).

20. **Grills.** Gas grills only (no charcoal grills are allowed) will be allowed on unenclosed decks, patios, or driveway areas (but not stored in driveway areas). Grills must be a minimum of three (3) feet from the building.

21. **Landscaping and Plantings.** No landscaping within the Common Elements may be altered, nor plantings or shrubs altered or removed, without the advance written approval of the Association. All plants must be in pots.

22. **Use of Garages.** Use of the garage for making things, manufacturing, or a woodshop is prohibited because the electric service is not adequate for it and because of the liability risk posed to the Association.

23. **Garage Sales.** No garage sales will be allowed in the Units, including their garages, as the Condominium Project is not generally suitable for the holding of garage sales, unless a one-time variance of this provision and prior written approval is obtained from the Association on a case-by-case basis.

24. **Window Treatments and Curtains.** The exterior facing side of all window treatments and curtains shall be neutral in tone and color, in conformity with the general harmony and exterior appearance of the entire Condominium.

25. **Flags.** One American flag, which shall not exceed a maximum size of 3' x 5', may be displayed from each Unit. No night lighting of flags is permitted. No other flags will be allowed unless prior written approval is granted by the Association.

26. **Firearms.** No Owner shall use, or permit any occupant, agent, employee, invitee, guest or member of his family to use, any firearms, air rifles, pellet guns, BB guns, or other similar weapons, projectiles or devices anywhere on or about the Condominium.

27. **Binding Effect.** These restrictions shall run with the Condominium Premises and shall be binding upon and inure to the benefit of the Developer, its successors and assigns, and the Unit Owners and all persons present within a Unit, and their successors and assigns, forever, unless and until they may be amended in accordance with Article XVII of these Bylaws.

ARTICLE VII

Mortgages

1. **Notice to Association.** Any Owner who mortgages his 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 Owner of such Unit. Otherwise, the Association may give to the holder of any first mortgage covering any Unit in the Project written notification of any default in the performance of the obligations of the Owner of such Unit that is not cured within 60 days.

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.

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

ARTICLE VIII

Short Term Leases, Rentals, Licenses, or Other Occupancy

Except as specifically permitted under Sections 17 and 18 of Article VI of these Bylaws, no Unit, structure, or part thereof, may be rented, leased, licensed, or otherwise made available for the lodging or occupancy of any person or persons not a Unit Owner. For purposes of this Section, "lodging" is defined as the transient use of a Unit, structure, or part thereof on a daily or weekly basis for compensation and "occupancy" is defined as using a Unit structure, or part of it, other than as a guest of the Unit Owner with such Unit Owner also simultaneously occupying the Unit, or as a child or parent, grandchild or grandparent, of a Unit Owner. To be clear, the use of a Unit as a "bed and breakfast" or as an "Air B and B" is strictly prohibited.

ARTICLE IX

Voting

1. **Vote.** Except as limited in these Bylaws, each 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 total of the percentages allocated to the Unit owned by such Owner as set forth in Article V of the Master Deed, when voting by value. Voting shall be by value except in those instances when voting is specifically required to be both in value and in number.

2. **Eligibility to Vote.** No Owner, other than the Developer, shall be entitled to vote at any meeting of the Association until he has presented evidence of ownership of a Unit in the Condominium Project to the Association. Except as provided in Article XII, Section 2 of these Bylaws, no Owner, other than the Developer, shall be entitled to vote prior to the date of the First Annual Meeting of members held in accordance with Section 2 of Article X. The vote of each Owner may be cast only by the individual representative designated by such Owner in the notice required in Section 3 of this Article IX below or by a proxy given by such individual representative. The Developer shall be the only person entitled to vote at a meeting of the Association until the First Annual Meeting of members. At and after the First Annual Meeting the Developer shall be entitled to one vote for each Unit which it owns and for which the Developer is paying the current assessment then in effect at the date on which the vote is cast.

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

4. **Quorum.** The presence in person or by proxy of thirty-five percent (35%) of the Owners in number and in value 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 said person is not otherwise present in person or by proxy shall be counted in determining the presence of a quorum with respect to the question upon which the vote is cast.

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

6. **Majority.** A majority, except where otherwise provided in these Bylaws, shall consist of more than fifty percent (50%) in value of those qualified to vote and present in person or by proxy (or written vote, if applicable) at a given meeting of the members of the Association. Whenever provided specifically herein, a majority may be required to exceed the simple majority stated above and may require such majority to be one of both number and value of designated voting representatives present in person or by proxy, or be written vote, if applicable, at a given meeting of the members of the Association.

