

**LAKESIDE DUNES  
EXHIBIT A**

**BYLAWS**

**ARTICLE I  
ASSOCIATION OF CO-OWNERS**

**1.1 Association of Co-owners.** Lakeside Dunes, a residential Condominium Project located in the City of Muskegon, Muskegon County, Michigan, will be administered by an Association of Co-owners which will be a nonprofit corporation, hereinafter called the “Association”, organized under the applicable laws of the State of Michigan, and responsible for the management, maintenance, operation and administration of the Common Elements, easements and affairs of the Condominium Project in accordance with the Condominium Documents and the laws of the State of Michigan. These Bylaws will constitute both the Bylaws referred to in the Master Deed as required by the Act and the Bylaws provided for under the Michigan Nonprofit Corporation Act. Each Co-owner will be entitled to membership and no other person or entity will be entitled to membership. The share of a Co-owner in the funds and assets of the Association cannot be assigned, pledged or transferred in any manner except as an appurtenance to his or her Unit. The Association will 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 Co-owners, prospective purchasers and prospective mortgagees of Units in the Condominium Project. All Co-owners in the Condominium Project and all persons using or entering upon or acquiring any interest in any Unit therein or the Common Elements thereof will be subject to the provisions and terms set forth in 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 set forth in the Condominium Documents and the Act will be levied by the Association against the Units and the Co-owners thereof in accordance with the following provisions:

**2.1 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 improvements constructed or to be constructed within the boundaries of the Condominium Units for which the Association has maintenance responsibility, or the administration of the Condominium Project, will 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 Co-owners against liabilities or losses arising within, caused by, or connected with the Common Elements or the administration of the Condominium Project will constitute receipts affecting the administration of the Condominium Project, within the meaning of Section 54(4) of the Act.

**2.2 Determination of Assessments.** Assessments will be determined in accordance with the following provisions:

(a) **Budget.** The Board of Directors of the Association will establish an annual budget in advance for each fiscal year and such budget will 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 will be established in the budget and should be funded as part of the regular annual assessment as set forth in Section 2.3 below rather than by special assessments. On the Transitional Control Date, the reserve fund will, at a minimum, be equal to ten percent (10%) of the Association's current annual budget on a non-cumulative basis. The minimum standard required by this section may prove to be inadequate for this particular Project. The Association 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. Upon adoption of an annual budget by the Board of Directors, copies of the budget will be delivered to each Co-owner and the assessment for the year will be established based upon the budget, although the failure to deliver a copy of the budget to each Co-owner will not affect or in any way diminish the liability of any Co-owner for any existing or future assessments. Should the Board of Directors at any time determine, in the sole discretion of the Board of Directors: (1) that the assessments levied are or may prove to be insufficient to pay the costs of operation and management of the Condominium, (2) to provide replacements of existing Common Elements, (3) to provide additions to the Common Elements not exceeding Five Thousand Dollars (\$5,000.00) annually for the entire Condominium Project, or (4) that an event of emergency exists, the Board of Directors will have the authority to increase the general assessment or to levy such additional assessment or assessments as it will deem to be necessary. The Board of Directors also will have the authority, without Co-owner consent, to levy assessments pursuant to the provisions of Section 13.4 hereof. The discretionary authority of the Board of Directors to levy assessments pursuant to this subsection will rest solely with the Board of Directors for the benefit of the Association and the members thereof, and will not be enforceable by any creditors of the Association or the members thereof.

(b) **Special Assessments.** Special assessments, in addition to those established in subsection (a) above or elsewhere in these Condominium Documents, may be made by the Board of Directors from time to time and approved by the Co-owners as hereinafter provided to meet other needs or requirements of the Association, including, but not limited to: (1) assessments for additions to the Common Elements of a cost exceeding Five Thousand Dollars (\$5,000.00) for the entire Condominium Project per year, (2) assessments to purchase a Unit upon foreclosure of the lien for assessments described in Section 2.5 hereof, or (3) assessments for any other appropriate purpose not elsewhere herein described. Special assessments referred to in this subsection (b) (but not including those assessments referred to in subsection (a) above or elsewhere in these condominium documents, which will be levied in the sole discretion of the Board of Directors) will not be levied without the prior approval of more than sixty percent (60%) of all Co-owners. The authority to levy assessments pursuant to this subsection is solely for the benefit of the Association and the members thereof and will not be enforceable by any creditors of the

Association, and the lien upon the Unit against which a special assessment is charged shall be deemed a mortgage lien for the purposes herein.

**2.3 Apportionment of Assessments and Penalty for Default.** Unless otherwise provided herein or in the Master Deed, all assessments levied against the Co-owners to cover expenses of administration will be apportioned among and paid by the Co-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 Section 2.2(a) above will be payable by Co-owners in advance in one annual payment (or in semi-annual, quarterly or monthly installments if the Board of Directors so determines), commencing with acceptance of a deed to or a land contract vendee's interest in a Unit, or with the acquisition of title to a Unit by any other means. The payment of an assessment will be in default if such assessment, or any part thereof, is not paid to the Association in full on or before the due date for such payment.

Each payment of any assessment in default for ten or more days will bear interest from the initial due date thereof at the rate of seven percent (7%) per annum (or such higher rate allowed by law as the Board of Directors shall determine) until each installment is paid in full. The Association may, pursuant to Section 20.4 hereof, levy fines for the late payment in addition to such interest. Each Co-owner (whether one or more persons) will 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 or her Unit which may be levied while such Co-owner is the owner thereof. Payments on account of assessments in default will be applied as follows: first, to costs of collection and enforcement of payment, including reasonable attorneys' fees; second, to any interest charges and fines for late payment; and third, to amounts in default in order of their due dates.

**2.4 Waiver of Use or Abandonment of Unit.** No Co-owner may exempt himself or herself from liability for his or her 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 or her Unit.

**2.5 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 Co-owner in the payment of any assessment levied against the Co-owner's Unit, the Association will have the right to declare all assessments, including 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 a Co-owner in default upon seven days written notice to such Co-owner of its intention to do so. A Co-owner in default will not be entitled to utilize any of the General Common Elements of the Project and will not be entitled to vote at any meeting of the Association so long as such default continues; provided, however, this provision will not operate to deprive any Co-owner of ingress or egress to and from his or her Unit. In a judicial foreclosure action, a receiver may be appointed to collect a reasonable rental for the Unit from the Co-owner thereof or any persons claiming under him or her. All of

these remedies will be cumulative and not alternative and will not preclude the Association from exercising such other remedies as may be available at law or in equity.

**(b) Foreclosure Proceedings.** Each Co-owner, and every other person who from time to time has any interest in the Project, will be deemed to have granted to the Association the unqualified right to elect to foreclose the lien securing payment of assessments either by judicial action or by advertisement and either as a statutory lien or a mortgage lien or both. The provisions of Michigan law pertaining to foreclosure of mortgages by judicial action and by advertisement, as the same may be amended from time to time, are incorporated herein by reference for the purposes of establishing the alternative procedures to be followed in lien foreclosure actions and the rights and obligations of the parties to such actions. A foreclosure of the statutory lien shall be in the same manner as a foreclosure under the laws relating to foreclosure of real estate mortgages by advertisement or judicial action except the Association is entitled to interest, expenses, costs, and attorney fees for foreclosure by advertisement or judicial action. The redemption period for a foreclosure is 6 months from the date of sale unless the property is abandoned, in which event the redemption period is 1 month from the date of sale. Further, each Co-owner and every other person who from time to time has any interest in the Project will 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 Co-owner of a Unit in the Project acknowledges that at the time of acquiring title to the Unit he or she was notified of the provisions of this subsection and that he or she 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.

**(c) Notice of Action.** Notwithstanding the foregoing, neither a judicial foreclosure action nor a suit at law for a money judgment will be commenced, nor will any notice of foreclosure by advertisement be published, until the expiration of ten days after mailing, by first class mail, postage prepaid, addressed to the delinquent Co-owner(s) at his or her or their last known address, a written notice that one or more payments of assessments levied against the pertinent Unit is or are delinquent and that the Association may invoke any of its remedies hereunder if the default is not cured within ten days after the date of mailing. Such written notice will be accompanied by a written affidavit of an authorized representative of the Association that sets forth (i) the affiant's capacity to make the affidavit, (ii) the statutory and other authority for the lien, (iii) the amount outstanding (exclusive of interest, costs, attorneys' fees and future assessments), (iv) the legal description of the subject Unit(s) and (v) the name(s) of the Co-owner(s) of record. Such affidavit will be recorded in the office of the Register of Deeds of Muskegon County prior to commencement of any foreclosure proceeding, but it need not have been recorded as of the date of mailing as aforesaid. If the delinquency is not cured within the ten day period, the Association may take such remedial action as may be available to it hereunder or under Michigan law. In the event the Association elects to foreclose the lien by advertisement, the Association will so notify the delinquent Co-owner and will inform him or her that he or she may request a judicial hearing by bringing suit against the Association.

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

**2.6 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 by deed (or assignment) in lieu of foreclosure, or any purchaser at a foreclosure sale, will take the property free of 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 (except for assessments that have priority over the first mortgage under Section 108 of the Act and except for claims for a pro rata share of such assessments or charges resulting from a pro rata allocation of such assessments or charges to all Units including the mortgaged Unit.) The Co-owner of a Unit subject to foreclosure, and any purchaser, grantee, successor, or assignee of the Co-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 interest, advances made by the Association for taxes or other liens to protect its lien, costs and attorney fees incurred in their collection.

**2.7 Developer's Responsibility for Assessments.** The Developer will, prior to the Transitional Control Date, fund all Association operating expenses not funded by assessments or other funds available to the Association. The Developer of the Condominium, although a member of the Association, will not be responsible at any time for payment of the regular Association dues or assessments. Developer, however, will at all times pay all expenses of maintaining the Units that it owns, including the residences and other improvements located thereon, and will reimburse the Association a proportionate share of expenses actually incurred by the Association from time to time to maintain Common Elements actually servicing Units owned by Developer, excluding expenses related to maintenance and use of the Units in the Project and of the residences and other improvements constructed within or appurtenant to the Units that are not owned by Developer. For purposes of the foregoing sentence, the Developer's proportionate share of such expenses will be based upon the ratio of all Units owned by the Developer served by those Common Elements at the time the expense is incurred to the total number of Units then in the Project served by those Common Elements. In no event will Developer be responsible for payment of any assessments for deferred maintenance, reserves for replacement, for capital improvements or other special assessments, except with respect to Units owned by it on which a completed residence is located. A "completed residence" will mean a residence with respect to which a certificate of occupancy has been issued by City of Muskegon.

