

**EXHIBIT A TO MASTER DEED**

**CONDOMINIUM BYLAWS**

*OF*

**COPPER RIDGE**

**ARTICLE I**

**ASSOCIATION OF CO-OWNERS**

1.1 Organization. Copper Ridge, a residential condominium project located in Zeeland Township, Ottawa County, Michigan (the "Condominium" or "Project" or "Condominium Project"), shall be administered by an association of Co-owners (the "Association") which shall be organized as a nonprofit corporation under the laws of the State of Michigan. The Association will be responsible for the management, maintenance, operation and administration of the Common Elements, easements and, generally, the affairs of the Condominium Project in accordance with the Master Deed, these Bylaws, its Articles of Incorporation, rules and regulations of the Association, and the laws of the State of Michigan.

1.2 Compliance. All present and future Co-owners (who shall be members of the Association as provided in Article II, Section 2.1, below; the terms "member" and "Co-owner" are used interchangeably herein), mortgagees, tenants and all other persons who may in any manner use, enter upon, or acquire any interest in the Condominium Project, or any unit, shall be subject to and comply with the provisions of the Michigan Condominium Act (Act 59 of the Public Acts of 1978, as amended) ("Act"), the Master Deed, these Bylaws, the Articles of Incorporation, rules and regulations of the Association, including, without limitation, any provision thereof pertaining to the use and operation of the Condominium Project. The acceptance of a deed or conveyance, the taking of a mortgage, the execution of a lease, or the act of occupancy of a unit or presence in the Condominium Project shall constitute an acceptance of the provisions of these instruments and an agreement to comply therewith.

1.3 Purpose of Bylaws. These Bylaws govern the general management, operation, maintenance, administration, use and occupancy of the Condominium Project and the Association, and all such activities shall be performed in accordance with the provisions hereof. These Bylaws are a combination of the bylaws required by the Act and those contemplated by the Michigan Nonprofit Corporation Act.

**ARTICLE II**

**MEMBERSHIP AND VOTING**

2.1 Membership. Each Co-owner of a unit in the Condominium, present and future, shall be a member of the Association during the term of such ownership, and no other person or

entity shall be entitled to membership. Neither membership in the Association nor the share of a member in the funds and assets of the Association shall be assigned, pledged or transferred in any manner, except as an appurtenance to a unit.

2.2 Voting Rights. Except as limited in the Master Deed and in these Bylaws, the members owning each unit shall collectively be entitled to one vote when voting by number and one vote, the value of which shall equal the total Percentage of Value assigned to the unit in Article VI (B) of the Master Deed, when voting by value. Voting, when required or permitted herein or elsewhere in the Condominium Documents, shall be by value, except in those instances where voting is specifically required to be by number, or both by value and by number.

2.3 Persons Entitled to Vote. If one person owns a unit, he or she shall establish his or her membership in the Association and his or her right to vote by presenting evidence of his or her ownership. If more than one person owns a unit, or the unit is leased, all of the record owners of the unit shall sign and file with the Secretary of the Association a certificate designating the person entitled to exercise the unit's rights of membership in the Association, to cast the vote for the unit and to receive all notices and other communications from the Association. Such certificate shall state the name and address of the individual representative designated, the number or numbers of the unit or units owned, the name and address of the person or persons, firm, corporation, limited liability company, partnership, association, trust or other legal entity who is the Co-owner thereof, and shall be signed and dated by all Co-owners of record. All certificates shall be valid until revoked, until superseded by a subsequent certificate, or until a change occurs in the record ownership of the unit concerned. The Developer shall, at any meeting, be entitled to cast a vote on behalf of each unit it owns without submitting any proof of ownership.

2.4 Method of Voting. Votes on a specific issue may be cast in person. In addition, any person entitled to vote at any meeting may also appear and vote (either specifically on an issue or by the general designation of a person to cast a vote) by written proxy. Proxies may be made by any person entitled to vote. Proxies shall be valid only for the particular meeting designated, and any adjournment thereof, and must be filed with the Association before the appointed time of the meeting.

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

### ARTICLE III

#### MEETINGS AND QUORUM

3.1 First Meeting of Members. The first meeting of the members of the Association may be convened only by the Board of Directors and may be called at any time upon ten (10) days' written notice to all members. In no event, however, shall the first meeting be held later than: (a) one hundred twenty (120) days after legal or equitable title to twenty-five percent

(25%) of the units that may be created in the Condominium Project has been conveyed to non-Developer Co-owners; or (b) fifty-four (54) months after the first conveyance of legal or equitable title to a Condominium unit to a non-Developer Co-owner, whichever first occurs. The Board of Directors may call meetings of members of the Association for informational or other appropriate purposes prior to the first meeting of members, but no such meeting shall be construed as the first meeting of members. Prior to the first meeting, the Developer shall appoint all directors.

3.2 Advisory Committee. The Board of Directors shall establish an Advisory Committee of non-Developer members upon the passage of: (a) one hundred twenty (120) days after legal or equitable title to one-third (1/3) of the units that may be created in the Condominium Project has been conveyed to non-Developer Co-owners; or (b) one (1) year after the initial conveyance of legal or equitable title to a Condominium unit to a non-Developer Co-owner, whichever first occurs. The Advisory Committee shall meet with the Board of Directors to facilitate communication with the non-Developer members and to aid in transferring control from the Developer to non-Developer members. The Advisory Committee shall be composed of not less than one (1) nor more than three (3) non-Developer members, who shall be appointed by the Board of Directors in any manner it selects, and who shall serve at the pleasure of the Board of Directors. The Advisory Committee shall automatically dissolve following the election of a majority of the Board of Directors by non-Developer Co-owners. The Advisory Committee shall meet at least semi-annually with the Board of Directors. Reasonable notice of such meetings shall be provided to all members of the Committee, and such meetings may be open or closed, in the discretion of the Board of Directors.

3.3 Annual Meetings of Members. Following the first meeting of members, an annual meeting of the members shall be held each year at the time and place specified in these Bylaws. At least ten (10) days before the date of an annual meeting, written notice of the time, place and purpose of such meeting shall be sent by first-class mail, postage prepaid, to each person entitled to vote at the meeting.

3.4 Special Meetings of Members. It shall be the duty of the President to call a special meeting of the Co-owners upon a petition signed by one-third (1/3), in number, of the Co-owners and presented to the Secretary of the Association. Notice of any special meeting shall state the time and place of such meeting and purposes thereof and shall be given at least ten (10) days before the date of such meeting. No business shall be transacted at a special meeting except as stated in the notice.

3.5 Notice. It shall be the duty of the Secretary (or other Association officer designated by the President in the Secretary's absence) to serve a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, upon each Co-owner of record, at least ten (10), 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 Article II, Section 3, of these Bylaws shall be deemed notice served. Any member may, by written waiver of notice signed by such member, waive such notice, and such waiver, when filed in the records of the Association, shall be deemed due notice.

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

3.7 Procedure. Meetings of the Association shall 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. Voting shall be as provided in these Bylaws. Meetings of the Association shall be conducted in accordance with Roberts Rules of Order or some other generally recognized manual of parliamentary procedure, when not otherwise in conflict with the Articles of Incorporation, these Bylaws, the Master Deed or the laws of the State of Michigan.

3.8 Attendance via Conference Telephone or Similar Communications Equipment. A member may attend and participate in a meeting of members via a conference telephone or similar communications equipment by which all persons participating in the meeting may hear each other; provided that all participants are advised of the communications equipment and the names of the participants in the conference are divulged to all participants. Such participation by a member in a meeting shall constitute presence in person at the meeting.