ARTICLE X

Meetings

1. **Place of Meeting.** Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the Owners as may be designated by the Board of Directors. Meetings of the Association shall be conducted in accordance with Sturgis' Code of Parliamentary Procedure, Robert's Rules of Order or some other generally recognized manual of parliamentary procedure, when not otherwise in conflict with the Condominium Documents (as defined in the Master Deed) or the laws of the State of Michigan.

2. **First Annual Meeting.** The First Annual Meeting of members of the Association may be convened only by the Developer and may be called at any time after more than fifty percent (50%) in number of the Units in Signature Estates have been sold and the purchasers have been qualified as members of the Association. In no event, however, shall such meeting be called later than 120 days after the conveyance of legal or equitable title to non-developer Owners of seventy-five percent (75%) in number of all Units or 54 months after the first conveyance of legal or equitable title to a non-developer Owner of a Unit in the Project, whichever first occurs. Developer may call meetings of members for informative or other appropriate purposes prior to the First Annual Meeting of members and no such meeting shall be construed as the First Annual Meeting of members unless so designated as the First Annual Meeting in writing by the Developer. The date, time and place of such meeting shall be set by the Board of Directors, and at least ten (10) days' written notice shall be given to each Owner.

3. **Annual Meetings.** Annual meetings of members of the Association shall be held before May 31 of each succeeding year after the year in which the First Annual Meeting is held, on such date and at such time and place as shall be determined by the Board of Directors; provided, however, that the second annual meeting shall not be held sooner than eight months after the date of the First Annual Meeting. At such meetings there shall be elected by ballot of the Owners a Board of Directors in accordance with the requirements of Article XII of these Bylaws. The Owners may also transact at annual meetings such other business of the Association as may properly come before them.

4. **Special 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 its purpose as well as the time and place where it is to be held, upon each Owner of record, at least ten days but not more than sixty (60) days prior to such meeting. The mailing, postage prepaid, of a notice to the representative of each Owner at the address shown in the notice required to be filed with the Association by Article IX, Section 3 of these Bylaws shall be deemed notice served. Any member may, by written waiver of notice signed by such member, waive such notice, and such waiver, when filed in the records of the Association, shall be deemed due notice.

Special Meetings may be called at any time by thirty-five percent (35%) or more of the Board, or by a written petition to the Board signed by thirty-five percent (35%) or more of the Owners in number and in value qualified to vote. Upon receipt of a qualifying petition by the Owners, the Board shall call and hold the Special Meeting within sixty (60) days of the date of receipt.

5. **Adjournment.** If any meeting of Owners cannot be held because a quorum is not in attendance, the Owners who are present may adjourn the meeting to a time not less than 48 hours from the time the original meeting was called.

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

7. **Action without Meeting.** Any action which may be taken at a meeting of the members (except for the election or removal of Directors) may be taken without a meeting by written ballot of the members. Ballots shall be solicited in the same manner as provided in Section 4 of this Article 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 approvals which equals or exceeds the number of votes which would be required for approval if the action were taken at a meeting at which the total number of votes cast was the same as the total number of ballots cast.

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

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 stated in it. 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 XI

Advisory Committee

Within one year after the initial conveyance of legal or equitable title to the first Unit in the Condominium to a purchaser or within 120 days after conveyance to purchasers of one-third of the total number of Units that may be created, whichever first occurs, the Developer shall cause to be established an Advisory Committee consisting of at least three non-developer Owners. The Committee shall be established and perpetuated in any manner the Developer deems advisable, except that if more than 50% in number and in value of the non-developer Owners petition the Board of Directors for an election to select the Advisory Committee, then an election for such purpose shall be held. The purpose of the Advisory Committee shall be to facilitate communications between the temporary Board of Directors and the other Owners and to aid in the transition of control of the Association from the Developer to purchaser Owners. The Advisory Committee shall cease to exist automatically when the non-developer Owners have the voting strength to elect a majority of the Board of Directors of the Association. The Developer may remove and replace at its discretion at any time any member of the Advisory Committee who has not been elected thereto by the Owners.

ARTICLE XII

Board of Directors

1. **Number and Qualification of Directors.** The Board of Directors shall be comprised of not less than three (3) nor more than seven (7) directors as shall be fixed from time to time by the Board of Directors. All directors must be members of the Association or officers, partners, trustees, employees or agents of members of the Association, except for the first Board of Directors. Directors shall serve without compensation.