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

**2.9 Personal Property Tax Assessments of Association Property.** The Association will be assessed as the person or entity in possession of any tangible personal property of the Condominium owned or possessed in common by the Co-owners, and personal property taxes based thereon will be treated as expenses of administration.

**2.10 Construction Lien.** A construction lien otherwise arising under Act No. 497 of the Michigan Public Acts of 1980, as amended, will be subject to Section 132 of the Act.

**2.11 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 thereon, whether regular or special, including interest, late charges, fines, costs and attorney fees. 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 will provide a written statement of such unpaid assessments, including interest, late charges, fines, costs and attorney fees, as may exist or a statement that none exist, which statement will be binding upon the Association for the period stated therein. Upon the payment of that sum within the period stated, the Association's lien for assessments as to such Unit will be deemed satisfied; provided, however, that the failure of a purchaser to request such statement at least five days prior to the closing of the purchase of such Unit will render any unpaid assessments, including interest, late charges, fines, costs and attorney fees, and the lien securing 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 thereof prior to all claims except real property taxes and first mortgages of record (subject to exceptions referenced in Section 2.6).

### **ARTICLE III USE RESTRICTIONS**

All of the Units in the Condominium will be held, used and enjoyed subject to the following limitations and restrictions (with all referenced approvals and consents to be effective only if given in writing):

**3.1 Residential Use.** The Units are for single-family residential purposes only. There will not exist on any Unit at any time more than one residence. No building or structure intended for or adapted to business purposes, and no duplex, apartment house, lodging house, rooming house, half-way house, hospital, sanitarium or doctor's office, or any multiple-family dwelling of any kind will be erected, placed, permitted, or maintained on any Unit. No improvement or structure whatever, other than a first class private residence with attached garage for not less than two passenger vehicles and not more than three passenger vehicles, may be erected, placed, or maintained on any Unit except as provided in Section 3.8. No residence on any Unit will be used or occupied by other than a single family, its temporary guests and family servants and no residence on any Unit will be used for other than residential use.

**3.2 Home Occupations.** Although all Units are to be used only for single-family residential purposes, nonetheless home occupations will be considered part of a single-family residential use if, and only if, the home occupation is conducted entirely within the residence and participated in solely by members of the immediate family residing in the residence, which use is clearly incidental and secondary to the use of the residence for dwelling purposes and does not change the character thereof. To qualify as a home occupation, there must be (i) no sign or display that indicates from the exterior that the residence is being utilized in whole or in part for any purpose other than that of a dwelling; (ii) no commodities sold upon the premises; (iii) no person

is employed other than a member of the immediate family residing on the premises; and (iv) no mechanical or electrical equipment is used, other than personal computers and other office type equipment. In no event shall a barber shop, styling salon, beauty parlor, tea room, fortune-telling parlor, day care center, animal hospital, or any form of animal care or treatment such as dog trimming, be construed as a home occupation. Although garage sales are included within the prohibited uses since commodities are sold at garage sales, garage sales may nonetheless be conducted with the prior written approval of the Association, if the Association determines to permit garage sales, so long as conducted in accordance with any rules or conditions adopted by the Association.

**3.3 Mail Kiosk; Letter and Delivery Boxes.** The Developer intends to establish a mail kiosk for the mailboxes for all Units. In event the Developer elects to permit individual residence mail boxes in lieu of a mailbox kiosk, the Developer will determine the location, color, size, design, lettering, and all other permitted particulars of any permitted mail or paper delivery boxes, and standards and brackets and name signs for such boxes. Each Unit owner will either install his or her mailbox or pay the cost of the Co-owner's mailbox as reasonably determined by Developer.

**3.4 Lighting.** No vapor lights or dusk to dawn lights shall be permitted. Subject to regulation pursuant to Section 3.19(c) hereof, no approval is needed for seasonal lights displayed during the Christmas and Hanukah seasons that are reasonable in quantity and brightness and turned off by midnight.

**3.5 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, except that one "For Sale" sign referring only to the Unit on which displayed and not exceeding five (5) square feet in size may be displayed without approval. A name and address sign, the design of which will be approved by the Developer, will be permitted. Nothing herein 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 of Units.

**3.6 Exterior Changes.** A landscaping plan will be submitted to Developer in accordance with and be subject to Sections 4.5 and 4.6 hereof. Any change in the physical appearance of the exterior of any residence as approved by the Developer for construction must have the prior written approval of the Developer during the Development Period and thereafter of the Association. This includes exterior colors of buildings and significant landscaping changes. No tree with a diameter of more than four (4) inches at the base is to be removed without the prior written approval of the Developer during the Development Period and thereafter of the Association.

**3.7 Antennae, Solar Panels and Satellite Dishes.** No antennas or solar panels will be permitted. Satellite dish installation and location must be approved in writing by the Developer prior to construction during the Development Period and thereafter by the Association.

**3.8 Outbuildings and Structures.** No outbuilding, accessory building or enclosed improvement including, but not limited to, a barn, storage shed, temporary building, outbuilding, guest house, playhouse, tree house or dog run, may be placed, erected or maintained on any Unit.

**3.9 Hazardous Materials and Fuel Storage Tanks.** No Co-owner will bring environmentally hazardous materials onto the Condominium Property unless for domestic use at the Co-owner's residence in reasonable quantities limited to the immediate need. No oil or fuel storage tanks may be installed on any Unit and no more than ten (10) gallons of petroleum products may be stored on any Unit (not including fuel within the tanks of cars or other vehicles).

**3.10 Animals.** No animals, birds or fowl may be kept or maintained on any Unit, except dogs, cats and pet birds which may be kept thereon in reasonable numbers as pets for the pleasure and use of the occupants. No animal may be kept or bred for any commercial purpose and all animals will have such care and restraint so as not to be obnoxious or offensive on account of noise, odor or unsanitary conditions. No animal may be kept, housed or restrained outside of the residence in a manner which causes or permits the creation of unsightly conditions on the Unit, including but not limited to worn grass, bare dirt, or damaged landscaping or structures. No savage or dangerous animal will be kept on any Unit. Owners will have full responsibility for any damage to persons or property caused by his or her pet. The owner is required to properly dispose of the waste his or her animal deposits on any property. No dog which barks and can be heard on any frequent or continuing basis will be kept on any Unit, including within any residence. The Association may, without liability to the owner thereof, remove or cause to be removed any animal which it determines to be in violation of the restrictions imposed by this Section. The Association will have the right to require that any pets be registered with it and may adopt such additional reasonable rules and regulations with respect to animals as it may deem proper.

**3.11 Garage Doors.** For security and aesthetic reasons, garage doors will be kept closed at all times except as may be reasonably necessary to gain access to and from any garage. Each garage door must have a functional remote controlled garage door opener attached to the garage door at all times.

**3.12 Vehicles and Parking.** The following restrictions apply to vehicles and parking in the Condominium:

(a) **General.** Co-owners will, if the Association requires, register with the Association all vehicles maintained on the Condominium Property. In no event will the number of vehicles maintained by the Co-owners of a Unit on the Condominium Property exceed the number of spaces for vehicles in the garages on the Unit; one garage space must be kept clear and available for such parking of each such vehicle at all times. All vehicles shall be parked inside the garages on the Unit at all times other than incidental loading, unloading and waiting times. Use of motorized vehicles anywhere on the Condominium Property, other than passenger vehicles on improved roads, stock/unmodified electric golf carts (gas powered carts are prohibited) of Co-owners and driven by Co-owners and their family members on designated cart paths, authorized maintenance vehicles and commercial vehicles as provided in this Section, is absolutely prohibited. Parking on any street or

parking area in the Condominium is subject to rules and regulations the Association may adopt from time to time.

**(b) Prohibited Parking.** Under no circumstances will any vehicle be permitted to be parked or operated anywhere on the Condominium Property except in garages and on the driveways and streets. This specifically includes that no passenger vehicles may be parked, operated or located at any time on any sidewalks, landscaped areas, grassy areas or anywhere else not intended for passenger vehicles.

**(c) Visitor Parking.** The preferred location for visitor parking is in the driveway on the Unit being visited. Visiting family members may park a vehicle on a Unit's driveway for periods of up to 90 days; parking in excess of 90 days will require that the passenger vehicle be registered with the Association as a visitor passenger vehicle; two such visiting family member vehicles may be parked on a Unit driveway at any one time. Visitors who are not family members may park vehicles on a Unit's driveway for periods of up to 48 hours; parking in excess of 48 hours will require that the passenger vehicle be registered with the Association as a visitor passenger vehicle. Visitor parking will also be permitted in the streets, pursuant to all rules and regulations the Association may adopt, including limiting parking to one side or the other of each street and prohibiting street parking during certain times or on certain streets, or portions of streets. The streets are not to be used at any time for parking passenger vehicles owned or operated by persons residing in the residence on any Unit, except with the approval of the Association. The only passenger vehicles which will be qualified to park on the streets are the following:

(i) The passenger vehicle is operated by a person who does not reside in any Unit and is visiting a person who does reside in a Unit and such Unit does not have driveway space available for such vehicle to park, and the passenger vehicle is not parked on the Condominium Property more than 24 hours per week.

(ii) The passenger vehicle is operated by a person who does not reside in any Unit but is visiting a person who does reside in a Unit and the passenger vehicle is not parked on the Condominium Property for more than 24 hours and the passenger vehicle is registered with the Association as a visitor passenger vehicle. Permits for visitor passenger vehicles will be for a specific period of time, not to exceed one week, and will specify the specific passenger vehicle to which it applies. The permit will be displayed as directed by the Association at all times when the visitor passenger vehicle is parked on the Condominium Property. Absent unusual circumstances acceptable to the Association, no more than 12 such permits per year will be issued to visitors of the persons residing in the residence on a single Unit.

(iii) The passenger vehicle is parked in connection with an activity directed by the Association such as contractors doing work on the Condominium Property at the direction of the Association.

(iv) Passenger vehicles parked pursuant to a special event permit issued by the Association. Any special event permits issued by the Association for parties,

receptions or the like will be specifically limited to a particular period of time and may be limited as to the number of passenger vehicles permitted and/or the locations where street parking will be permitted and not permitted for that event. The Association may choose to issue or not issue special event parking permits as it shall determine in its sole discretion from time to time in light of the circumstances at that time.

(v) The passenger vehicle is parked in connection with maintenance or construction being performed on a Unit of a nature which precludes parking on the driveway of the Unit, provided in no event shall such period exceed 24 hours unless approved by the Association.

