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2008

0026137
Filed/ Sealed For Record In
Ottawa County, MI
Gary Scholten R.O.D.
06/26/2008 At 9:59:06 A.M.
AMEND TO MASTER DEED \$119.00
Liber 005680 Page 00371

FIFTH AMENDMENT OF MASTER DEED
SPRING LAKE CONDOMINIUMS
(ACT 59 PUBLIC ACTS OF 1978, AS AMENDED)

This Fifth Amendment of Master Deed is made and executed this 6th day of June, 2008, by Spring Lake Condominium Association, a Michigan nonprofit corporation, of Spring Lake, Michigan (the "**Association**").

RECITALS

On or about March 26, 1997, Rockford-Savidge L.L.C., a Michigan nonprofit corporation ("**Developer**") recorded a Master Deed for Spring Lake Condominiums Ottawa County Condominium Subdivision Plan No. 206. The Master Deed is recorded at Liber 2192, Pages 165-219 of the Ottawa County Register of Deeds. On or about September 2, 1997, the Developer recorded a First Amendment of Master Deed. The First Amendment is recorded at Liber 2268, Pages 322-324. The Second Amendment of Master Deed is recorded at Liber 2624, Pages 347-348. The Third Amendment of Master Deed is recorded at Liber 2792, Page 49. The Fourth Amendment of Master Deed is recorded at Liber 3032, Page 393.

AMENDMENT

On or about September 5, 2007, by a vote of at least two thirds (2/3) of the votes of the co-owners, the Amended and Restated Condominium Bylaws attached to this Amendment as Exhibit A were adopted in accordance with the Master Deed. On or about May 7, 2008, the amendments to Sections 4.1(b) and (c) and 6.4(b) (1) as set forth in the Amended and Restated Condominium Bylaws were approved by the mortgagees in accordance with the Master Deed. The purpose of this amendment is to make effective the Amended and Restated Bylaws.

The Spring Lake Condominium Master Deed, as amended, is hereby further amended as follows:

1. The Amended and Restated Bylaws attached as Exhibit A to this Amendment shall be effective and supersede the Condominium Bylaws.

- 2. "Bylaws" as defined in Section 3.1(d) of the Master Deed is amended to mean the Amended and Restated Bylaws attached to this Amendment.

WITNESSETH:

SPRING LAKE CONDOMINIUM ASSOCIATION

By: Patricia A. Buell
 Patricia Buell
 Its: President

By: Dennis R. Doyle
 Dennis R. Doyle
 Its: Secretary

STATE OF MICHIGAN)
) ss
 COUNTY OF Ottawa)

On this 6th day of June, 2008, before me, a Notary Public in and for said county, personally appeared the above named Patricia Buell, President, and Dennis Doyle, Secretary, of Spring Lake Condominium Association, described in and who executed the above instrument on behalf of said Association.

Claire Kryger
 Claire Kryger
 Notary Public, Ottawa County
 My Commission Expires: 09/02/2013

SPRING LAKE CONDOMINIUMS
EXHIBIT A

AMENDED AND RESTATED BYLAWS

ARTICLE I

ASSOCIATION OF CO-OWNERS

1.1 Association of Co-owners. Spring Lake Condominiums, a Residential Condominium Project located in the Village of Spring Lake, Ottawa County, Michigan, will be administered by an Association of Co-owners which will be a nonprofit corporation, hereinafter called the "Association," organized under the applicable laws of the State of Michigan, and responsible for the management, maintenance, operation, and administration of the General Common Elements, easements, and affairs of the Condominium Project in accordance with the Condominium Documents and the laws of the State of Michigan. These Bylaws will constitute both the Bylaws referred to in the Master Deed as required by the Act and the Bylaws provided for under the Michigan Nonprofit Corporation Act. Each Co-owner will be entitled to membership and no other person or entity will be entitled to membership. The share of a Co-owner in the funds and assets of the Association cannot be assigned, pledged, or transferred in any manner except as an appurtenance to his Unit. The Association will keep current copies of the Master Deed, all amendments to the Master Deed, and other Condominium Documents for the Condominium Project, and make these available at reasonable hours to Co-owners, prospective purchasers, and prospective mortgagees of Units in the Condominium Project. All Co-owners in the Condominium Project and all persons using or entering upon or acquiring any interest in any Unit therein or the Common Elements thereof will be subject to the provisions and terms set forth in the Condominium Documents.

ARTICLE II

ASSESSMENTS

All expenses arising from the management, administration, and operation of the Association in pursuance of its authorizations and responsibilities as set forth in the Condominium Documents and the Act will be levied by the Association against the Units and the Co-owners thereof in accordance with the following provisions:

2.1 Assessments for General Common Elements. All costs incurred by the Association in satisfaction of any liability arising within, caused by, or connected with the General Common Elements, or the administration of the Condominium Project, will constitute expenditures affecting the administration of the Project, and all sums received as the proceeds of, or pursuant to, any policy of insurance securing the interest of the Co-owners against liabilities or losses arising within, caused by, or connected with the General Common Elements or the administration of the Condominium Project will

constitute receipts affecting the administration of the Condominium Project, within the meaning of Section 54(4) of the Act.