## ARTICLE IV

### ADMINISTRATION

4.1 Board of Directors: Appointment of First Board: Terms. The business, property and affairs of the Association shall be managed by a Board of Directors consisting of three (3) persons, all of whom, except for the first Board of Directors designated by the Incorporator and their appointed successors, must be members (or directors, members, partners, officers, employees, or trustees of members) of the Association and shall be elected pursuant to these Bylaws. Directors shall serve without compensation. The first Board of Directors designated by the Incorporator and their appointed successors shall manage the affairs of the Association until a successor Board of Directors is appointed or elected in the manner provided for by these Bylaws. Prior to the time of the election of all directors by the Co-owners without appointment by the Developer, the directors shall serve one (1) year terms, unless they sooner resign, are removed pursuant hereto or are replaced in accordance with the provisions of these Bylaws. At the time of the first election of all directors by the Co-owners without appointment by the Developer, so as to establish staggered terms, the first two directors so elected (or those two receiving the most votes) shall serve for a term of two years, and the last one elected (or the one receiving the least votes) shall serve for a term of one year. Thereafter, all directors shall serve two-year terms. The directors shall hold office until their successors have been elected.

4.2 Election of Directors. Directors shall be elected at each annual meeting of the Association and at any special meeting of the Association called for the particular purpose of electing directors, in the following manner:

- (a) Not later than one hundred twenty (120) days after conveyance of legal or equitable title to non-Developer Co-owners of twenty-five percent (25%) of the units, at

least one (1) director and not less than twenty-five percent (25%) of the Board of Directors of the Association of Co-owners shall be elected by non-Developer Co-owners.

(b) Not later than one hundred twenty (120) days after conveyance of legal or equitable title to non-Developer Co-owners of fifty percent (50%) of the units, not less than thirty-three and one-third percent (33 1/3%) of the Board of Directors shall be elected by non-Developer Co-owners.

(c) Not later than one hundred twenty (120) days after conveyance of legal or equitable title to non-Developer Co-owners of seventy-five percent (75%) of the units, and before conveyance of ninety percent (90%) of the units, the non-Developer Co-owners shall elect all directors on the Board, except that the Developer shall have the right to designate at least one (1) director as long as the Developer owns and offers for sale at least one unit in the Project.

(d) Notwithstanding subparagraphs (a), (b), and (c) above, fifty-four (54) months after the first conveyance of legal or equitable title to a non-Developer Co-owner of a unit, if legal or equitable title to not less than seventy-five percent (75%) of the units has not been conveyed to non-Developer Co-owners, the non-Developer Co-owners shall have the right to elect a number of members of the Board of Directors equal to the percentage of units they hold, and the Developer shall have 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. The provisions contained in the previous sentence may increase, but shall not reduce, the minimum election rights otherwise established in subparagraphs (a), (b) and (c) above, and do not require a change in the size of the Board of Directors.

(e) If the calculation of the percentage of members of the Board of Directors that the non-Developer Co-owners have the right to elect under subsections (a)-(c), or if the product of the number of members of the Board of Directors multiplied by the percentage of units held by the non-Developer Co-owners under subsection (d) results in the right of non-Developer Co-owners to elect a fractional number of members of the Board of Directors, then a fractional election right of 0.5 or greater shall be rounded up to the nearest whole number, which number shall be the number of members of the Board of Directors that the non-Developer Co-owners have the right to elect. After application of this formula, the Developer shall have the right to elect the remaining members of the Board of Directors. Application of this subsection shall not eliminate the right of the Developer to designate one (1) member as provided in Subsection (c). Whenever the non-Developer members become entitled to elect one (1) or more additional directors pursuant to the above formula, the Board of Directors shall provide due notice of a meeting at which an election of all the directors shall take place. The Board of Directors shall schedule such meeting to occur no later than one hundred twenty (120) days after the non-Developer members become so entitled or, if such meeting would be the first meeting of the Association, as provided in Article III, Section 2, above.

A Board of Directors elected pursuant to these provisions shall serve until the earlier of the next annual meeting of the Association or such time as it has been replaced in accordance with the provisions of these Bylaws.

4.3 Powers and Duties. The Board of Directors shall have all powers and duties necessary for the administration of the affairs of the Condominium and may do all things which are not prohibited by law or the Condominium Documents or required thereby to be done by the members. The powers and duties to be exercised by the Board shall include, but shall not be limited to, the power and duty:

- (a) To manage and administer the affairs of and to the Condominium Project, all appurtenances thereto, and the Common Elements, property and easements thereof;
- (b) To levy and collect assessments against and from the members of the Association and to use the proceeds therefrom for the purposes of the Association, and to enforce assessments through liens and foreclosure proceedings where appropriate;
- (c) To carry insurance and to collect and allocate the proceeds thereof;
- (d) To restore, repair or rebuild the Condominium Project, or any portion thereof, after occurrence of casualty, and to negotiate on behalf of all of the members in connection with any taking of the Condominium, or any portion thereof, by eminent domain;
- (e) To contract for and employ, and to discharge, persons or business entities to assist in the management, operation, maintenance and administration of the Condominium Project;
- (f) To make reasonable rules and regulations governing the use and enjoyment of the Condominium Project by members and their tenants, guests, employees, invitees, families and pets and to enforce such rules and regulations by all legal methods, including, without limitation, imposing fines and late payment charges, or instituting eviction or legal proceedings;
- (g) To own, maintain and improve, and with the consent of a majority of the Co-owners, to buy, sell, convey, assign, transfer, mortgage or lease (as landlord or tenant), or otherwise deal in any real or personal property, including, but not limited to, any unit, easements, rights-of-way, licenses or any other real property, whether or not contiguous to the Condominium Project, to benefit the members of the Association and to further any of the purposes of the Association;
- (h) To borrow money and issue evidences of indebtedness in furtherance of any and all of the purposes of the business of the Association, and to secure the same by mortgage, pledge or other lien on Association property; provided, however, that any such action shall first be approved by the affirmative vote of more than two-thirds (2/3) of the Association members in number and in value at a meeting of the members duly called;

(i) To establish such committees as it deems necessary, convenient or desirable and to appoint persons thereto, to administer the Condominium Project 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 make rules and regulations or to enter into agreements with institutional lenders, or both, for the purpose of obtaining mortgage financing for members which is acceptable for purchase by the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association, the Veteran's Administration, the Department of Housing and Urban Development, or any other agency of the federal government, the State of Michigan, the County of Ottawa, the City of Holland, or any other agency or unit of government;

(k) To enforce the provisions of the Master Deed and Bylaws of the Condominium Project and of the Articles of Incorporation and such Bylaws, rules and regulations of the Association as may hereafter be adopted, and to sue on behalf of the Association or the members and to assert, defend or settle claims on behalf of the members with respect to the Condominium Project;

(l) To do anything required of or permitted to it as administrator of the Condominium Project by the Condominium Master Deed or Bylaws or by the Act; and

(m) In general, to enter into any kind of activity; to make and perform any contract and to exercise all powers necessary, incidental or convenient to the administration, management, maintenance, repair, replacement and operation of the Condominium Project and to the accomplishment of any of the purposes thereof not forbidden, and with all powers conferred upon nonprofit corporations by the laws of the State of Michigan.