(vi) Passenger vehicles parked at the direction or with the consent of the Developer.

**(d) Towing.** Any passenger vehicle which is parked on the Condominium Property in violation of these Bylaws or rules adopted by the Association may be towed away without notice and impounded by the towing company not to be released until the cost of the towing is paid to the towing company. If the passenger vehicle towed is owned or was parked by any person residing in the residence on any Unit or by a visitor of the person residing in the residence on any Unit, that person and the Co-owner owning that Unit shall be responsible to pay the cost of the towing to recover the passenger vehicle as well as subject to fines established by the Association for the violation of these Bylaws.

**(e) Parking Approvals.** The Association may give prior written approval permitting the persons residing in the residence on a Unit to keep more than their allowed number of passenger vehicles on the Condominium Property. Notwithstanding any other provision of these Bylaws, the Association has the right to grant exceptions to the restrictions of this Section concerning passenger vehicles or otherwise grant approvals in specific circumstances based on the facts and circumstances as determined by the Association from time to time. Any written approval given by the Association permitting more than the allowed number of passenger vehicles to be kept by the persons residing in a residence on a Unit on the Condominium Property may be conditioned upon any conditions the Association determines from time to time and may be revoked by the Association at any time for any reason or no reason. In no event will any Co-owner or other person residing in any Unit have any right to a continued approval from the Association to maintain more than the number of passenger vehicles on the Condominium Property allowed to that Co-owner under this Section. The fact that the Association has granted an approval in one circumstance will not entitle that person to any future or continued approval or any other person in a similarly situated situation to a like or similar approval, the granting and termination of all approvals being within the sole discretion of the Association as determined from time to time. The kind of conditions which the Association may impose in connection with the granting or continuation of any approval include, by way of illustration and not limitation, that the additional passenger vehicle(s) must always be parked in the driveway of the Unit or limited to a particular vehicle or for a particular period of time or during particular hours of the day. Any approval that is

granted may override all other provisions of this Section 3.12, except those provisions that permit a passenger vehicle parked in violation of these restrictions to be towed away as provided in paragraph (d) of this Section 3.12 will apply to passenger vehicles parked inconsistently with an approval.

**(f) Responsibility.** All Co-owners are responsible for the parking of their own passenger vehicles and all passenger vehicles of their family members, guests, invitees, and others on the Condominium Property who have come on the Condominium Property to see them or to attend or conduct an activity or business at their Unit. Each Co-owner therefore must pay all fines resulting from the improper parking of such passenger vehicles in violation of these Bylaws.

**3.13 Recreational and Commercial Vehicles.** No house trailers, trailers, boats, camping vehicles, motorcycles, all-terrain vehicles, snowmobiles, or vehicles other than automobiles or vehicles used primarily for general personal transportation use (“passenger vehicles”) may be parked or stored upon any Unit or adjoining areas, unless parked in a garage with the door closed or with the written consent of the Association. In addition, travel trailers, boats on trailers and motor homes can be stored on a Unit for not more than 48 continuous hours and not more than 72 hours during any 30 day period, and then only while being cleaned, loaded or unloaded. No inoperable vehicles of any type may be brought or stored upon any Unit, either temporarily or permanently, unless within a garage with the door closed. No trucks over 3/4 ton will be parked overnight on any Unit, except in an enclosed garage without the prior written consent of the Association. No snowmobiles, motorcycles or all-terrain vehicles will be used on any Unit or any part of the Condominium Property without the prior written approval of the Association. Parking on the General Common Elements (including streets) will be subject to any rules and regulations adopted by the Association.

**3.14 Nuisances.** No owner of any Unit will do or permit to be done any act or condition upon his or her Unit which may be or is or may become a nuisance. No Unit will be used in whole or in part for the storage of rubbish of any character whatsoever, nor for the storage of any property or thing that will cause the Unit to appear in an unclean or untidy condition or that will be obnoxious to the eye; nor will any substance, thing, or material be kept upon any Unit that will emit foul or obnoxious odors, or that will cause any noise that will or might disturb the peace, quiet, comfort, or serenity of the occupants of surrounding Units. No weeds, underbrush, or other unsightly growths will be permitted to grow or remain upon any part of a Unit except to the extent it is natural undergrowth in a wooded area that the Co-owner does not disturb in the construction of the Co-owner’s residence and no refuse pile or unsightly objects will be allowed to be placed or suffered to remain anywhere on a Unit. In the event that any Co-owner of any Unit will fail or refuse to keep a Unit free from weeds, underbrush, or refuse piles or other unsightly growths or objects, then the Developer or the Association may enter upon the Unit and remove the same and such entry will not be a trespass; the Co-owner of the Unit will reimburse the Developer or the Association all costs of such removal. In addition, if the Association elects to have Unit Co-owners be responsible, in whole or part, for the mowing of the lawn portions of the Units, and any Co-owner of any Unit fails to mow at least weekly during the summer mowing season and at least six times during the spring and fall, then the Developer or the Association may enter upon the Unit and mow the Unit and such entry will not be a trespass; the Co-owner of the Unit will reimburse

the Developer or the Association all costs of such mowing. No firewood may be stored on a Unit. Outdoor fire pits shall be gas fueled only, and shall be subject to the prior approval of the Association as to type, size and location.

**3.15 Contractors.** The following restrictions apply to contractors and their activities in the Condominium:

(a) **Garbage and Refuse Disposal.** All trash, garbage and other waste is to be kept only in sanitary containers inside garages or otherwise within fully enclosed areas at all times and will not be permitted to remain elsewhere on the Unit, except for such short periods of time as may be reasonably necessary to permit periodic collection. All trash, garbage and other waste must be removed from the Unit at least once each week. The Association may adopt rules and regulations to control the style and size of the sanitary containers placed outside of fully enclosed areas for collection and/or may require specific pick-up times and/or specify a required contractor or contractors for all Co-owners to use for waste removal and/or recycling pick-ups.

(b) **Lawn maintenance.** The Association shall be responsible for the mowing of unimproved and unobstructed lawn areas of the Units, the cost of which shall be included in the Association assessments; the Co-owners shall be responsible for mowing (at their cost) portions of their Units determined by the Association to be obstructed or not reasonably accessible. If the Association adopts rules and regulations that require or prohibit various times for mowing and other lawn maintenance to be conducted, then all Co-owners will be required to observe those rules and/or regulations.

(c) **Snow Removal.** To the extent not assumed by governmental authorities, the Association shall provide snow removal as to the roads within the Project. Co-owners shall be responsible for performing or contracting for snow removal for their Unit and Limited Common Elements. However, if the Association adopts rules and regulations that requires or prohibits various times for snow removal to be conducted and/or specifies a required contractor or contractors for all Co-owners who choose to use a contractor for snow removal, then all Co-owners will be required to observe those rules and regulations.

**3.16 Zoning.** In addition to the restrictions herein, the use of any Unit and any structure constructed on any Unit must satisfy the requirements of the zoning ordinance of the City of Muskegon, Muskegon County, Michigan, which is in effect at the time of the contemplated use or construction of any structure unless a variance for such use or structure is obtained from the Zoning Board of Appeals of the City of Muskegon and further there is obtained a written consent thereto from the Developer during the Development Period and thereafter from the Association.

**3.17 Mineral Extraction.** No derrick or other structures designed for use in boring for oil or natural gas will be erected, placed, or permitted upon any Unit, nor will any oil, natural gas, petroleum, asphaltum, or hydrocarbon products or minerals of any kind be produced or extracted from or through the surface of any Unit. Rock, gravel, and/or clay will not be excavated or removed from any Unit for commercial purposes.

**3.18 Changes in Common Elements.** Except as provided in Section 4.5 with respect to the Developer, no Co-owner will make changes in any of the Common Elements, Limited or General, without the written approval of the Developer during the Development Period and thereafter of the Association. No trees not removed by Developer to construct streets, utilities and detention ponds shall be chopped down or otherwise removed from the General Common Element unless the tree is diseased or dead; or is a hazard to buildings, structures or human lives. Any removal of any tree or clearing of any undergrowth in the General Common Elements must be approved in advance by the Association.

**3.19 Co-owner Maintenance.** Each Co-owner will maintain his or her Unit and the improvements thereon and any Limited Common Elements appurtenant thereto for which he or she has maintenance responsibility in a safe, clean and sanitary condition. Each Co-owner will 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 which are appurtenant to or which may affect any other Unit. Each Co-owner will 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 her, or their family, guests, uninvited visitors, agents or invitees, unless such damages or costs are covered by insurance carried by the Association (in which case there will be no such responsibility, unless reimbursement to the Association is limited by virtue of a deductible provision, in which case the responsible Co-owner will bear the expense to the extent of the deductible amount). Any costs or damages to the Association may be assessed to and collected from the responsible Co-owner in the manner provided in Article II of these Bylaws.

**3.20 Rules and Regulations.** It is intended that the Board of Directors of the Association may make rules and regulations from time to time in connection with use, operation and management of the Condominium. Reasonable regulations consistent with the Act, the Master Deed and these Bylaws concerning the use of the Units and the Common Elements may be made and amended from time to time by any Board of Directors of the Association. Copies of all such rules, regulations and amendments thereto will be furnished to all Co-owners. However, the Board may not adopt any rule or regulation in violation of the following provisions:

(a) **Equal Treatment.** Similarly situated Co-owners and occupants shall be treated similarly.

(b) **Speech.** Any rights of Co-owners and occupants under the United States or Michigan Constitutions determined by a federal or Michigan Court to be applicable to the Project to display political signs and symbols in or on their Units of the kinds normally displayed in or outside of residences located in single-family residential neighborhoods shall not be abridged, except that the Association may adopt reasonable time, place, and manner restrictions for the purpose of minimizing damage and disturbance to other Co-owners and occupants.

(c) **Religious and Holiday Displays.** The rights of Co-owners to display religious and holiday signs, symbols, and decorations in their Units of the kinds normally displayed in or outside of residences located in single-family residential neighborhoods shall not be abridged, except that the Association may adopt reasonable time, place, and manner restrictions for the purpose of minimizing damage and disturbance to other Co-owners and occupants.

(d) **Household Composition.** No rule shall interfere with the freedom of occupants of Units to determine the composition of their households, except that the Association shall have the power to adopt rules limiting use of Units to single family residential use and to limit the total number of occupants permitted in each Unit on the basis of the size and facilities of the Unit and its fair share use of the Common Elements.