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

(a) Budget. The Board of Directors of the Association will establish an annual budget in advance for each fiscal year and such budget will project all expenses for the forthcoming year which may be required for the proper operation, management, and maintenance of the Condominium Project, including a reasonable allowance for contingencies and reserves. An adequate reserve fund for maintenance, repairs, and replacement of those Common Elements that must be replaced on a periodic basis will be established in the budget and must be funded by regular monthly payments as set forth in Section 2.3 below rather than by special assessments. At a minimum, the funding of the reserve fund for each fiscal year will be equal to ten percent (10%) of the Association current annual budget on a noncumulative basis. The minimum standard required by this section may prove to be inadequate. The Association should carefully analyze the Project to determine if a greater amount should be set aside, or if additional reserve funds should be established for other purposes. The Association may elect to establish a "super fund" as an additional reserve for planned future projects. Upon adoption of an annual budget-by-the Board of Directors, copies of the budget will be delivered to each Co-owner and the assessment for the year will be established based upon the budget, although the failure to deliver a copy of the budget to each Co-owner will not affect or in any way diminish the liability of any Co-owner for any existing or future assessments. Should the Board of Directors at any time determine, in the sole discretion of the Board of Directors 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 replacements of existing General Common Elements, (3) to provide additions to the Common Elements not exceeding Five Thousand Dollars (\$5,000.00) for the entire Project, or (4) that an event of emergency exists, the Board of Directors will have the authority to increase the general assessment or to levy such additional assessment or assessments as it will deem to be necessary. The discretionary authority of the Board of Directors to levy assessments pursuant to this subsection will rest solely with the Board of Directors for the benefit of the Association and the members thereof, and will not be enforceable by any creditors of the Association or the members thereof.

(b) Special Assessments. Special assessments, in addition to those required in subsection (a) above, may be made by the Board of Directors from time to time and approved by the Co-owners as hereinafter provided to meet other needs or requirements of the Association, including, but not limited to: (1) assessments for additions to the General Common Elements exceeding Five Thousand Dollars (\$5,000.00) annually for the entire Condominium Project, (2) assessments to purchase a Unit upon foreclosure of the lien for assessments described in Section 2.5 hereof, or (3) assessments for any other appropriate purpose not elsewhere herein described. Special assessments referred to in this subsection (b) (but not including those assessments referred to in subsection (a) above, which will be levied in the sole discretion of the Board of Directors) will not be

levied without the prior approval of more than two-thirds (2/3) of all Co-owners. The authority to levy assessments pursuant to this subsection is solely for the benefit of the Association and the members thereof and will not be enforceable by any creditors of the Association.

2.3 Apportionment of Assessments and Penalty for Default. Unless otherwise provided herein or in the Master Deed, all assessments levied against the Co-owners to cover expenses of administration will be apportioned, in equal shares, among and paid by the Co-owners of Units 1-24, inclusive without increase or decrease for the existence of any rights to the use of Limited Common Elements appurtenant to a Unit. Annual assessments as determined in accordance with Section 2.2(a) above will be payable by Co-owners in twelve (12) equal monthly installments, commencing with acceptance of a deed to or a land contract vendee's interest in a Unit, or with the acquisition of title to a Unit by any other means. The payment of an assessment will be in default if such assessment, or any part thereof, is not paid to the Association in full on or before the due date for such payment.

Each installment in default for ten (10) or more days will bear interest from the initial due date thereof at the rate of seven percent (7%) per annum until each installment is paid in full. The Association may, pursuant to Section 16.4 hereof, levy fines for the late payment in addition to such interest. Each Co-owner (whether one or more persons) will be, and remain, personally liable for the payment of all assessments (including fines for late payment and costs of collection and enforcement of payment) pertinent to his Unit which may be levied while such Co-owner is the owner thereof. Each Co-owner (whether one or more persons) will be, and remain, personally liable for the payment of all assessments pertinent to his Unit which may be levied while such Co-owner is the owner thereof. Payments on account of installments of assessments in default will be applied as follows: first, to costs of collection and enforcement of payment, including reasonable attorneys' fees; second, to any interest charges and fines for late payment on such installments; and third, to installments in default in order of their due dates.

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

2.5 Enforcement.

(a) Remedies. In addition to any other remedies available to the Association, the Association may enforce collection of delinquent assessments, fines or penalties by a suit at law for a money judgment or by foreclosure of the statutory lien that secures payment of assessments, fines or penalties. 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 will have the right to declare all unpaid installments of the annual assessment for the pertinent fiscal year immediately due and payable. A Co-owner in default will not be entitled to utilize any of the General Common Elements of the Project and will not be

entitled to vote at any meeting of the Association so long as such default continues; provided, however, this provision will not operate to deprive any Co-owner of ingress or egress to and from his 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. All of these remedies will be cumulative and not alternative and will not preclude the Association from exercising such other remedies as may be available at law or in equity.