Provided, however, that, except to the extent specifically permitted in the Master Deed, neither the Board nor the Association shall, by act or omission, abandon, partition, subdivide, encumber, sell or transfer the Common Elements, or any portion thereof, unless at least two-thirds (2/3) of the mortgagees (based upon one vote for each mortgage owned) and two-thirds (2/3) of the members in number and value have consented thereto. The Board may, however, grant easements for public utilities or other public purposes consistent with the intended use of the Common Elements by the Condominium Project, and no such grant shall be deemed a transfer for the purposes hereof. All Co-owners hereby grant the Board power of attorney to act on their behalf for such purposes, which power shall be deemed coupled with an interest and irrevocable.

#### 4.4 Meetings of Directors.

(a) Initial Meeting. The first meeting of the Board of Directors following the appointment or election of any new director shall be held within ten (10) days of the appointment or election of the new director at such place as shall be fixed by the directors upon receipt of notice that such new director was appointed or elected, and no notice

shall be necessary to the directors in order legally to constitute such meeting, providing a majority of the whole Board shall be present.

(b) Regular Meetings. Regular meetings of the Board of Directors may be held at such times and places as shall be determined from time to time by a majority of the directors, but at least three such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each director, personally, by mail, facsimile, recognized courier service, telephone or telegraph, at least ten (10) days prior to the date named for such meeting.

(c) Special Meetings. Special meetings of the Board of Directors may be called by the President on three (3) days' notice to each director, given personally, by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of one director.

(d) Waiver of Notice. Before or at any meeting of the Board of Directors, any director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board shall be deemed a waiver of notice by him or her of the time and place thereof unless his or her appearance is for the purpose of protesting the holding of such meeting. If all the directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

(e) Quorum. At all meetings of the Board of Directors, two of the directors shall constitute a quorum for the transaction of business, and the acts of the majority of the directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, there is less than a quorum present, the majority of those present may adjourn the meeting from time to time. 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 shall constitute the presence of such director for purposes of determining a quorum, but no proxies shall be permitted.

4.5 Managing Agent. The Board may employ, at a compensation established by it, a professional management agent for the Condominium to perform such duties and services as the Board shall authorize, including, but not limited to, the powers and duties set forth in Section 4.2 above. A "professional management agent" shall mean a person or organization having proven expertise, either from prior experience or by education, in the operation and management of real property. Before the transitional control date (as defined in the Act), the Developer, or any related person or entity, may serve as professional managing agent if so appointed. In no event shall the Board be authorized to enter into any contract with a professional management agent, or any contract providing for services by the Developer or its affiliates, in which the maximum term is greater than three (3) years or which is not terminable by the Association upon the transitional control date or within ninety (90) days thereafter and upon thirty (30) days' written notice for cause. Upon the transitional control date, or within ninety (90) days thereafter, the Board of



Directors may terminate a service or management contract with the Developer or its affiliates. In addition, the Board of Directors may terminate any management contract which extends beyond one (1) year after the transitional control date by providing notice of termination to the management agent at least thirty (30) days before the expiration of the one (1) year.

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

4.7 Actions Before First Meeting. Subject to the provisions of Section 4.5 above, all the actions (including without limitation, the adoption of these Bylaws, any Rules and Regulations for the Association, and any undertakings or contracts entered into with others on behalf of the Association) of the first Board of Directors of the Association designated by its Incorporator, or their appointed successors, before the first meeting of members, shall be binding upon the Association in the same manner as though such actions had been authorized by a Board of Directors duly elected by the members of the Association at the first or any later meeting of members so long as such actions are within the scope of the powers and duties which may be exercised by any Board of Directors as provided in the Condominium Documents.

4.8 Indemnification of Officers and Directors. The Association shall indemnify every Association director and officer against all expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him as a consequence of his being made a party to or being threatened to be made a party to any threatened, pending or contemplated action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of his being or having been a director or officer of the Association, except in such cases where he is adjudged guilty of willful and wanton misconduct or gross negligence in the performance of his duties or adjudged to have not acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Association and its members, and with respect to any criminal action or proceeding, he is adjudged to have had no reasonable cause to believe that his conduct was unlawful; provided, that, if a director or officer claims reimbursement or indemnification hereunder based upon his settlement of a matter, he shall be indemnified only if the Board of Directors (with any director seeking reimbursement abstaining) approves such settlement and reimbursement as being in the best interests of the Association and, if a majority of the members request it, such approval is based on an opinion of independent counsel supporting the propriety of such indemnification and reimbursement. The foregoing right of indemnification shall not be exclusive and shall be in addition to all other rights such director or officer may have. The Board of Directors shall notify all members that it has approved an indemnification payment at least ten (10) days before making the payment.

## ARTICLE V

### OPERATION OF THE PROPERTY

5.1 Personal Property Taxes. The Association shall be assessed as the person or entity in possession of any tangible personal property of the Condominium owned or possessed in common by the Co-owners, and personal property taxes based thereon shall be treated as Expenses of Administration as defined in Section 5.4 below.

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

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

5.4 Regular Assessments. The Board shall establish an annual budget in advance for each fiscal year for the Condominium. The budget shall contain a statement of the estimated funds required to defray the "Expenses of Administration" for the forthcoming year, which shall mean all items specifically defined as such in these Bylaws and all other common expenses. The common expenses shall consist, among other things, of such amounts as the Board may consider proper for the operation, management and maintenance of the Condominium Project to the extent of the powers and duties delegated to it hereunder, and in the Master Deed; and shall include, without limitation, dues and assessments levied against the Association or the Condominium Project as referenced in Section 5.1 above, amounts to be set aside for working capital of the Condominium, the cost of fulfilling the Association's maintenance, repair and replacement responsibilities, management fees, banking, legal and accounting fees, insurance, and creation and maintenance of an appropriate reserve fund. As provided in Section 5.11 below, an adequate reserve fund for maintenance, repair and replacement of the general Common Elements must be established in the budget and must be funded by regular assessments rather than by special assessments. The budget shall also allocate and assess all Expenses of Administration against all

Co-owners in accordance with the percentage of value allocated to each unit by the Master Deed, without increase or decrease for the existence of any rights to the use of the Common Elements.

The Board shall advise each non-Developer Co-owner in writing of the amount of common charges payable by him and shall furnish copies of each budget on which such common charges are based to all Co-owners, although failure to deliver a copy of the budget to each Co-owner shall not affect the liability of any Co-owner for any existing or future assessments. All assessments levied in accordance with the foregoing provisions of this Section 5.4 shall be payable by the non-Developer Co-owners in twelve (12) equal monthly installments, commencing with acquisition of legal or equitable title to a unit by any means. The Board may, in its sole discretion, elect to collect the regular assessments on a quarterly or semi-annual basis. Should the Board at any time determine, in its sole discretion, that the assessments levied are or may prove to be insufficient (1) to pay the costs of operation and management of the Condominium, (2) to provide for the maintenance, repair or replacement of existing Common Elements, (3) to provide additions to the general Common Elements not exceeding Five Thousand and 00/100ths Dollars (\$5,000.00) annually, or (4) to provide for emergencies, the Board shall have the authority to increase the general assessments or to levy such additional assessment or assessments as it shall consider necessary. Such assessments shall be payable when and as the Board shall determine.