(e) **Activities Within Unit.** No rule shall interfere with the activities carried on within the confines of Units, except that the Association may prohibit activities not normally associated with property restricted to single family residential use, and it may restrict or prohibit any activities that create monetary costs for the Association or other Co-owners, that create a danger to the health or safety of occupants of other Units, that generate excessive noise or traffic, that create unsightly conditions visible outside the Unit, that block the views from other Units, or that create an unreasonable source of annoyance.

(f) **Alienation.** No rule shall prohibit transfer of any Unit, or require consent of the Association for transfer of any Unit, that would cause a delay in the transfer for any period longer than thirty (30) days. The Association shall not impose any fee on transfer of any Unit greater than an amount reasonably based on the costs to the Association of the transfer.

(g) **Reasonable Rights to Develop.** No rule or action by the Association shall unreasonably impede Developer's right to develop the Project and adjoining property.

(h) **Abridging Existing Rights.** If any rule would otherwise require Co-owners to dispose of personal property located at the Project which they owned and were permitted to have at the Project prior to adoption of the rule, such rule shall not apply to any such Co-owners without their written consent.

**3.21 Association Services.** The Association may decide to provide services to the Co-owners, on terms determined by the Association, including:

(a) **Mail Kiosk.** The Association may elect, until it determines otherwise, to maintain a mail kiosk at the entry to the project or other location as it determines, in which event this will be the exclusive method of non-special delivery for U.S. mail to the project. Each Unit will be assigned a mailbox at the mail kiosk and will not be permitted to have any other mail box or non-special U.S. mail delivery within the project. The Association may elect to require that newspaper boxes be located at the kiosk or other locations, and may prohibit the placement of individual newspaper boxes on Units.

(b) **Security.** The Association may, but will not be obligated to, maintain or support certain activities within the Project designed to make the Project safer than it otherwise might be. NEITHER THE ASSOCIATION NOR THE DEVELOPER WILL IN ANY WAY BE CONSIDERED INSURERS OR GUARANTORS OF SECURITY WITHIN THE PROJECT, NOR WILL ANY OF THEM BE HELD LIABLE FOR ANY LOSS OR DAMAGE BY REASON OF FAILURE TO PROVIDE ADEQUATE SECURITY OR OF INEFFECTIVENESS OF SECURITY MEASURES UNDERTAKEN. NO REPRESENTATION OR WARRANTY IS

MADE THAT ANY SECURITY GATES, FIRE PROTECTION SYSTEM, BURGLAR ALARM SYSTEM OR OTHER SECURITY SYSTEM CANNOT BE COMPROMISED OR CIRCUMVENTED, NOR THAT ANY SUCH SYSTEMS OR SECURITY MEASURES UNDERTAKEN WILL IN ALL CASES PREVENT LOSS OR PROVIDE THE DETECTION OR PROTECTION FOR WHICH THE SYSTEM IS DESIGNED OR INTENDED. EACH CO-OWNER ACKNOWLEDGES, UNDERSTANDS AND COVENANTS TO INFORM THE CO-OWNER’S FAMILY MEMBERS, GUESTS AND TENANTS THAT THE ASSOCIATION, ITS BOARD OF DIRECTORS AND COMMITTEES AND DEVELOPER ARE NOT INSURERS AND THAT EACH PERSON USING THE PROJECT ASSUMES ALL RISKS FOR LOSS OR DAMAGE TO PERSONS, TO UNITS AND TO THE CONTENTS OF UNITS RESULTING FROM ACTS OF THIRD PARTIES.

**3.22 Golf Course Social Membership.** Each Unit Co-owner shall be required to obtain at the time of taking title to a Unit, and maintain in good standing at all times thereafter so long as the Co-Owner holds title to a Unit, a Condominium Social Membership at the Muskegon Golf Club located adjacent to the Project (a “**Membership**”), in accordance with the Membership Declaration dated \_\_\_\_\_, 2023, recorded as Instrument Number \_\_\_\_\_ in the Muskegon County Records. Upon Developer’s request, the Association shall collect delinquent Membership fees in the manner of special assessments under the Condominium Documents.

**ARTICLE IV  
BUILDING RESTRICTIONS**

**4.1 Minimum Square Footages.** No one story residence will be constructed with a fully enclosed first floor area of less than the square feet scheduled for that Unit below, exclusive of garage and open porches. No residence with more than one story will be constructed on any Unit with a fully enclosed floor area of less than the square feet scheduled for that Unit below, exclusive of garage and open porches, including a fully enclosed first floor area of not less than one half of the total required square feet, exclusive of garage and open porches. The Developer may, in the sole discretion of the Developer, waive or permit reasonable modifications of the square footage requirements. All residences shall have the foot print of the structure located within the setback area of each Unit as depicted on the Setback Plan in the Exhibit B, Condominium Subdivision Plan.

<u>Unit</u>	<u>One Story</u>	<u>Two Story</u>
18-34	1,600	2,000
5-14	1,800	2,200
1-4, 15-17	2,000	2,500

**4.2 Driveways, Approaches and Parking Areas.** No Unit will be used for residential purposes unless the driveway is completed and maintained as provided in this section. No driveway may be closer than ten (10) feet from the Unit boundary except the boundary adjoining the private road without prior written approval of the Developer during the Development Period and thereafter of the Association. All driveways must be at least ten (10) feet in width. All driveways, driveway approaches, turnarounds and off-street parking areas must be surfaced with

an asphalt, bitumen, concrete or brick pavement or other surface approved by the Developer during the Development Period and thereafter by the Association.

**4.3 Improvements and Landscaping.** The Co-owner of a Unit located on a street corner will not plant or permit any landscaping, plantings or trees or construct any structures that creates any obstruction to vehicular visibility at or near the street intersection or inhibits efficient snow removal from streets. The Co-owner of Units 5-17 and of any Unit having any frontage on the golf course will not plant or permit any landscaping, plantings or trees with heights exceeding 4 feet in side yards, nor which block or impede the lateral views from adjacent Units. The Association shall be responsible for monitoring and promptly enforcing compliance with this Section, and the Association, and the Developer during the Development Period, may, after thirty (30) days' written notice to a Unit Co-owner and opportunity to cure, enter upon any Unit in order to take reasonable actions to cause such Unit to be in compliance with this Section, and the expense of such Unit Co-owner.

**4.4 Miscellaneous Provisions With Respect to Minimum Square Footage and Architectural Style.** The height of any building will not be more than two and one-half stories unless constructed with a waiver granted by Developer pursuant to Section 21.3. If any portion of a level or floor within a residence is below grade, all of that level or floor shall be considered a basement level. No geodesic dome, berm house, pre-fabricated home, modular home, mobile home, or above-ground pool will be erected on any of the Units without the prior written approval of the Developer during the Development Period and thereafter of the Association.

**4.5 Architectural Control and Approval of Plans.** The Developer in designing Lakeside Dunes, including the location and contour of the roads and vegetation, has taken into consideration the following criteria:

- (a) Lakeside Dunes is designed for residential living on residential sites in a suburban atmosphere featuring individual privacy while maintaining a community atmosphere.
- (b) The existing contour of the land and the existing wooded vegetation should be preserved as determined by Developer.
- (c) The dwelling site on each of the Units should be located so as to preserve the existing contours and vegetation as determined by Developer.
- (d) The architecture of the dwelling and landscaping located on any Unit should be compatible with the criteria as established hereby and also should be compatible and harmonious to the external design and general quality of other dwellings constructed and to be constructed within Lakeside Dunes as determined by Developer.
- (e) The design and general quality of the construction shall be first class, as determined in the sole discretion of the Developer.

Consequently, the Developer reserves the right to control the buildings, structures, and other improvements placed on each Unit, as well as to make such exceptions to these Bylaws

as the Developer will deem necessary and proper. No building, wall, or other improvement or landscaping will be placed upon a Unit unless and until the plans and specifications therefor 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, specifications and site plan as approved will be made without the prior written consent of the Developer. It should be anticipated that the following standards will usually have to be met for approval of plans, specifications and site plan:

i. Each residence is to include an attached garage for at least two vehicles.

ii. Residence exteriors are to be of the same approved materials on a minimum of three sides and on all sides visible from any street. Approved exterior materials include finished wood, full face brick, stone, stucco, cement board siding and any other material expressly approved by the Developer in writing. Vinyl siding may only be used if approved in advance by Developer in writing.

iii. All windows are to be of wood construction (or composite materials of comparable strength and quality which are approved by Developer), preferably clad in either aluminum or vinyl.

iv. Non-masonry fireplaces will be allowed on interior walls only and all exposed chimneys and exposed concrete masonry must be finished with brick, stone, stucco, or other material expressly approved by the Developer in writing. Fireplaces shall be gas only; no wood-burning fireplaces shall be permitted.

v. Flat roofs will be approved only in exceptional circumstances in the sole discretion of the Developer; the approved roof pitch is not less than a 6/12 pitch with the roof finished with either cedar shingles, architectural grade shingles or standing metal seam, unless approved otherwise by the Developer during the Development Period or thereafter by the Association. Notwithstanding the foregoing, roof pitches of less than 6/12 shall be permitted on porches, dormers, eyebrows and other areas as determined by Developer. Roof storm water drainage must be controlled so as to minimize erosion and runoff which could affect adjacent Units.

vi. Landscaping plans must be approved by the Developer during the Development Period and thereafter by the Association. An automatic underground sprinkling system is required for all grass lawn areas.

vii. The site plan is to minimize the trees to be removed from the Unit. As contemplated by Section 3.6 of these Bylaws, no trees with a diameter more than six (6) inches at the base are to be cut before, during or after construction, without the prior written approval of the Developer during the Development Period and thereafter of the Association.

Two sets of complete plans and specifications must be submitted by the Co-owner. 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 Property after construction or alteration to a condition satisfactory to the Developer. Developer may, if it determines that the plans and specifications are inadequate, require that they be submitted in greater detail by either a licensed builder or architect or landscape architect in the case of landscaping. No landscaping may be commenced prior to submission and approval of landscaping plan by the Developer. Each such building, wall, or structure will be placed on a Unit only in accordance with the plans and specifications and plot plan as approved by the Developer. The Developer may refuse approval of plans and specifications on any ground, including purely aesthetic grounds, which in the sole and uncontrolled discretion of the Developer seem sufficient. No alteration in the exterior appearance of the buildings or structures constructed with such approval will be made without like approval of the Developer. If the Developer fails to approve or disapprove any plans and specifications within sixty (60) days after written request therefor, then such approval will not be required; provided that no building or other improvement will be made which violates any of these Bylaws. The Developer will not be responsible for any defects in plans or specifications approved by Developer or in any building or structure erected according to such plans and specifications or in any changes in drainage resulting from such construction.