2. **Election of Directors.**

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

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

(50%) of the Units that may be created, not less than thirty-three and one-third percent (33-1/3%) of the Board of Directors shall be elected by non-developer Owners.

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

(i) Not later than 120 days after conveyance of legal or equitable title to non-developer Owners of seventy-five percent (75%) of the Units that may be created and before conveyance of ninety percent (90%) of such Units, the non-developer Owners shall elect all Directors of 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 ten percent (10%) of the Units in the Project or as long as ten percent (10%) of the Units remain that may be created. Whenever the seventy-five percent (75%) conveyance level is achieved, a meeting of Owners shall be promptly convened to effectuate this provision, even if the First Annual Meeting has already occurred.

(ii) Regardless of the percentage of Units which have been conveyed, upon the expiration of 54 months after the first conveyance of legal or equitable title to a non-developer Owner of a Unit in the Project, if title to not less than seventy-five percent (75%) of the Units that may be created has not been conveyed, the non-developer Owners have the right to elect a number of members of the Board of Directors equal to the percentage of Units they own, and the Developer has the right to elect a number of members of the Board of Directors equal to the percentage of Units which are owned by the Developer and for which all assessments are payable by the Developer. This election may increase, but does not reduce, the minimum election and designation rights otherwise established in subsection (i). Application of this subsection does not require a change in the size of the Board of Directors.

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

(iv) At the First Annual Meeting two (2) Directors shall be elected for a term of two (2) years and one (1) Director shall be elected for a term of one (1) year. At such meeting all nominees shall stand for election as one (1) slate and the two (2) persons receiving the highest number of votes shall be elected for a term of two (2) years and the one (1) person receiving the next highest number of votes shall be elected for a term of one (1) year. At each annual meeting held thereafter, either one (1) or two (2) Directors shall be elected depending upon the number of Directors whose terms expire. After the First Annual Meeting, the term of office (except for one (1) of the Directors elected at the First Annual Meeting) of each Director shall be two (2) years. The Directors shall hold office until their successors have been elected and hold their first meeting.

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

(vi) For purposes of this Section, "Units that may be created" means the maximum number of Units in all Phases of the Condominium Project as stated in the Master Deed.

(vii) For purposes of calculating the timing of events described in this Section, conveyance by Developer to a residential builder, even though not an affiliate of the Developer, is not considered a sale to a non-developer Owner until such time as the residential builder conveys that Unit with a completed residence on it or until it contains a completed residence which is occupied.

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

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 Project and its Common Elements.

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

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

(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 Project.

(f) To acquire, maintain and improve; and to buy, operate, manage, sell, convey, assign, mortgage or lease 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; provided, however, that any such action shall also be approved by affirmative vote of seventy-five percent (75%) of all of the members of the Association in number and in value.

(h) To make rules and regulations in accordance with Article VI, Section 12 of these Bylaws.

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

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

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

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

7. **Removal.** At any regular or special meeting of the Association duly called with due notice of the removal action proposed to be taken, any one or more of the Directors may be removed with or without cause by the affirmative vote of more than fifty percent (50%) in number and in value of all of the Owners and a successor may then and there be elected to fill any vacancy thus created. The quorum requirement for the purpose of filling such vacancy shall be the normal thirty-five (35%) requirement set forth in Article IX, Section 4. Any Director whose removal has been proposed by the Owners shall be given an opportunity to be heard at the meeting. The Developer may remove and replace any or all of the Directors selected by it at any time or from time to time in its sole discretion. Likewise, any Director selected by the non-developer Owners to serve before the First Annual Meeting may be removed before the First Annual Meeting in the same manner set forth in this paragraph for removal of Directors generally.

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

9. **Regular Meetings.** Regular meetings of the Board of Directors may be held at such times and places as shall be determined from time to time by a majority of the Directors, but at least two (2) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each Director personally, by mail, telephone or telegraph, at least ten days prior to the date named for such meeting.

10. **Special Meetings.** Special meetings of the Board of Directors may be called by the President on three (3) days' notice to each Director given personally, by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of

Directors shall be called by the President or Secretary in like manner and on like notice on the written request of two (2) Directors.

11. **Waiver of Notice.** Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meetings of the Board shall be deemed a waiver of notice by him of the time and place. 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.

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

13. **First Board of Directors.** The actions of the first Board of Directors of the Association or any successors selected or elected before the Transitional Control Date shall be binding upon the Association so long as such actions are within the scope of the powers and duties which may be exercised generally by the Board of Directors as provided in the Condominium Documents.