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

5.5 Special Assessments. Special assessments, in addition to those provided for in Section 5.4 above, may be levied by the Board from time to time, following approval by the Co-owners as hereinafter provided, to meet other needs, requirements or desires of the Association, including, but not limited to, (1) assessments for capital improvements for additions to the general Common Elements at a cost exceeding Five Thousand and 00/100ths Dollars (\$5,000.00) per year, (2) assessments to purchase a unit upon foreclosure of the lien for assessments as described in Section 5.6 hereof, and (3) assessments for any other appropriate purpose not described elsewhere herein. Special assessments referred to in this Section (but not including assessments referred to in Section 5.4 above, which shall be levied in the sole discretion of the Board) shall not be levied without first being approved by two-thirds (2/3) of all members in value and in number, which approval shall be granted only by a vote of the Co-owners taken at a meeting of the Co-owners called in accordance with the provisions of Article III hereof. The discretionary authority of the Board to levy assessments pursuant to this Section will rest solely with the Board for the benefit of the Association and the members thereof and will not be enforceable by any creditors of the Association or its members.

5.6 Collection of Assessments. When used in this Section and Section 5.12 below, and wherever else appropriate in these Condominium Bylaws, the term "assessment" shall include all regular and special assessments referred to in Sections 5.4 and 5.5 above and, in addition, all other charges whatsoever levied by the Association against any Co-owner. This Section 5.6 is designed to provide the Association with a vehicle for collection.

Each Co-owner, whether one or more persons, shall be and shall remain personally obligated for the payment of all assessments levied with regard to his unit during the time that he is the owner thereof. If any Co-owner defaults in paying an assessment, interest at the maximum legal rate shall be charged on such assessment from the due date and further penalties or proceedings may be instituted by the Board in its discretion. The payment of an assessment shall be in default if such assessment is not paid in full on or before the due date established by the Board for such payment. In the event of default by any Co-owner in the payment of any installment of the annual assessment levied against his unit, the Association shall have the right to declare all unpaid installments of the annual assessment for the pertinent fiscal year immediately due and payable. The Association may also discontinue the furnishing of any services to a Co-owner in default upon seven (7) days' written notice to such Co-owner of its intent to do so. A Co-owner in default on the payment of any assessment shall not be entitled to vote at any meeting of the Association so long as such default continues. The Board may, but need not, report such a default to any first mortgagee of record; provided, however, that if such default is not cured within sixty (60) days, the Association shall give the notice required by Section 9.2 below. Any first mortgagee of a unit in the Condominium may consider a default in the payment of any assessment a default in the payment of its mortgage. When a Co-owner is in arrears to the Association for assessments, the Association may give written notice of arrearage to any person occupying his unit under a lease or rental agreement, and such person, after receiving the notice, shall deduct from rental payments due the Co-owner the arrearage and future assessments as they fall due and pay them to the Association. The deductions shall not be a breach of the rental agreement or lease by the occupant.

Unpaid assessments together with interest, collection and late charges, advances made by the Association for taxes or other liens to protect its lien, attorney fees, and fines in accordance with the Condominium Documents (collectively, the "**Other Charges**") shall constitute a lien upon all units owned by the delinquent Co-owner at the time of the assessment prior to all other liens except unpaid ad valorem real estate taxes and special assessments imposed by a governmental entity and sums unpaid on a first mortgage recorded prior to the notice of the lien. The Association may enforce collection of delinquent assessments and Other Charges by a suit at law for a money judgment or by foreclosure of the lien that secures payment of assessments. Each Co-owner, and every other person, except a first mortgagee whose mortgage was recorded prior to the notice of the lien, who from time to time has any interest in the Condominium, shall be considered to have granted to the Association the unqualified right to elect to foreclose such lien either by judicial action or by advertisement. The provisions of Michigan law pertaining to foreclosure of mortgages by judicial action and by advertisement, as they may be amended from time to time, are incorporated herein by reference for the purposes of establishing the alternative procedures to be followed in lien foreclosure actions and the rights and obligations of the parties to such actions, except that the Association is entitled to reasonable interest, expenses, costs, and attorney fees for foreclosure by advertisement or judicial action. **THE ASSOCIATION IS HEREBY GRANTED WHAT IS COMMONLY KNOWN AS A "POWER OF SALE."** Further, each Co-owner and every other person, except a first mortgagee whose mortgage was recorded prior to the notice of lien, who from time to time has any interest in the Condominium shall be considered to have authorized and empowered the Association to sell or to cause to be sold the unit that is subject to such foreclosure action and to receive, hold and distribute the proceeds of such sale in accordance with the priorities established by applicable law. **EACH CO-OWNER ACKNOWLEDGES THAT AT THE TIME OF ACQUIRING TITLE TO**

**HIS UNIT, HE WAS NOTIFIED OF THE PROVISIONS OF THIS SECTION AND THAT HE VOLUNTARILY, INTELLIGENTLY AND KNOWINGLY WAIVED NOTICE OF ANY PROCEEDINGS BROUGHT BY THE ASSOCIATION TO FORECLOSE BY ADVERTISEMENT THE LIEN FOR NONPAYMENT OF ASSESSMENTS AND OTHER CHARGES AND A HEARING ON SUCH FORECLOSURE BEFORE THE SALE OF THE SUBJECT UNIT.**

Notwithstanding the foregoing, neither a judicial foreclosure action nor a suit at law for a money judgment shall be commenced, nor shall any notice of foreclosure by advertisement be published, until the expiration of ten (10) days after the mailing of a written notice to the delinquent Co-owner that an assessment, or any part thereof, levied against his unit is delinquent, and the Association may invoke any of its remedies hereunder if the default is not cured within ten (10) days after the date of mailing. The notice shall be mailed by first-class mail, postage prepaid, and shall be addressed to the individual representative of the delinquent Co-owner designated in the certificate filed with the Association pursuant to Section 2.3 above, at the address set forth in such certificate or at his last known address. The written notice shall be accompanied by a written affidavit of an authorized representative of the Association that sets forth (i) the affiant's capacity to make the affidavit, (ii) the statutory and other authority for the lien, (iii) the amount outstanding (exclusive of interest, costs, attorneys' fees and future assessments), (iv) the legal description of the subject unit, and (v) the name of the Co-owner of record. The affidavit shall be recorded in the Office of the Register of Deeds for the county in which the Condominium Project is located before the commencement of any foreclosure proceeding, but it need not have been recorded as of the date of mailing the notice as provided above. If the delinquency is not cured within the ten (10) day period, the Association may take such remedial action as may be available to it hereunder or under Michigan law. In the event the Association elects to foreclose the lien by advertisement, the Association shall so notify the individual representative designated above and shall inform such representative that he may request a judicial hearing by bringing suit against the Association. The expenses incurred in collecting unpaid assessments, including interest, collection and late charges, fines, costs, actual attorneys' fees (not limited to statutory fees) and advances for taxes or other liens paid by the Association to protect its lien, shall be chargeable to the Co-owner in default and shall be secured by the lien on his unit. In a judicial foreclosure action, a receiver may be appointed to collect a reasonable rental for the unit from the Co-owner thereof or any persons claiming under him, and each Co-owner hereby consents to the appointment of such a receiver. The Association may purchase a unit at any foreclosure sale hereunder.

If the holder of a first mortgage on a unit in the Condominium obtains title to the unit as a result of foreclosure of the mortgage, deed in lieu of foreclosure or similar remedy, or any other remedy provided in the mortgage, such person, and its successors and assigns, or other purchaser at a foreclosure sale shall not be liable for unpaid assessments chargeable to the unit which became due before the acquisition of title to the unit by that person; provided, however, that those unpaid assessments shall be considered common expenses collectible from all the unit owners including that person, its successors and assigns, and that all assessments chargeable to the unit after the acquisition of title shall be the responsibility of that person as provided above with respect to all Co-owners; provided, further, that the person obtaining title to a unit as contemplated by this paragraph shall be liable for all unpaid assessments and other charges against the unit which were included in a notice of lien recorded prior to the mortgage.