Developer may construct any improvements upon the Condominium Property 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 which the Developer cannot waive.

**4.6 Approved Contractor and Construction Process.** Except as otherwise approved in writing by Developer, all construction of all initial buildings and structures on each Unit will be done only by the licensed residential builder of custom homes approved for construction within the Project by the Developer (the “Approved Builder”). The Developer’s initial Approved Builder is David C. Bos Homes. The designation of additional Approved Builders shall be in the sole discretion of the Developer. It is the Developer’s intent that only builders permitted in the Project will be the Approved Builders, and that all design work shall be performed by the Approved Builders or architects approved by the Developer. Construction of all other improvements, including but not limited to landscaping, will be done by contractors approved in writing by the Developer. When the construction of any building is once begun, work thereon must be diligently continued and must be completed within a reasonable time. In any event, all construction must be completed within twelve (12) months from the start thereof, and all landscaping must be completed within six (6) months from substantial completion of the building, provided that the Developer may extend such time(s) when in Developer’s opinion conditions warrant an extension. Construction of all other improvements including landscaping will be done by contractors approved in writing by the Developer

**4.7 Changes in Appearance.** 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 during the Development Period and thereafter by the Association, which consent may be withheld in its absolute discretion.

**4.8 Damage to Road or Utilities.** Any damage to any road or utilities or any part of the Condominium Property by the Co-owner or the Co-owner's contractor or subcontractors in the course of the construction or alteration of any improvements or landscaping for a Unit shall be repaired, replaced or restored by such Co-owner at Co-owner's sole cost in a manner approved in writing by the Developer.

**4.9 Walls and Fences.** No wall or fence of any height will be constructed on any Unit until after the height, type, design, and approximate location therefor will have been approved in writing by the Developer in its sole discretion during the Development Period and thereafter by the Association. The heights or elevations of any wall or fence will be measured from the finished elevations of the property (as established by Developer) at or along the applicable points or lines.

**4.10 Occupancy.** No building erected upon any Unit will be occupied in any manner while in the course of construction, nor at any time prior to its being fully completed. Nor will any residence, when completed, be in any manner occupied until made to comply with the approved plans and all of these Bylaws.

**4.11 Elevations.** The finish elevations of each Unit shall be established by Developer in connection with the construction of the house thereon. Thereafter, no substantial changes in the elevations of the land will be made on a Unit without the prior written consent of the Developer during the Development Period and thereafter by the Association. Any change which materially affects the surface elevation, grade or drainage of the surrounding Units will be considered a substantial change.

**4.12 Soil from Excavation.** All soil to be removed from any of the Units either in grading or excavating will, at the option of the Developer, become the property of the Developer and when removed will be placed by the owner of the Unit in such place or places within the Project as the Developer will designate at the Unit Co-owner's expense.

**4.13 Water Systems.** No individual water supply system will be permitted on a Unit, except solely for irrigation purposes, or other non-domestic uses on the Unit.

**4.14 Septic Systems.** No whole house septic systems or drain fields will be permitted on any Unit.

**4.15 Paved Areas.** All driveways, driving approaches, and off-street parking areas shall be surfaced with a concrete or brick pavement or other surface approved by the Developer during the Development Period and thereafter by the Association.

**4.16 Accessory Buildings** No outbuilding, accessory building or enclosed improvement including, but not limited to, a barn, storage shed, temporary building, outbuilding, guest house, playhouse, tree house or dog run, may be placed, erected or maintained on any Unit.

**ARTICLE V  
SETBACKS AND BUILDING LINES**

**5.1 Buildings.** For the purpose of this Article V, building will mean the main residence, the garage, and related outbuildings and their projections such as eaves; bay, bow, or oriel windows; exterior chimneys; covered porches; porticos; loggias; and the like, but will not include open pergolas; uncovered porches; open terraces; stoops; steps; or balustrades, the sides of which do not extend more than three feet above the level of the ground floor of the main building.

**5.2 Setback Lines.** No building will be erected on any Unit nearer to the street line or to either side Unit boundary, or closer to the rear Unit boundary than permitted by the setback requirements of the zoning ordinance of the City of Muskegon, Muskegon County, Michigan, which is in effect at the time of the contemplated construction of any building unless a variance for such setback is obtained from the Zoning Board of Appeals of the City of Muskegon and further there is obtained a written consent thereto from the Developer during the Development Period and thereafter from the Association. In the event that it is impracticable or would create a hardship to comply with these setbacks as to any corner Unit or odd shaped Unit, then the Developer may specify front yard, side yard and rear yard depths and widths less than is required by these setbacks. Where one and one-half, two, or more Units are acquired as a single building site, the side Unit boundaries will refer only to the Unit boundary lines bordering the adjoining Co-owners.

**5.3 Swimming Pools; Hot Tubs.** No swimming pools will be permitted. Hot tubs will be permitted subject to prior approval of the Association as to size, location and screening.

**5.4 View Protection Areas.** On Units 5-17, inclusive, structures may not be constructed, and trees and other landscaping shall be maintained at a height of not more than four (4) feet above the grade established by the Developer, within eight (8) feet of each side Unit boundary line. These height restrictions apply to both existing and new trees and landscaping. These view protection areas have been created and shall be maintained for the purposes of preserving the view from certain benefited Units. Each Co-owner shall maintain any view protection areas on its Unit in a manner which is reasonably free of buildings, structures, vegetation and stored material sufficient to preserve the view from the Unit benefited by each such view protection area. The Association shall be responsible for monitoring and promptly enforcing compliance with this Section, and the Association, and the Developer during the Development Period, may, after thirty (30) days' written notice to a Unit Co-owner and opportunity to cure, enter upon any Unit in order to take reasonable actions to cause such Unit to be in compliance with this Section, and the expense of such Unit Co-owner.

**ARTICLE VI  
LEASING AND RENTAL**

**6.1 Right to Lease.** A Co-owner may lease his or her Unit for the same purposes set forth in Section 3.1, provided that written disclosure of such lease transaction is submitted to the Association in the manner specified in subsection 6.2(a) below. With the exception of a lender in possession of a Unit following default of a first mortgage, foreclosure or deed or other arrangement

in lieu of foreclosure, no Co-owner will lease less than an entire Unit in the Condominium and no tenant will be permitted to occupy except under a lease the initial term of which is at least six (6) months unless specifically approved in writing by the Association. The terms of all leases, occupancy agreements and occupancy arrangements will incorporate, or be deemed to incorporate, all of the provisions of the Condominium Documents. The Developer may lease any number of Units in the Condominium at its discretion for such term or terms as Developer determines.

**6.2 Leasing Procedures.** The leasing of Units in the Project will conform to the following provisions:

(a) A Co-owner, including the Developer, desiring to rent or lease a Unit, will disclose that fact in writing to the Association at least ten (10) days before presenting a lease form or otherwise agreeing to grant possession of a Unit to a potential tenant and, at the same time, will supply the Association with a copy of the exact lease form for its review for its compliance with the Condominium Documents. If no lease form is to be used, then the Co-owner or Developer shall supply the Association with the name and address of the potential tenant, along with the rental amount and due dates under the proposed agreement.

(b) Tenants or non-Co-owner occupants will comply with all of the conditions of the Condominium Documents of the Condominium Project and all leases and rental agreements will so state.

(c) If the Association determines that the tenant or non-Co-owner occupant has failed to comply with the conditions of the Condominium Documents, the Association may take the following action:

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

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

(iii) If after fifteen (15) days the Association believes that the alleged breach is not cured or may be repeated, it may institute on its behalf or derivatively by the Co-owners on behalf of the Association, if it is under the control of the Developer, an action for eviction against the tenant or non-Co-owner occupant and simultaneously for money damages in the same action against the Co-owner and tenant or non-Co-owner occupant for breach of the conditions of the Condominium Documents. The relief provided for in this subsection may be by summary proceedings. The Association may hold both the tenant and the Co-owner liable for any damages to the Common Elements caused by the Co-owner or tenant in connection with the Unit or Condominium Project.

(d) When a Co-owner is in arrears to the Association for assessments, the Association may give written notice of the arrearage to a tenant occupying a Co-owner's Unit under a lease or rental agreement and the tenant, after receiving the notice, will deduct from rental

payments due the Co-owner the arrearage and future assessments as they fall due and pay them to the Association. The deductions will 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 Co-owner to 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 subsection 6.2(c)(iii).

## **ARTICLE VII MORTGAGES**

**7.1 Notice to Association.** Any Co-owner who mortgages his or her Unit will notify the Association of the name and address of the mortgagee, and the Association will maintain such information in a book entitled "Mortgages of Units". The Association may, at the written request of a mortgagee of any such Unit, report any unpaid assessments due from the Co-owner of such Unit. The Association may give to the holder of any mortgage covering any Unit in the project written notification of any default in the performance of the obligations of the Co-owner of such Unit.

**7.2 Insurance.** The Association will notify each mortgagee appearing in said book which so requests in writing, 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.

**7.3 Unit Mortgage Foreclosure.** The mortgagee of a first mortgage of record of a Unit shall give notice to the Association of the commencement of foreclosure of the first mortgage by advertisement by serving a copy of the published notice of foreclosure required by statute upon the Association by certified mail, return receipt requested, addressed to the resident agent of the Association at the agent's address as shown on the records of the Michigan Corporation and Securities Bureau, or to the address the Association provides to the mortgagee, if any, in those cases where the address is not registered, within 10 days after the first publication of the notice. The mortgagee of a first mortgage of record of a Unit shall give notice to the Association of intent to commence foreclosure of the first mortgage by judicial action by serving a notice setting forth the names of the mortgagors, the mortgagee, and the foreclosing assignee of a recorded assignment of the mortgage; the date of the mortgage and the date the mortgage was recorded; the amount claimed to be due on the mortgage on the date of notice; and a description contained in the mortgage upon the Association by certified mail, return receipt requested, addressed to the resident agent of the Association at the agent's address as shown on the records of the Michigan Corporation and Securities Bureau, or to the address the Association provides to the mortgagee, if any, in those cases where the address is not registered, not less than 10 days before commencement of the judicial action. Failure of the mortgagee to provide notice as required by this Section shall only provide the Association with legal recourse and will not, in any event, invalidate any foreclosure proceeding between a mortgagee and mortgagor.