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

ARTICLE XIII Officers

1. **Officers.** The principal officers of the Association shall be a President, who shall be a member of the Board of Directors, a Vice President, a Secretary and a Treasurer. The Directors may appoint an Assistant Treasurer, and an Assistant Secretary, and such other officers as in their judgment may be necessary. Any two (2) offices except that of President and Vice President may be held by one (1) person.

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

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

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

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

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.

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

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 XIV

Seal

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

ARTICLE XV

Finance

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. The books, records and contracts concerning the administration and operation of the Condominium Project shall be available for examination by any of the Owners and their mortgagees during reasonable working hours. All books and records shall be audited or reviewed by independent public accountants annually. Such audits need not be certified. The Association may opt out of the requirements for an audit or review on an annual basis by an affirmative vote of a majority of its members. The Association shall prepare and distribute to each Owner at least once each year a financial statement, the contents of which shall be defined by the Association. The costs of any such audit or review and any accounting expenses shall be expenses of administration.

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

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

4. **Construction Liens.** A construction lien arising as a result of work performed upon a 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 principal contractor shall attach only to Units owned by the Developer at the time of recording the claim of lien. A construction lien for work authorized by the Association shall attach to each Unit only to the proportionate extent that the Owner of such Unit is required to contribute to the expenses of administration. No construction lien shall arise or attach to a Unit for work performed on the general common elements not contracted by the Association or the Developer.

ARTICLE XVI

Indemnification of Officers and Directors

Every Director and officer of the Association shall be indemnified by the Association against all expenses and liabilities, including attorney's fees, reasonably incurred by or imposed upon him in connection with any proceeding to which he may be a party or in which he may become involved by reason of his being or having been a Director or officer of the Association, whether or not he is a Director or officer at the time such expenses are incurred, except in such cases where the Director or officer is adjudged guilty of willful or wanton misconduct or gross negligence in the performance of his duties; provided that, in the event of any claim for reimbursement or indemnification hereunder based upon a settlement by the Director or officer seeking such reimbursement or indemnification, the indemnification 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 right of indemnification shall be in addition to and not exclusive of all other rights to which such Director or officer may be entitled. At least ten (10) days prior to payment of any indemnification which it has approved, the Board of Directors shall notify all Owners. 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 XVII

Amendments

1. **Procedure.** These Bylaws may be amended, altered, changed, added to, or repealed only in the manner prescribed in the Master Deed.

2. **When Effective.** Any amendment to these Bylaws shall become effective upon recording of such amendment in the office of the Ottawa County Register of Deeds.

3. **Binding.** A copy of each amendment to the Bylaws shall be furnished to every member of the Association after adoption; 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 Project irrespective of whether such persons actually receive a copy of the amendment.

ARTICLE XVIII

Compliance

The Association and all present or future Owners, tenants, future tenants, or any other persons acquiring an interest in or using the Project in any manner are subject to and shall comply with the Act, as amended, and the mere acquisition, occupancy or rental of any Unit or an interest therein or the utilization of or entry in the Condominium Premise shall signify that if the Condominium Documents conflict with the provisions of the Act, the Act shall govern.

ARTICLE XIX

Definitions

All terms used in these Bylaws 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 XX

Remedies for Default

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

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

2. **Recovery of Costs.** In any proceeding arising because of an alleged default by any Owner other than the Developer, the prevailing party shall be entitled to recover the costs of the proceeding and such reasonable attorney's fees (not limited to statutory fees) as may be determined by the court, but in no event shall any Owner be entitled to recover such attorney's fees.

3. **Removal and Abatement.** 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 stated above, to enter upon the Common Elements or into any Unit, where reasonably necessary, and summarily remove and abate, at the expense of the Owner in violation, any structure, thing, or condition existing or maintained contrary to the provisions of the Condominium Documents. The Association shall have no liability to any Owner arising out of the exercise of its removal and abatement power authorized under these Bylaws.

4. **Assessment of Fines.** The violation of any of the provisions of the Condominium Documents by any Owner shall be grounds for assessment by the Association, acting through its duly constituted Board of Directors, of monetary fines for such violations. No fine may be assessed unless rules and regulations establishing such fine have first been duly adopted by the Board of Directors of the

Association and notice has been given to all Owners in the same manner as prescribed in Article X, Section 4 of these Bylaws. Thereafter, fines may be assessed only upon notice to the offending Owners as prescribed in Article X, Section 4, and an opportunity for such Owner to appear before the Board no less than seven (7) days from the date of the notice and offer evidence in defense of the alleged violation. All fines duly assessed may be collected in the same manner as provided in Article II of these Bylaws.