5.7 Obligations of the Developer. Until such time as the regular assessments paid by Co-owners (including the Developer) of completed units shall be sufficient to support the total Expenses of Administration (excluding reserves in excess of the reserve required under Section 5.11 below), the Developer shall pay the assessments on its completed units and shall further pay the balance of such Expenses of Administration on account of the units owned by it, whether constructed or not. Such payments shall be in lieu of all other assessment liabilities. A completed unit shall be a unit for which Zeeland Township has issued a certificate of occupancy.

After the time at which the regular assessments paid by Co-owners (including the Developer) of completed units are sufficient to support the Expenses of Administration (excluding reserves in excess of the reserve required under Section 5.11 below), the Developer will pay the regular and special assessments on its completed units; provided, however, that in no case shall the Developer be responsible for paying any assessment levied in whole or in part to purchase a unit from the Developer or to finance any litigation or other claims against the Developer, any cost of investigating and preparing such litigation or claim, or any similar or related cost.

5.8 Access; Maintenance and Repair. The Association or its agent shall have access to each unit from time to time during reasonable working hours, upon notice to the occupant thereof, for the purpose of maintenance, repair or replacement of any of the Common Elements located therein or accessible therefrom and for which the Association is responsible under the Master Deed. The Association or its agent shall also have access to each unit at all times without notice for making emergency repairs necessary to prevent damage to other units, the Common Elements, or both.

It shall be the responsibility of each Co-owner to provide the Association means of emergency access to the unit and any limited Common Elements appurtenant thereto during all periods of absence, and in the event of the failure of a Co-owner to provide means of access, the Association may gain access in such manner as may be reasonable under the circumstances and shall not be liable to that Co-owner for any necessary damage to the unit or limited Common Elements caused thereby or for repair or replacement of any doors or windows damaged in gaining such access, all of which shall be the responsibility of that Co-owner. Except as otherwise provided herein, however, any damage caused to a unit or its appurtenant limited Common Elements or contents by the maintenance and repair activities of the Association or by the general Common Elements shall be repaired at the expense of the Association.

Each Co-owner shall repair, replace, decorate and maintain his unit and any limited Common Elements appurtenant thereto for which he has maintenance responsibility in a safe, clean and sanitary condition. Each Co-owner shall also use due care to avoid damaging any of the Common Elements or any improvements located on or within a common element which is appurtenant to or which may affect any other unit. Each Co-owner shall be responsible for damages or costs to the Association resulting from negligent damage to or misuse of any of the Common Elements by him, or his guests, agents or invitees, or an animal kept by any of them, unless those damages or costs are actually reimbursed from insurance carried by the Association, in which case there shall be no such responsibility. (If full reimbursement to the Association is excluded by virtue of a deductible provision, the responsible Co-owner shall bear the expense to

the extent of the deductible amount, regardless of any contrary provisions in these Bylaws.) Any costs or damages to the Association that are herein or elsewhere in the Condominium Documents assigned to the individual Co-owner may be assessed to and collected from the responsible Co-owner in the manner provided for regular assessments under Section 5.4 above.

The provisions of this Section 5.8 shall be subject to those of Sections 6.1 and 6.2 in the event of repair or replacement on account of a casualty loss.

5.9 Taxes. After the year in which the Condominium is established, all governmental special assessments and property taxes shall be assessed against the individual units and not upon the total property of the Condominium or any part thereof. Taxes and governmental special assessments which have become a lien against the property of the Condominium in the year of its establishment (as provided in Section 131 of the Act) shall be Expenses of Administration and shall be paid by the Association. Each unit shall be assessed a percentage of the total bill for such taxes and assessments equal to the percentage of value allocated to it in the Master Deed, and the owner thereof shall reimburse the Association for his unit's share of such bill within ten (10) days after he has been tendered a statement therefor.

5.10 Documents to Be Kept. The Association shall keep current copies of the recorded Master Deed, and all amendments thereto, and other Condominium Documents available at reasonable hours to Co-owners, mortgagees, prospective purchasers and prospective mortgagees of units in the Condominium.

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

5.12 Statement of Unpaid Assessments. Pursuant to the provisions of the Act, the purchaser of any unit may request a statement from the Association as to the outstanding amount of any unpaid assessments, interest, late charges, fines, costs, and attorney fees against the seller. Upon written request to the Association accompanied by a copy of the executed purchase agreement pursuant to which the purchaser holds a right to acquire a unit, the Association shall provide a written statement of such unpaid assessments, interest, late charges, fines, costs, and attorney fees against the seller as may exist or a statement that none exist, which statement shall be binding upon the Association for the period stated therein. Upon the payment of that sum within the period stated, the Association's lien for assessments, interest, late charges, fines, costs, and attorney fees against the seller as to that unit shall be considered satisfied; provided, however, that the failure of a purchaser to request such a statement at least five (5) days before the closing of the purchase of a unit shall render any unpaid assessments, interest, late charges, fines, costs, and attorney fees against the seller and the lien securing them fully enforceable against that purchaser and the unit itself.

## ARTICLE VI

### INSURANCE; REPAIR OR REPLACEMENT; CONDEMNATION; CONSTRUCTION LIENS

6.1 Insurance. The Association shall, to the extent appropriate given the nature of the Common Elements, carry fire and extended coverage, vandalism and malicious mischief and liability insurance (including, without limitation, Directors' and Officers' coverage), worker's compensation insurance, if applicable, and such other insurance coverage as the Board may determine to be appropriate with respect to the ownership, use and maintenance of the Common Elements of the Condominium and the administration of Condominium affairs, without duplicating the coverage maintained by each Co-owner pursuant to subsection 6.1(c) below. The insurance shall be carried and administered in accordance with the following provisions:

(a) The Association shall purchase that insurance for the benefit of the Association, the Co-owners and their mortgagees, as their interests may appear, and provision shall be made for the issuance of certificates of insurance with mortgagee endorsements to the mortgagees of Co-owners. The Association and all Co-owners shall use their best efforts to see that all property and liability insurance carried pursuant to the terms of this Article VI shall contain appropriate provisions by which the insurer waives its right of subrogation as to any claims against any Co-owner or the Association, and, subject to the provisions of Section 5.8 hereof, the Association and each Co-owner hereby waive, each as to the other, any right of recovery for losses covered by insurance. The liability of carriers issuing insurance obtained by the Association shall not, unless otherwise required by law, be affected or diminished on account of any additional insurance carried by any Co-owner, and vice versa.

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

(c) Each Co-owner shall be responsible for obtaining insurance coverage at his own expense for the interior of his unit, including wall coverings, floor coverings, windows and screens. It shall further be each Co-owner's responsibility to obtain insurance coverage for his personal property located within his Condominium unit or elsewhere in the Condominium Project. Each Co-owner also shall be obligated to obtain insurance coverage for his personal liability for occurrences within his unit and the limited Common Elements appurtenant to his unit. The Association will under no circumstances have any obligation to obtain any of the insurance coverage described in this subsection or any liability to any person for failure to do so.