## **ARTICLE VIII INSURANCE**

**8.1 Extent of Coverage.** The Association shall, to the extent appropriate given the nature of the Common Elements of the Project, carry fire and extended coverage, vandalism and malicious mischief and liability insurance, if applicable, pertinent to the ownership, use and maintenance of the General Common Elements of the Condominium Project and such insurance will be carried and administered in accordance with the following provisions:

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

(b) **Insurance of Common Elements.** All General Common Elements of the Condominium Project will be insured against fire and other perils covered by a standard extended coverage endorsement, if appropriate, in an amount equal to the maximum insurable replacement value, excluding foundation and excavation costs, as determined annually by the Board of Directors of the Association.

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

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

**8.2 Authority of Association to Settle Insurance Claims.** Each Co-owner, by acceptance of a deed, land contract, or other conveyance, does thereby appoint the Association as his or her 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 worker's compensation insurance, if applicable, pertinent to the Condominium Project and the General Common Elements thereof, and 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 will have full power and authority to purchase and maintain such insurance, to collect and remit premiums therefor, to collect proceeds and to distribute the same to the Association, the Co-owners and respective mortgagees, as their interests may appear (subject always to the Condominium Documents), to execute releases of liability and to execute all documents and to do all things on behalf of such Co-owner and the Condominium as are necessary or convenient to the accomplishment of the foregoing.

**8.3 Responsibilities of Co-owners.** Each Co-owner will be responsible for obtaining fire and extended coverage and vandalism and malicious mischief insurance with respect to his or her residence and all other improvements constructed or to be constructed within the boundaries of his or her Condominium Unit, together with all Limited Common Elements appurtenant to his or her Unit, whether located within or outside the boundaries of his or her Unit, and for his or her personal property located therein or elsewhere on the Condominium Project. All such insurance will be carried by each Co-owner in an amount equal to the maximum insurable replacement value, excluding foundation and excavation costs, and evidenced to the Association in a manner acceptable to the Association. In the event of the failure of a Co-owner to obtain such insurance, the Association may obtain such insurance on behalf of such Co-owner and the premiums therefor will constitute a lien against the Co-owner's Unit which may be collected from the Co-owner in the same manner that Association assessments are collected in accordance with Article II. Each Co-owner also will be obligated to obtain insurance coverage for his or her personal liability for occurrences within the boundaries of his or her Condominium Unit or within the residence located thereon and on the Limited Common Elements appurtenant thereto (regardless of where located), and for alternative living expense in the event of fire. The Association will under no circumstances have any obligation to obtain any of the insurance coverage described in this Section 8.3 or any liability to any person for failure to do so.

**8.4 Waiver of Right of Subrogation.** The Association and all Co-owners will use their best efforts to cause all property and liability insurance carried by the Association or any Co-owners to contain appropriate provisions whereby the insurer waives its right of subrogation as to any claims against any Co-owner or the Association.

**8.5 Officers' and Directors' Insurance.** The Association may carry officers' and directors' liability insurance covering acts of the officers and Directors of the Association in such amounts as the Board deems appropriate.

## **ARTICLE IX RECONSTRUCTION OR REPAIR**

**9.1 Determination to Reconstruct or Repair.** If any part of the Condominium Property is damaged, the determination of whether or not it will be reconstructed or repaired will be made in the following manner:

(a) **General Common Elements.** If all or any significant portion of a General Common Element is so damaged as to make the General Common Element unusable without rebuilding or restoring it, the General Common Element will be rebuilt unless eighty percent (80%) or more of the Co-owners agree, within forty-five (45) days after the destruction, not to rebuild the General Common Element, in which case the entire relevant portion of the General Common Element will be removed. If, however, the General Common Element which is damaged is a roadway providing ingress and egress to one or more Units or is used for providing utility services to one or more Units, the General Common Element will be rebuilt unless the eighty percent (80%) or more of the Co-owners agreeing not to rebuild the General Common Element includes the Co-owners of all such Units.

(b) **Limited Common Elements, Residences and Other Improvements.** If a Limited Common Element, residence, or other improvement constructed within the boundaries of a Unit is damaged, the Co-owner of the Unit will rebuild and restore the damage or, with Association approval, will completely remove the Limited Common Element, residence and/or improvement, restoring the land with sod and landscaping in accordance with plans and specifications approved as required by Sections 3.6 and 4.5.

**9.2 Repair in Accordance with Plans and Specifications.** Any such reconstruction or repair will be substantially in accordance with the Master Deed and the plans and specifications for each residence in the Project. Any repairs or replacements must be approved by the Developer during the Development Period and by the Association thereafter.

**9.3 Co-owner Responsibility for Repair.**

(a) **Definition of Co-owner Responsibility.** If the damage is only to the residence or other improvement constructed within the boundaries of a Unit, or to a Limited Common Element appurtenant thereto which is the responsibility of a Co-owner to maintain and repair, it will be the responsibility of the Co-owner to repair such damage. In all other cases, the responsibility for reconstruction and repair will be that of the Association.

(b) **Notification of Institutional Holder of First Mortgage.** In the event of substantial damage to or destruction of any Unit or any improvements located thereon or any part of the Common Elements, the Association will promptly so notify each institutional holder of a first mortgage lien on any of the Units in the Condominium.

**9.4 Association Responsibility for Repair.** Except as otherwise provided in Section 9.3 above and in the Master Deed, the Association will be responsible for the reconstruction, repair and maintenance of the Common Elements. Immediately after a casualty causing damage to property for which the Association has the responsibility of maintenance, repair and reconstruction, the Association will obtain reliable and detailed estimates of the cost to replace the damaged property in a condition as good as that existing before the damage. If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction or repair required to be performed by the Association, or if at any time during such reconstruction or repair, or upon completion of such reconstruction or repair, the funds for the payment of the cost thereof are insufficient, assessment will be made against all Co-owners for the cost of reconstruction or repair of the damaged property in sufficient amounts to provide funds to pay the estimated or actual cost of repair.

**9.5 Timely Reconstruction and Repair.** If damage to Common Elements or the residence or other improvements constructed within the boundaries of a Unit adversely affects the appearance of the Project, the Association or Co-owner responsible for the reconstruction, repair and maintenance thereof will proceed with replacement of the damaged property without delay, and will complete such replacement within two months after the date of the occurrence which caused damage to the property, unless the Association agrees a longer time is necessary or reasonable and extends such time in writing.

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

(a) **Taking of Unit.** In the event of any taking of an entire Unit (or of all the improvements located within the boundaries thereof) by eminent domain, the award for such taking will be paid to the Co-owner of such Unit and the mortgagee thereof, as their interests may appear. After acceptance of such award by the Co-owner and his or her mortgagee, they will be divested of all interest in the Condominium Project. In the event that any condemnation award will become payable to any Co-owner whose Unit is not wholly taken by eminent domain, then such award will be paid by the condemning authority to the Co-owner and his or her mortgagee, as their interests may appear.

(b) **Taking of Common Elements.** If there is any taking of any portion of the Condominium other than any Unit, the condemnation proceeds relative to such taking will be paid to the Co-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 Co-owners will 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 will be re-surveyed and the Master Deed amended accordingly, and, if any Unit will have been taken, then Article V of the Master Deed will also be amended to reflect such taking and to proportionately readjust the percentages of value of the remaining Co-owners based upon the continuing value of the Condominium of one hundred (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 thereof by a Co-owner or other person having any interest whatever in the Project, as mortgagee or otherwise.

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

**9.7 Notification of FHLMC.** In the event any mortgage in the Condominium is held by the Federal Home Loan Mortgage Corporation (“FHLMC”) then, upon request therefor by FHLMC, the Association will 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 Ten Thousand Dollars (\$10,000.00) in amount or damage to a Condominium Unit covered by a mortgage purchased in whole or in part by FHLMC exceeds One Thousand Dollars (\$1,000.00).

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

## **ARTICLE X VOTING**

**10.1 Vote.** Except as limited in these Bylaws, each Co-owner will be entitled to one vote for each Condominium Unit owned.

**10.2 Eligibility to Vote.** No Co-owner, other than the Developer, will be entitled to vote at any meeting of the Association until he or she has presented evidence of ownership of a Unit in the Condominium Project to the Association. Except as provided in Section 11.2 of these Bylaws, no Co-owner, other than the Developer, will be entitled to vote prior to the date of the First Annual Meeting held in accordance with Section 11.2. The vote of each Co-owner may be cast only by the individual representative designated by such Co-owner in the notice required in Section 10.3 or by a proxy given by such individual representative. The Developer will be the only person entitled to vote at a meeting of the Association until the First Annual Meeting and will be entitled to vote during such period notwithstanding the fact that the Developer may own no Units at some time or from time to time during such period. At and after the First Annual Meeting the Developer will be entitled to vote for each Unit with a completed residence which the Developer owns.

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

**10.4 Quorum.** The presence in person or by proxy of thirty-five percent (35%) of the Co-owners qualified to vote will 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 will be counted in determining the presence of a quorum with respect to the question upon which the vote is cast.

**10.5 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 will not be permitted.

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

## **ARTICLE XI MEETINGS**

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

**11.2 First Annual Meeting.** The First Annual Meeting may be convened only by Developer and may be called at any time after more than fifty percent (50%) of the Units in Lakeside Dunes that may be created are sold and the purchasers thereof qualified as members of the Association. In no event, however, will such meeting be called later than one hundred twenty (120) days after the conveyance of legal or equitable title to nondeveloper Co-owners of seventy-five percent (75%) in number of all Units that may be created or fifty-four (54) months after the first conveyance of legal or equitable title to a nondeveloper Co-owner of a Unit in the project, whichever first occurs. The Developer may call meetings of members for information or other appropriate purposes prior to the First Annual Meeting and no such meeting will be construed as the First Annual Meeting. The date, time and place of such meeting will be set by the Board of Directors, and at least ten days written notice thereof will be given to each Co-owner. The phrase "Units that may be created" as used in this Section and elsewhere in the Condominium Documents refers to the maximum number of Units which the Developer is permitted, under the Condominium Documents as may be amended, to include in the Condominium.

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

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

**11.5 Notice of Meetings.** It will be the duty of the Secretary (or other Association officer in the Secretary's absence) to serve a notice of each annual or special meeting, stating the purpose thereof as well as of the time and place where it is to be held, upon each Co-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 Co-owner at the address shown in the notice required to be filed with the Association by Section 10.3 of these Bylaws will be deemed notice served. Any member may, by written waiver of notice signed by each member, waive such notice, and such waiver, when filed in the records of the Association, will be deemed due notice.