5. **Nonwaiver of Right.** The failure of the Association or of any Owner to enforce any right, provision, covenant or condition in the future shall not operate as a waiver.

6. **Cumulative Rights, Remedies and Privileges.** All rights, remedies and privileges granted to the Association or any Owner or Owners pursuant to any terms, provisions, covenants or conditions of the aforesaid Condominium Documents shall be deemed to 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.

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

ARTICLE XXI

Assessment of Fines

1. **General.** The violation by any Owner, occupant or guest of any provisions of the Condominium Documents including any duly adopted rules and regulations shall be grounds for assessment by the Association, acting through its duly constituted Board of Directors, of monetary fines against the involved Owner. Such Owner shall be deemed responsible for such violations whether they occur as a result of his personal actions or the actions of his family, guests, tenants or any other person admitted through such Owner to the Condominium Premises.

2. **Procedures.** Upon any such violation being alleged by the Board, the following procedures will be followed:

(a) **Notice.** Notice of the violation, including the Condominium Document provision violated, together with a description of the factual nature of the alleged offense set forth with such reasonable specificity as will place the Owner on notice as to the violation, shall be sent by first class mail, postage prepaid, or personally delivered to the representative of said Owner at the address as shown in the notice required to be filed with the Association pursuant to Article IX, Section 3 of the Bylaws.

(b) **Opportunity to Defend.** The offending Owner shall have an opportunity to appear before the Board and offer evidence in defense of the alleged violation. The appearance before the Board shall be at its next scheduled meeting but in no event shall the Owner be required to appear less than ten (10) days from the date of the notice.

(c) **Default.** Failure to respond to the notice of violation constitutes a default.

(d) **Hearing and Decision.** Upon appearance by the Owner before the Board and presentation of evidence of defense, or, in the event of the Owner's default, the Board shall, by majority vote of a quorum of the Board, decide whether a violation has occurred. The Board's decision is final.

3. **Amounts.** Upon violation of any of the provisions of the Condominium Documents and after default of the offending Owner or upon the decision of the Board as recited above, the following fines shall be levied:

(a) **First Violation.** No fine shall be levied.

(b) **Second Violation.** One Hundred Dollar (\$100.00) fine.

(c) **Third Violation.** Two Hundred Dollar (\$200.00) fine.

(d) **Fourth Violation and Subsequent Violations.** Five Hundred Dollar (\$500.00) fine.

4. **Collection.** The fines levied pursuant to Section 3 above shall be assessed against the Owner and shall be due and payable together with the regular Condominium assessment on the first of the next following month. Failure to pay the fine will subject the Owner to all liabilities set forth in the Condominium Documents including, without limitation, those described in Article II and Article XIX of these Bylaws.

ARTICLE XXII

Rights Reserved to Developer

Any or all of the rights and powers granted or reserved to the Developer in the Condominium Documents or by law, including the right and power to approve or disapprove any act, use, or proposed action or any other matter or thing, may be assigned by it to any other entity or to the Association. Any such assignment or transfer shall be made by appropriate instrument in writing in which the assignee or transferee shall join for the purpose of evidencing its acceptance of such powers and rights and such assignee or transferee shall have the same rights and powers as have been given and reserved to the Developer. Any rights and powers reserved or granted to the Developer or its successors shall terminate, if not sooner assigned to the Association, at the conclusion of the Development and Sales Period as defined in Article III of the Master Deed. The immediately preceding sentence dealing with the termination of certain rights and powers granted or reserved to the Developer is intended to apply, insofar as the Developer is concerned, only to the Developer's rights to approve and control the administration of the Condominium and shall not, under any circumstances, be construed to apply to or cause the termination of any real property rights granted or reserved to the Developer or its successor and assigns in the Master Deed or elsewhere (including, but not limited to, access easements, utility easements and all other easements created and reserved in such documents which shall not be terminable in any manner hereunder and which shall be governed only in accordance with the terms of their creation or reservation and not hereby).

ARTICLE XXIII

Severability

In the event that any of the terms, provisions or covenants of these Bylaws of the Condominium Documents are held to be partially or wholly invalid or unenforceable for any reason whatsoever, such

holding shall not affect, alter, modify or impair in any manner whatsoever any of the other remaining portions of any terms, provisions or covenants held to be partially invalid or unenforceable.

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