(d) All Common Elements of the Condominium shall be insured against fire and other perils covered by a standard extended coverage endorsement in an amount equal to the maximum insurable replacement value, excluding land, landscaping, pavement, foundation, and excavation costs, as determined annually by the Board of Directors of the Association. Such coverage shall also include interior walls within any unit and the pipes, wires, conduits, and ducts contained therein and shall further include all fixtures, equipment, and trim within a unit which were furnished with the unit as standard items according to the plans and specifications thereof on file with the Association (or such replacements thereof as do not exceed the cost of



such standard items). Any improvements made by a Co-owner within his unit shall be covered by insurance obtained by and at the expense of the Co-owner; provided that, if the Association elects to include such improvements under its insurance coverage, any additional premium cost to the Association attributable thereto shall be assessed to and borne solely by the Co-owner and collected as a part of the assessment levied against the Co-owner under Section 5.4 above.

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

(f) All premiums upon insurance purchased by the Association pursuant to these Bylaws, except pursuant to the last sentence of subsection 6.1(d) above, shall be Expenses of Administration.

(g) Proceeds of all insurance policies owned by the Association shall be received by the Association, held in a separate account, and distributed to the Association, the Co-owners and their mortgagees as their interests may appear; provided, however, whenever repair or reconstruction of the Condominium shall be required as provided in Section 6.2 below, the proceeds of any insurance received by the Association as a result of any loss requiring repair or reconstruction shall be applied for such repair or reconstruction and in no event shall hazard insurance proceeds be used for any purpose other than for repair, replacement or reconstruction of the Condominium Project unless all the holders of first mortgages on units in the Condominium have given their prior written approval.

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

(i) Each individual Co-owner shall indemnify and hold harmless every other Co-owner, the Developer, and the Association from and against all damages, costs and judgment, including actual attorneys' fees, which any indemnified party may suffer as a result of defending claims arising out of an occurrence on or within such individual Co-owner's unit or appurtenant limited Common Elements. This provision shall not be construed to give an insurer any subrogation right or other right or claim against an individual Co-owner, the Developer, or the Association.

6.2 Reconstruction or Repair. If the Condominium Project or any of its Common Elements are destroyed or damaged, in whole or in part, and the proceeds of any policy insuring the same and payable by reason thereof are sufficient to reconstruct the Project, then such proceeds shall be applied to such reconstruction. As used herein, reconstruction means restoration of the Project to substantially the same condition in which it existed prior to the fire

or other disaster, with each unit and the Common Elements having the same vertical and horizontal boundaries as prior thereto.

(a) If the property is not insured against the peril causing the loss or the proceeds of the policy or policies insuring the Project and payable by reason thereof are insufficient to reconstruct the same, provision for reconstruction may be made by the affirmative vote of not fewer than seventy-five percent (75%) of the Co-owners voting at a meeting called for such purpose. Any such meeting shall be held within thirty (30) days following the final adjustment of insurance claims, if any, or within ninety (90) days after such fire or other disaster, whichever first occurs. At any such meeting, the Board of Directors or its representative shall present to the Co-owners present an estimate of the cost of the reconstruction and the estimated amount of necessary special assessment against each unit in order to pay therefor. If the property is reconstructed, any such insurance proceeds shall be applied thereto, and special assessments may be made against the units in order to pay the balance of the cost thereof.

(b) If the property is not insured against the peril causing the loss or the proceeds of the policy or policies insuring the Project and payable by reason thereof are insufficient to reconstruct the same, and if provision for reconstruction is not made pursuant to subparagraph (a) above, then provision for withdrawal of any portion of the property from the provisions of the Act may be made by the affirmative vote of not fewer than seventy-five percent (75%) in number and value of the Co-owners voting at a meeting called for such purpose. Any such meeting shall be held within thirty (30) days following the final adjustment of insurance claims, if any, or within ninety (90) days after such fire or other disaster, whichever first occurs. Upon any such withdrawal of any unit or portion thereof, the percentage of ownership in the Common Elements appurtenant thereto shall be reallocated among the remaining units not so withdrawn on the basis of the relative percentages of ownership in the Common Elements appurtenant to each such remaining unit. If only a portion of a unit is withdrawn, the percentage of ownership in the Common Elements appurtenant to such unit shall be reduced accordingly, upon the basis of the diminution in square footage of such unit.

Any insurance proceeds shall be allocated, on the basis of square footage withdrawn or such other equitable basis as the Board of Directors may determine, among the units or portions thereof, and the portions of the Common Elements withdrawn. As compensation for such withdrawals: (i) any such insurance proceeds allocated to withdrawn units or portions thereof shall be applied in payment to the Co-owners thereof in proportion to their relative percentages of ownership in the Common Elements appurtenant to such withdrawn units, or portions thereof; (ii) any such insurance proceeds allocated to withdrawn portions of the limited Common Elements shall be applied in payment to the Co-owners entitled to their use in proportion to their relative percentages of ownership in the Common Elements appurtenant to the units served by such limited Common Elements; and (iii) any such insurance proceeds allocated to withdrawn portions of the general Common Elements shall be applied in payment to all Co-owners in proportion to their relative percentages of ownership in the Common Elements. Upon withdrawal of any unit or portion thereof, the Co-owner thereof shall be relieved of any further responsibility or liability for the payment of any assessments therefor, if the entire unit is withdrawn, or for the payment of a portion of such assessments proportional to the diminution in square footage of such unit, if only a portion of the unit is withdrawn.

(c) If the property is not insured against the peril causing the loss or the proceeds of the policy or policies insuring the Project and payable by reason thereof are insufficient to reconstruct the same, and if provision for neither reconstruction nor withdrawal is made pursuant to subparagraphs (a) or (b) above, then the provisions of the Act shall apply.

(d) Prompt written notice of any and all material damage or destruction to a unit or any part of the Common Elements shall be given to the holder of a first mortgage lien on any unit affected thereby.

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

(a) In the event of any taking of all or any portion of a unit or any limited common element appurtenant thereto, the award for such taking shall be paid to the Co-owner of the unit and the mortgagee thereof, as their interests may appear. If the Co-owner's entire unit is taken by eminent domain, such Co-owner and his mortgagee shall after acceptance of the condemnation award therefor, be divested of all interest in the Condominium Project.

(b) In the event of any taking of all or any portion of the general Common Elements, the condemnation proceeds relative to such taking shall be paid to the Co-owners and the mortgagees in proportion to their respective interests in the Common Elements and the affirmative vote of two-thirds (2/3) or more of the Co-owners in number and in value shall determine whether to rebuild, repair or replace the portion so taken or to take such other action as they consider appropriate.

(c) In the event the Condominium Project continues after taking by eminent domain, then the remaining portion of the Condominium Project shall be resurveyed and the Master Deed amended accordingly and, if any unit shall have been taken, Article VI of the Master Deed shall 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 percent (100%). Such amendment may be effected by an officer of the Association duly authorized by the Board of Directors without the necessity of execution or specific approval thereof by any Co-owner.

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

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

6.4 Construction Liens. The following provisions shall control the circumstances under which construction liens may be applied against the Condominium or any unit thereof:

(a) Except as provided below, a construction lien for work performed on a Condominium unit or upon a limited common element may attach only to the unit upon which the work was performed or to which the limited common element is appurtenant.

(b) A construction lien for work authorized by the Developer or principal contractor and performed upon the Common Elements may attach only to units owned by the Developer at the time of recording of the claim of lien.

(c) A construction lien for work authorized by the Association may attach to each unit only to the proportionate extent that the Co-owner of the unit is required to contribute to the Expenses of Administration as provided by the Condominium Documents.

(d) A construction lien may not arise or attach to a unit for work performed on the Common Elements not contracted for by the Developer or the Association, except as provided in subsection 6.4(a) above.

If a Co-owner is advised or otherwise learns of a purported construction lien contrary to the foregoing, he shall immediately notify the Board of Directors. Upon learning of the purported construction lien, the Board shall take appropriate measures to remove any cloud on the title of units improperly affected thereby.