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

**11.7 Order of Business.** The order of business at all meetings of the members will 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 inspector of elections (at annual meeting or special meeting held for purpose of election of Directors or officers); (g) election of Directors (at annual meeting or special meetings held for such purpose); (h) unfinished business; and (i) new business. Meeting of members will 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 will be President, Vice President, Secretary and Treasurer.

**11.8 Action Without Meeting.** Any action which may be taken at a meeting of the members (except for the election or removal of Directors) may be taken without a meeting by written ballot of the members. Ballots will be solicited in the same manner as provided in Section 11.5 for the giving of notice of meetings of members. Such solicitations will 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 will afford an opportunity to specify a choice between approval and disapproval of each matter and will provide that, where the member specifies a choice, the vote will be cast in accordance therewith. Approval by written ballot will 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.

**11.9 Consent of Absentees.** The transactions at any meeting of members, either annual or special, however called and noticed, will be as valid as though made at a meeting duly held after regular call and notice, if a quorum be 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 or notice, or a consent to the holding of such meeting, or an approval of the minutes thereof. All such waivers, consents or approvals will be filed with the corporate records or made a part of the minutes of the meeting.

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

## **ARTICLE XII ADVISORY COMMITTEE**

**12.1 Advisory Committee.** Within one year after conveyance of legal or equitable title to the first Unit in the Condominium to a purchaser or within one hundred twenty (120) days after conveyance to purchasers of one-third (1/3) of the total number of Units that may be created, whichever first occurs, the Developer will cause to be established an Advisory Committee consisting of at least three nondeveloper Co-owners. The Committee will be established and perpetuated in any manner the Developer deems advisable, except that if more than fifty percent (50%) of the nondeveloper Co-owners petition the Board of Directors for an election to select the Advisory Committee, then an election for such purpose will be held. The purpose of the Advisory Committee will be to facilitate communications between the temporary Board of Directors and the nondeveloper Co-owners and to aid the transition of control of the Association from the Developer to purchaser Co-owners. The Advisory Committee will cease to exist automatically when the nondeveloper Co-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 by the Co-owners.

## **ARTICLE XIII BOARD OF DIRECTORS**

**13.1 Number and Qualification of Directors.** The Board of Directors will be comprised of three or more members all of whom must be members of the Association or officers, partners, trustees, employees or agents of members of the Association. Directors will serve without compensation.

### **13.2 Election of Directors.**

(a) **First Board of Directors.** The first Board of Directors will be composed of the three persons designated in the Articles of Incorporation of the Association and such first Board of Directors or its successors as selected by the Developer will manage the affairs of the Association until the appointment of the first nondeveloper Co-owners to the Board. Elections for nondeveloper Co-owner Directors will be held as provided in subsection (b) below.

(b) **Appointment of Nondeveloper Co-owners to Board Prior to First Annual Meeting.** Not later than one hundred twenty (120) days after conveyance of legal or equitable title to nondeveloper Co-owners of twenty-five percent (25%) of the Units that may be created, one of the three Directors will be selected by nondeveloper Co-owners. When the required percentage level of conveyance has been reached, the Developer will notify the nondeveloper Co-owners and request that they hold a meeting and elect the required Director. Upon certification to

the Developer by the Co-owners of the Director so elected, the Developer will then immediately appoint such Director to the Board to serve until the First Annual Meeting unless he or she is removed pursuant to Section 13.7 or he or she resigns or becomes incapacitated.

(i) Not later than one hundred twenty (120) days after conveyance of legal or equitable title to nondeveloper Co-owners of seventy-five percent (75%) of the Units that may be created, and before conveyance of ninety percent (90%) of such Units, the nondeveloper Co-owners will elect all Directors on the Board, except that the Developer will have the right to designate at least one Director as long as the Units that remain to be created and sold equal at least ten percent (10%) of all Units that may be created in the Project. Whenever the seventy-five percent (75%) conveyance level is achieved, a meeting of Co-owners will 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 fifty-four (54) months after the first conveyance of legal or equitable title to a nondeveloper Co-owner of a Unit in the Project, the nondeveloper Co-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 will 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 nondeveloper Co-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 nondeveloper Co-owners under subsection (b) results in a right of nondeveloper Co-owners to elect a fractional number of members of the Board of Directors, then a fractional election right of 0.5 or greater will be rounded up to the nearest whole number, which number will be the number of members of the Board of Directors that the nondeveloper Co-owners have the right to elect. After application of this formula the Developer will have the right to elect the remaining members of the Board of Directors. Application of this subsection will not eliminate the right of the Developer to designate one member as provided in subsection (i).

(iv) At the First Annual Meeting one Director will be elected for a term of three years, one Director will be elected for a term of two years and one Director will be elected for a term of one year. At such meeting all nominees will stand for election as one slate and the person receiving the highest number of votes will be elected for a term of three years, the person receiving the second highest number of votes will be elected for a term of two years and the person receiving the lowest number of votes will be elected for a term of one year. At each annual meeting held thereafter, one Director will be elected for a term of three years to replace the Director whose term expires at that meeting. After the First Annual Meeting, the term of office (except for two of the Directors elected at the First Annual Meeting) of each Director will be three years. The Directors will hold office until their successors have been elected and hold their first meeting.

(v) Once the Co-owners have acquired the right hereunder to elect a majority of the Board of Directors, annual meetings of Co-owners to elect Directors and conduct other business will be held in accordance with the provisions of Section 11.3 hereof.

**13.3 Power and Duties.** The Board of Directors will 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 thereby to be exercised and done by Co-owners.

**13.4 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 will be responsible specifically for the following:

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

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

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

(d) To rebuild improvements after casualty.

(e) To contract for and employ persons, firms, corporations or other agents to assist in the management, operation, maintenance and administration of the Condominium 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 will also be approved by affirmative vote of seventy-five percent (75%) of all of the members of the Association.

(h) To make rules and regulations in accordance with Article III, Section 3.20 of these Bylaws.

(i) To establish such committees as it deems necessary, convenient or desirable and to appoint persons thereto for the purpose of implementing the administration of 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.

**13.5 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 will authorize, including, but not limited to, the duties listed in Sections 13.3 and 13.4, and the Board may delegate to such management agent any other duties or powers which are not by law or by the Condominium Documents required to be performed by or have the approval of the Board of Directors or the members of the Association. In no event will 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 will violate the provisions of Section 55 of the Act.

**13.6 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 will be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum, except that the Developer will be solely entitled to fill the vacancy of any Director whom it is permitted in the first instance to designate. Each person so elected will be a Director until a successor is elected at the next annual meeting of the Association. Vacancies among nondeveloper Co-owner elected Directors which occur prior to the Transitional Control Date may be filled only through election by nondeveloper Co-owners and will be filled in the manner specified in Section 13.2(b) of this Article.

**13.7 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%) of all of the Co-owners and a successor may then and there be elected to fill any vacancy thus created. The quorum requirement for the purpose of filling such vacancy will be the normal thirty-five percent (35%) requirement set forth in Section 10.4. Any Director whose removal has been proposed by the Co-owners will 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 nondeveloper Co-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.

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

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

**13.10 Special Meetings.** Special meetings of the Board of Directors may be called by the President on three days notice to each Director, given personally, by mail, telephone, facsimile or e-mail, which notice will state the time, place and purpose of the meeting. Special meetings of the Board of Directors will be called by the President or Secretary in like manner and on like notice on the written request of two Directors.

**13.11 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 will be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board will be deemed a waiver of notice by him or her of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice will be required and any business may be transacted at such meeting.

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

**13.13 First Board of Directors.** The actions of the first Board of Directors of the Association or any successors thereto selected or elected before the Transitional Control Date will 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.

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

## **ARTICLE XIV OFFICERS**

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

**(a) President.** The President will be the chief executive officer of the Association. He or she will preside at all meetings of the Association and of the Board of Directors. He or she will 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 or she may in his or her discretion deem appropriate to assist in the conduct of the affairs of the Association.

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

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

(d) **Treasurer.** The Treasurer will have responsibility for the Association funds and securities and will be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. The Treasurer will also have responsibility for preparing all budgets and collecting all assessments and fines. He or she will 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.

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

**14.3 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 or her 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 will have been included in the notice of such meeting. The officer who is proposed to be removed will be given an opportunity to be heard at the meeting.

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

## **ARTICLE XV FINANCE**

**15.1 Records.** The Association will keep detailed books of account showing all expenditures and receipts of administration which will specify the maintenance and repair expenses of the Common Elements and any other expenses incurred by or on behalf of the Association and the Co-owners. Such accounts and all other Association records will be open for inspection by the Co-owners and their mortgagees during reasonable working hours. The Association will prepare and distribute to each Co-owner at least once a year a financial statement,

the contents of which will be defined by the Association. The books of account will be audited or reviewed at least annually by qualified independent auditors; provided, however, that such auditors need not be certified public accountants nor does such audit need to be a certified audit. Any institutional holder of a first mortgage lien on any Unit in the Condominium will be entitled to receive a copy of such annual audited financial statement within ninety (90) days following the end of the Association's fiscal year upon request therefor. The costs of any such audit and any accounting expenses will be expenses of administration.

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

**15.3 Bank.** Funds of the Association will be initially deposited in such bank or savings association as may be designated by the Directors and will 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.

## **ARTICLE XVI INDEMNIFICATION OF OFFICERS AND DIRECTORS**

Every director and officer of the Association will be indemnified by the Association against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him or her in connection with any proceedings to which he or she may be a party or in which he or she may become involved by reason of his or her being or having been a director or officer of the Association, whether or not he or she is a director or officer at the time such expenses are incurred, except in such cases wherein the director or officer is adjudged guilty of willful or wanton misconduct or gross negligence in the performance of his or her duties; provided that, in the event of any claim for reimbursement or indemnification hereunder based upon a settlement by the director or officer seeking such reimbursement or indemnification, the indemnification herein will apply only if the Board of Directors (with the director seeking reimbursement abstaining) approves such settlement and reimbursement as being in the best interest of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such director or officer may be entitled, including indemnification under the Articles of Incorporation of the Association. At least ten days prior to payment of any indemnification, whether under this section or under the Articles of Incorporation of the Association, the Board of Directors shall notify all Co-owners of the payment.

**ARTICLE XVII  
SEAL**

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

**ARTICLE XVIII  
COMPLIANCE**

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

**ARTICLE XIX  
ARBITRATION**

**19.1 Scope and Election.** Disputes, claims or grievances arising out of or relating to the interpretation or the application of the Condominium Documents, or any disputes, claims or grievances arising among or between the Co-owners and the Association, upon the election and written consent of the parties to any such disputes, claims or grievances (which consent will 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, will be submitted to arbitration and the parties thereto will accept the arbitrator’s decision as final and binding, provided that no question affecting the claim of title of any person to any fee or life estate in real estate is involved. The Commercial Arbitration Rules of the American Arbitration Association as amended and in effect from time to time hereafter will be applicable to any such arbitration.

**19.2 Judicial Relief.** In the absence of the election and written consent of the parties pursuant to Section 19.1 above, no Co-owner or the Association will be precluded from petitioning the courts to resolve any such disputes, claims or grievances.

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

**ARTICLE XX  
REMEDIES FOR DEFAULT**

Any default by a Co-owner will entitle the Association or another Co-owner or Co-owners to the following relief:

**20.1 Legal Action.** Failure to comply with any of the terms or provisions of the Condominium Documents will 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 Co-owner or Co-owners.

**20.2 Recovery of Costs.** In any proceeding arising because of an alleged default by any Co-owner, the Developer and the Association, if successful, will be entitled to recover the costs of the proceeding and such reasonable attorneys' fees (not limited to statutory fees) as may be determined by the court, but in no event will any Co-owner be entitled to recover such attorneys' fees.

**20.3 Removal and Abatement.** The violation of any of the provisions of the Condominium Documents will give the Association or its duly authorized agents the right, in addition to the rights set forth above, to enter upon the Common Elements, Limited or General, or into any Unit and the improvements thereon, where reasonably necessary, and summarily remove and abate, at the expense of the Co-owner in violation, any structure, thing or condition existing or maintained contrary to the provisions of the Condominium Documents. The Association will have no liability to any Co-owner arising out of the exercise of its removal and abatement power authorized herein.

**20.4 Assessment of Fines.** The violation of any of the provisions of the Condominium Documents by any Co-owner will be grounds for assessment by the Association, acting through its duly constituted Board of Directors, of monetary fines for such violations. No fine may be assessed unless rules and regulations establishing such fine have first been duly adopted by the Board of Directors of the Association and notice thereof given to all Co-owners in the same manner as prescribed in Section 11.5 of these Bylaws. Thereafter, fines may be assessed only upon notice to the offending Co-owners as prescribed in said Section 11.5, and an opportunity for such Co-owner to appear before the Board no less than seven days from the date of the notice and offer evidence in defense of the alleged violation. All fines will be considered levied as part of the assessment against the Unit and Co-owner by the Association and may be collected in the same manner as provided in Article II of these Bylaws. No fine will be levied for the first violation. No fine will exceed Twenty-Five Dollars (\$25.00) for the second violation, Fifty Dollars (\$50.00) for the third violation or One Hundred Dollars (\$100.00) for any subsequent violation.

**20.5 Non-waiver of Right.** The failure of the Association or of any Co-owner to enforce any right, provision, covenant or condition which may be granted by the Condominium Documents will not constitute a waiver of the right of the Association or of any such Co-owner to enforce such right, provision, covenant or condition in the future.

**20.6 Cumulative Rights, Remedies and Privileges.** All rights, remedies and privileges granted to the Association or any Co-owner or Co-owners pursuant to any terms, provisions, covenants or conditions of the Condominium Documents will be deemed to be cumulative and the exercise of any one or more will not be deemed to constitute an election of remedies, nor will 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.

**20.7 Enforcement of Provisions of Condominium Documents.** A Co-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. A Co-owner may maintain an action against any other Co-owner for injunctive relief or for damages or any combination thereof for noncompliance with the terms and provisions of the Condominium Documents or the Act.

## **ARTICLE XXI RIGHTS RESERVED TO DEVELOPER**

**21.1 Developer's Rights in Furtherance of Development of Sales.** None of the restrictions contained in these Bylaws will apply to the commercial activities or signs or billboards, if any, of the Developer during the Development Period or of the Association in furtherance of its powers and purposes set forth herein and in its Articles of Incorporation, as the same may be amended from time to time. Notwithstanding anything to the contrary elsewhere herein contained, Developer and its designees will have the right throughout the entire Development Period to maintain a sales office, a business office, a construction office, model units, 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 Developer. Developer will restore the areas so utilized to habitable status upon termination of use.

**21.2 Enforcement of Bylaws.** The Condominium Project will at all times be maintained in a manner consistent with the highest standards of a beautiful, serene, private, residential community for the benefit of the Co-owners and all persons interested in the Condominium. If at any time the Association fails or refuses to carry out its obligation to maintain, repair, replace and landscape in a manner consistent with the maintenance of such high standards, then Developer, or any entity to which Developer may assign this right, at its option, may elect to maintain, repair and/or replace any Common Elements and/or to do any landscaping required by these Bylaws and to charge the cost thereof to the Association as an expense of administration. The Developer will have the right to enforce these Bylaws throughout the Development Period notwithstanding that it may no longer own a Unit in the Condominium, which right of enforcement may include (without limitation) an action to restrain the Association or any Co-owner from any activity prohibited by these Bylaws. In any proceeding arising because of such enforcement, the Developer, if successful, will be entitled to recover the costs of the proceeding and such reasonable attorneys' fees (not limited to statutory fees) as may be determined by the court, but in no event will the Association or any Co-owner be entitled to recover such attorneys' fees in such action.

**21.3 Waivers.** Notwithstanding anything to the contrary in these Bylaws, the Developer, in the sole discretion of the Developer, may waive or permit reasonable modifications of the provisions of Articles III, IV, and V of these Bylaws as applicable to particular Units.

**21.4 Assignment and Succession.** 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 will

be made by appropriate instrument in writing in which the assignee or transferee will join for the purpose of evidencing its consent to the acceptance of such powers and rights and such assignee or transferee will thereupon have the same rights and powers as herein given and reserved to the Developer. Any rights and powers reserved or retained by Developer or its successors will expire and terminate, if not sooner assigned to the Association, at the conclusion of the Development Period as defined in Article III of the Master Deed. The immediately preceding sentence dealing with the expiration and termination of certain rights and powers granted or reserved to the Developer is intended to apply, insofar as the Developer is concerned, only to Developer's rights to approve and control the administration of the Condominium and will not, under any circumstances, be construed to apply to or cause the termination and expiration of any real property rights granted or reserved to the Developer or its successors and assigns in the Master Deed or elsewhere (including, but not limited to, access easements, utility easements and all other easements and rights to create easements created and reserved in such documents which will not be terminable in any manner hereunder and which will be governed only in accordance with the terms of their creation or reservation and not hereby).

## **ARTICLE XXII COVENANT TO BUILD; REPURCHASE RIGHTS**

**22.1 Covenant to Build; Repurchase Right.** *[ALT: Each Co-owner shall be required to enter into a construction contract with the Approved Builder for the construction of the residence on such Unit within ninety (90) days after the Co-owner receives a deed or a land contract as to the Unit.]* Each Co-owner of a Unit in the Condominium, by acceptance of deed or a land contract for a Unit, agrees to commence construction of a residence upon the Co-owner's Unit in conformity with the restrictions contained in the Master Deed and these Bylaws not later than three hundred sixty-five (365) days from the date the deed or land contract for the Unit is delivered to the Co-owner. In the event *[(i) the construction contract is not fully executed, or (ii)]* construction does not commence during the required period, then the Developer, its successors and assigns, will have the option to repurchase the Unit at any time after the date of the expiration of *[the ninety (90) day period or]* the three hundred sixty-five (365) day period, *[as is applicable,]* provided construction has not then begun, by payment to the Co-owner of ninety percent (90%) of the purchase price paid by the Co-owner or its predecessor(s) to the Developer in acquiring the Unit. The Developer may exercise this option by giving written notice to the Co-owner, in which event the purchase will be closed within ten (10) days from the date of the notice by the payment by the Developer to the Co-owner of the purchase price and delivery by the Co-owner to the Developer of a warranty deed free and clear of all liens and encumbrances.

**22.2 Right of First Refusal.** In the event that a Co-owner does not construct a residence on the Unit and desires to sell, transfer, assign or convey the Unit to another party within a period of five years from the date that the Co-owner accepts a deed or land contract to the Unit, the Developer shall have an option to repurchase the Unit from the Co-owner for a purchase price at the lesser of the price for which the Co-owner proposes to transfer the Unit to another party or ninety percent (90%) of the purchase price paid by the Co-owner or his predecessor(s) to the Developer for such Unit. The Developer shall have a period of thirty (30) days from the date that the Co-owner notifies the Developer of Co-owner's intended sale, transfer or other disposition of the Unit in which to elect to repurchase the Unit. The purchase shall be closed within 10 days

from the date of the notice of election by the Developer to the Co-owner of the purchase price and delivery by the Co-owner to the Developer of a warranty deed free and clear of all liens and encumbrances. The notice shall be given by the Co-owner by written notice to the Developer. This option shall run with the land and in the event that it is breached by the Co-owner, the Developer will have the right to acquire said Unit from the subsequent purchaser on the same price terms, commencing on the date the Developer learns of such transfer and expiring ninety (90) days thereafter.

**22.3 Modification.** The provision of this Article XXII may be waived in writing by Developer or modified by a written agreement between the Co-owner and the Developer.

### **ARTICLE XXIII MISCELLANEOUS PROVISIONS**

**23.1 Definitions.** All terms used herein will 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.

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

**23.3 Notices.** Notices provided for in the Act, Master Deed or Bylaws must be in writing, and are to be addressed to the Association at 5500 Cascade Road SE, Suite 200, Grand Rapids, Michigan 49546, or to any Co-owner at the address set forth in the deed of conveyance, or at such other address as may hereinafter be provided.

The Association may designate a different address for notices to it by giving written notice of such change of address to all Co-owners. Any Co-owner may designate a different address for notices to him or her by giving written notice to the Association. Notices addressed as above will be deemed delivered when mailed by United States mail with postage prepaid, or when delivered in person.

**23.4 Amendment.** These Bylaws may be amended, altered, changed, added to or repealed only in the manner set forth in the Article of the Master Deed entitled "Amendment".

**23.5 Conflicting Provisions.** In the event of a conflict between the provisions of the Act (or other laws of the State of Michigan) and any Condominium Document, the Act (or other laws of the State of Michigan) shall govern; in the event of any conflict between the provisions of any one or more Condominium Documents, the following order of priority shall prevail and the provisions of the Condominium Document having the highest priority shall govern:

- (1) the Master Deed, including the Condominium Subdivision Plan but excluding these Bylaws;

- (2) these Bylaws;
- (3) the Articles of Incorporation of the Association; and
- (4) the Rules and Regulations of the Association.

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