6.5 Mortgagees. Nothing contained in the Condominium Documents shall be construed to give a Condominium unit owner, or any other party, priority over any rights of first mortgagees of Condominium units pursuant to their mortgages in the case of a distribution to Condominium unit owners of insurance proceeds or condemnation awards for losses to or a taking of Condominium units, Common Elements or both.

## ARTICLE VII

### USE AND OCCUPANCY RESTRICTIONS: ENFORCEMENT

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

(a) Use and Occupancy Restrictions. Use and occupancy of the Condominium Project are subject to the following covenants, conditions and restrictions:

(i) Residential Use. Except for units owned by the Developer and used for displaying model homes, all units shall be used for single-family residential purposes only. For the purposes hereof, "single-family" shall be given the definition ascribed to it by applicable law. No more than one residential unit may exist within any unit. Except as expressly permitted under subsection (a)(ii) of this Section 7.1, no business, commercial,

manufacturing, service or rental enterprise shall be conducted within any unit. No garage, recreational vehicle, basement, tent, shack, storage barn or similar type structure shall be used at any time as a residence, temporarily or permanently.

(ii) 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 (a) 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; (b) no commodities sold within the unit; (c) no person employed other than a member of the immediate family residing within the unit; (d) no mechanical or electrical equipment used, other than personal computers and other office-type equipment; and (e) no material increase in vehicular or pedestrian traffic to and from the unit as a result of the home occupation over the amount of traffic normally associated with a unit used solely for dwelling purposes.

(iii) Animals. No animals shall be kept on or in any part of any unit except domesticated household pets such as dogs and cats. No pets may be kept or bred on or in any part of any unit for commercial purposes, and all pets shall have such care and restraint so as not to be obnoxious or offensive to the neighborhood on account of conduct, noise, odor, or unsanitary conditions. No savage or dangerous animals shall be kept on or in any part of any unit. No pets may be permitted to run loose. No more than two pets may be kept on or in any part of any unit. The owner of a pet shall be responsible for picking up the pet's waste in common areas and shall comply with Association rules pertaining to the use of dog runs and other matters.

(iv) Trash. No trash, garbage or rubbish of any kind shall be placed within any unit, except in sanitary containers for removal. All sanitary containers shall be kept in a clean and sanitary condition and shall be kept inside that unit with the doors closed, except as necessary to allow for trash collection.

(v) Commercial Vehicles. No inoperable or unlicensed vehicles of any type may be brought or stored on the Condominium Premises, either temporarily or permanently, except inside a unit. Commercial vehicles shall not be parked on the Condominium Premises except while making deliveries or pick-ups in the normal course of business or for construction purposes unless parking in designated loading zones or areas and except as otherwise permitted by Association rules and regulations. Any truck over 3/4-ton and any vehicle with a company name or other advertising or commercial designation will be considered a commercial vehicle. No vehicle may be parked overnight on any common element, except in accordance with Association rules and regulations.

(vi) Nuisances. No owner of any unit will do or permit to be done any act or condition within his unit or on the Common Elements 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 within any unit or on any common element 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 the surrounding units. No Co-owner shall do or permit anything to be done or keep or permit to be kept in his unit or on the Common Elements anything that will increase the rate of insurance on the Condominium without the written approval of the Board of Directors and each Co-owner shall pay to the Association the increased cost of insurance premiums resulting from any such activity or the maintenance of any such condition.

(vii) Compliance with Laws. No owner shall take any action on or with respect to his unit or the Common Elements that violates any federal, state or local statute, regulation, rule or ordinance.

(viii) Alterations. A Co-owner may make improvements or alterations within his unit that (a) do not impair the structural integrity of a structure or otherwise lessen the support of a portion of the Project, and (b) do not affect the external appearance of the unit. Such improvements and alterations shall not require the consent or approval of the Board of Directors. No Co-owner shall make alterations in the exterior appearance or make structural modifications to his unit not specifically permitted above or make changes in any of the general Common Elements, nor shall any Co-owner damage or make modifications or attachments to common element walls between units which in any way impair sound-conditioning provisions, without the express prior written approval of the Board of Directors or except as expressly permitted elsewhere in the Condominium Documents. The Board of Directors may appoint an Environmental Control Committee and may delegate to it responsibility for establishing rules relating to the appearance of units and common areas, and the construction, maintenance, and repair, and approval thereof. Even after approval, a Co-owner shall be responsible for all damages to any other units and their contents or to the Common Elements, resulting from any such modification.

(ix) Use of Common Elements. The Common Elements, limited or general, shall not be used for storage of supplies, materials, personal property, or trash or refuse of any kind, except as provided in duly adopted rules and regulations of the Association. In general, no activity shall be carried on nor condition maintained by a Co-owner either in his unit or upon the Common Elements, which spoils the appearance of the Condominium or unreasonably interferes with the permitted activities of the other Co-owners. Landscaped areas, driveways, roads, parking areas, and, in general, all of the general Common Elements shall not be obstructed in any way nor shall they be used for purposes other than for which they are reasonably and obviously intended.

(x) Signs. A temporary entry sign may be placed at the entrance of the Project during its construction, and a permanent identification sign may be placed at the entrance of the Project at any time prior to or after completion of its construction and in place of any temporary entry sign. No sign other than Developer's will be allowed at the entrance to the Condominium Project, and no other sign shall be displayed to the public view on any part of the Project except that one sign of not more than four square feet in total area pertaining to the sale or lease of a unit may be placed inside a window of the unit or attached to a stake in a landscaped

area immediately adjacent to the unit, provided that such sign will be removed within 7 days following the consummation of the sale or lease of the unit.

(xi) Regulations. Reasonable regulations consistent with the Act, the Master Deed, and these Bylaws, concerning the use of the units and Common Elements may be made and amended from time to time by any Board of Directors of the Association, including the first Board of Directors (or its successors elected by the Developer) prior to the initial meeting of the entire Association. Copies of all such regulations and amendments thereto shall be furnished to all Co-owners and shall become effective ten (10) days after mailing or delivery thereof to the designated voting representative of each Co-owner. Any such regulation or amendment may be revoked at any time by the affirmative vote of more than fifty percent (50%) of all Co-owners in value and number at any duly convened meeting of the Association, except that the Co-owners may not revoke any regulation or amendment prior to the initial meeting of the Association.

(xii) Landscaping. No Co-owner shall perform any landscaping or plant any trees, shrubs, or flowers or place any ornamental materials upon the Common Elements without the express written approval of the Board of Directors or, if applicable, the Environmental Control Committee.

(b) Developer's Rights and Responsibilities. Developer may assign, in whole or in part, its rights and responsibilities hereunder to the Association, and when the last unit in the Condominium Project has been conveyed, this assignment shall occur automatically. None of the restrictions contained in this Article VII shall apply to the commercial activities or signs or billboards, if any, of the Developer during the "development and sales period." For the purposes of this Section, the development and sales period shall be considered to continue so long as Developer owns any unit which it offers for sale. Until all units in the entire Condominium (including the initial phase and any successive phases are sold by the Developer, the Developer shall have the right to maintain a sales office, a business office, a construction office, model units, storage areas, reasonable parking incident to the foregoing and such access to, from, and over the Condominium as may be reasonable to enable development and sale of the entire Condominium by Developer.

(c) Enforcement of Restrictions. The Association's costs of exercising its rights and administering its responsibilities hereunder shall be Expenses of Administration (as defined in Article V above), provided that the Association shall be entitled to recover its costs of proceeding against a breach by a Co-owner as provided in 12.1(b), below.

(d) General Provisions.

(i) Zoning. All restrictions imposed by the Zeeland Township Zoning Ordinance, as it applies to the Condominium Project, shall apply to all units in the Condominium, except that if the Developer or the Association has imposed more stringent restrictions, those restrictions shall apply in place of the Zeeland Township restrictions.

(ii) No Gift or Dedication. Nothing herein contained will be considered to be a gift or dedication of any portion of the units or other areas in the Condominium to the general public or for any public purposes whatsoever, it being the intention

of the Developer that these restrictions will be strictly limited to the purposes herein specifically expressed.

(iii) No Third-Party Beneficiaries. No third party, except grantees, heirs, representatives, successors and assigns of the Developer, as provided herein, will be a beneficiary of any provision set forth herein.

(iv) Disabled Persons. Reasonable accommodations in the rules, policies and practices of the Condominium will be made as required by the Federal Americans with Disabilities Act, as amended, and other applicable laws and regulations.

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

7.3 Enforcement. A breach of any provision contained in this Article VII shall constitute a breach of these Bylaws and may be enforced pursuant to the terms of these Bylaws.

## ARTICLE VIII

### LEASES

8.1 Restrictions: Notice of Intent to Lease. A Co-owner, including the Developer, may lease a unit for the purposes permitted by Article VII above, subject to the conditions set forth in this Article VIII. With the exception of a lender in possession of a unit following default of a first mortgage, no Co-owner will lease less than an entire unit and no tenant will be permitted to occupy except under a lease, the initial term of which is at least 12 months, unless specifically approved in writing by the Association.

A Co-owner, including the Developer, desiring to rent or lease a Condominium unit shall disclose that fact in writing to the Association at least ten (10) days before presenting a lease or otherwise agreeing to grant possession of a unit to a potential lessee or occupant, and at the same time, shall supply the Association with a copy of the exact lease form for its review for its compliance with the Condominium Documents. The Co-owner or Developer, as the case may be, shall also provide the Association with a copy of the executed lease, if any. 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 lessee, along with the rental amount and due dates under the proposed agreement. For security purposes, all non-Co-owner occupants shall register their presence with the Association prior to taking occupancy and shall notify the Association upon departure.

8.2 Conduct of Tenants. All tenants and non-Co-owner occupants shall comply with all the terms and conditions of the Condominium Documents and the provisions of the Act. If the Association determines that a tenant or non-Co-owner occupant has failed to comply with the conditions of the Condominium Documents or the provisions of the Act, the Association may advise the appropriate Co-owner by certified mail of the alleged violation by the tenant or non-



Co-owner occupant. The Co-owner shall have fifteen (15) days after receipt of the notice to investigate and correct the alleged violation or advise the Association that a violation has not occurred. If after fifteen (15) days the Association believes that the alleged violation has not been cured or may be repeated, it may institute on its behalf, or the Co-owners may institute derivatively on behalf of the Association if it is under the control of the Developer, an action both for eviction against the tenant or non-Co-owner occupant and, simultaneously, for money damages against the Co-owner and tenant or non-Co-owner occupant for the breach of the conditions of the Condominium Documents or the Act. The relief set forth in this Section may be by any appropriate proceeding. The Association may hold both the tenant or non-Co-owner occupant and the Co-owner liable for the damages caused to the Condominium.

## ARTICLE IX

### MORTGAGES

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

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

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

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

9.5 Acquisition of Title by First Mortgagee. Any first mortgagee who obtains title to a unit pursuant to the remedies provided in the mortgage, or deed in lieu thereof, shall not be liable for that unit's unpaid assessments which accrue before acquisition of title by the mortgagee, except to the extent provided in Section 5.6, above.

## ARTICLE X

### AMENDMENTS

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

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

10.3 Vote Required. These Condominium Bylaws may be amended by an affirmative vote of two-thirds (2/3) of the members in number and in value and two-thirds (2/3) of all mortgagees at any regular meeting or special meeting called for that purpose, except that the method or formula used to determine the percentage of value of units in the Condominium Project and any provisions relating to the ability or terms under which a Co-owner may rent a unit may not be modified or amended without the consent of each affected member and mortgagee, and except that the vote of mortgagees shall be obtained in the manner set forth in Section 90a of the Act, as amended from time to time, or any similar, successor provision of law. For purposes of this voting, each Co-owner will have one (1) vote for each unit owned, including as to the Developer all units created by the Master Deed but not yet conveyed. Each mortgagee shall have one (1) vote for each unit against which it holds a duly recorded first mortgage or a duly recorded assignment of first mortgage, unless the Act requires otherwise.

10.4 Amendments Not Materially Changing Condominium Bylaws. The Developer or Board of Directors may enact amendments to these Condominium Bylaws without the approval of any Co-owner or mortgagee, provided that the amendments shall not materially alter or change the rights of a Co-owner or mortgagee. The Developer may also enact amendments to these Condominium Bylaws as provided in the Master Deed.

10.5 Effective Date. Any amendment to these Bylaws shall become effective upon the recording of the amendment in the Office of the Register of Deeds in the county where the Condominium is located.

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

10.7 Notice: Copies to Be Distributed. Co-owners shall be notified of proposed amendments not less than ten (10) days before the amendment is recorded. A copy of each amendment to these Bylaws shall be furnished to every Co-owner after recording; provided, however, that any amendment to these Bylaws that is adopted in accordance with this Article shall be binding upon all persons who have an interest in the Condominium Project regardless of whether such persons actually receive a copy of the amendment.

ARTICLE XI

DEFINITIONS

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

ARTICLE XII

REMEDIES FOR DEFAULT

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

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

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

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

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

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

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

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

12.5 Action by Co-Owner. If a Co-owner maintains an action against the Association and its officers and directors to compel those persons to enforce the Condominium Documents, as permitted under Section 107 of the Act, then the successful party in such a proceeding shall be entitled to recover the costs of the proceeding and reasonable attorney fees (not limited to statutory fees), as determined by the court.

### ARTICLE XIII

#### ARBITRATION

13.1 Submission to Arbitration. Any dispute, claim or grievance arising out of or relating to the interpretation or application of the Condominium Documents, or arising out of disputes among or between Co-owners shall, upon the election and written consent of all the parties to the dispute, claim or grievance, and written notice to the Association, be submitted to arbitration, and the parties thereto shall accept the arbitrator's decision as final and binding. The Commercial Arbitration Rules of the American Arbitration Association, as amended and in effect from time to time hereafter, shall be applicable to the arbitration.

13.2 Effect of Election. Election by Co-owners or the Association to submit any dispute, claim or grievance to arbitration as provided above shall preclude the parties from petitioning the courts regarding that dispute, claim or grievance. Any appeal from an arbitration award shall be considered a statutory appeal.

13.3 Preservation of Rights. In the absence of an election to arbitrate as provided in Section 13.1 above, neither a Co-owner nor the Association shall be precluded from petitioning a court of competent jurisdiction to resolve any dispute, claim or grievance.

### ARTICLE XIV

#### SEVERABILITY

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

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

## ARTICLE XV

### CONFLICTING PROVISIONS

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

- (a) The Master Deed, including the Condominium Subdivision Plan;
- (b) Articles V through XV of these Bylaws;
- (c) The Articles of Incorporation of the Association;
- (d) Articles I through IV of these Bylaws; and
- (e) The Rules and Regulations of the Association.

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