(b) **Foreclosure Proceedings** Each Co-owner, and every other person who from time to time has any interest in the Project, will be deemed to have granted to the Association the unqualified right to elect to foreclose the lien securing payment of assessments, fines or penalties either by judicial action or by advertisement. The provisions of Michigan law pertaining to foreclosure of mortgages by judicial action and by advertisement, as the same may be amended from time to time, are incorporated herein by reference for the purposes of establishing the alternative procedures to be followed in lien foreclosure actions and the rights and obligations of the parties to such actions. Further, each Co-owner and every other person who from time to time has any interest in the Project will be deemed to have authorized and empowered the Association to sell or to cause to be sold the Unit with respect to which the assessment(s) is or are delinquent and to receive, hold, and distribute the proceeds of such sale in accordance with the priorities established by applicable law. Each Co-owner of a Unit in the Project acknowledges that at the time of acquiring title to the Unit he was notified of the provisions of this subsection 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, fines or penalties and a hearing on the same prior to the sale of the subject Unit.

(c) **Notice of Action.** Notwithstanding the foregoing, neither a judicial foreclosure action nor a suit at law for a money judgment will be commenced, nor will any notice of foreclosure by advertisement be published, until the expiration often (10) days after mailing, by first class mail, postage prepaid, addressed to the delinquent Co-owner(s) at his or their last known address, a written notice that one or more installments of the annual assessments levied against the pertinent Unit is or are delinquent and that the Association may invoke any of its remedies hereunder if the default is not cured within ten (10) days after the date of mailing. Such written notice will be accompanied by a written affidavit of an authorized representative of the Association that sets forth: (i) the affiant's capacity to make the affidavit, (ii) the statutory and other authority for the lien, (iii) the amount outstanding (exclusive of interest, costs, attorneys' fees, and future assessments), (iv) the legal description of the subject Unit(s), and (v) the name(s) of the Co-owner(s) of record. Such affidavit will be recorded in the office of the Register of Deeds of Ottawa County prior to commencement of any foreclosure proceeding, but it need not have been recorded as of the date of mailing as aforesaid. If the delinquency is not cured within the ten (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 will so notify the delinquent

Co-owner and will inform him that he may request a judicial hearing by bringing suit against the Association.

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

2.6 Liability of Mortgagee. Notwithstanding any other provisions of the Condominium Documents, the holder of any first mortgage covering any Unit in the Project which comes into possession of the Unit pursuant to the remedies provided in the mortgage or by deed (or assignment) in lieu of foreclosure, or any purchaser at a foreclosure sale, will take the property free of any claims for unpaid assessments or charges against the mortgaged Unit which accrue prior to the time such holder comes into possession of the Unit (except for claims for a pro rata share of such assessments or charges resulting from a pro rata allocation of such assessments or charges to all Units including the mortgaged Unit).

2.7 Unpaid Assessments Due on Unit Sale: Statement of Unpaid Assessments. Upon the sale or conveyance of a Condominium Unit, all unpaid assessments, interest, late charges, fines costs and attorney fees against the Condominium Unit shall be paid out of the sale price or by the purchase in preference over any other assessments or charges of whatever nature except: (a) amounts due the State of Michigan or any subdivision thereof for taxes or special assessments due and unpaid on the Unit and, (b) payments due under first mortgages having priority thereto. A purchaser of a Condominium Unit is entitled to a written statement from the Association setting forth the amount of unpaid assessments, interest, late charges, fines costs and attorney fees against the Unit and the purchaser is not liable for any unpaid amount in excess of the amount set forth in such written statement, nor shall the Unit be subject to any lien for any amounts in excess of the amount set forth in the written statement. Any purchaser or grantee who fails to request a written statement from the Association as provided herein at least five days before the sale, or to pay at the closing of the Unit purchase the amount of unpaid assessments, interest, late charges, fines costs and attorney fees against the Unit set forth in such a statement from the Association, shall be liable for any such unpaid assessments, interest, late charges, fines costs and attorney fees against the Unit together with interest, costs, and attorneys' fees incurred in connection with the collection thereof.

2.8 Property Taxes and Special Assessments. All property taxes and special assessments levied by any public taxing authority shall be assessed in accordance with Section 131 of the Act, which provides, among other things, that property taxes and special assessments are assessed against the individual Unit, and not on the total property of the Condominium, except for the year in which the Condominium is established.

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

ARTICLE III

ARBITRATION

3.1 Submission to Arbitration. Any dispute, claim or grievance arising out of or relating to the interpretation or application of the Master Deed, By-Laws, or other Condominium Documents, or to any disputes, claims, or grievances arising among or between the Co-owners or between such owners and the Association may, upon the election and written consent of the parties to any such dispute, claim, or grievance, and written notice to the Association, be submitted to arbitration by the Arbitration Association and the parties thereto shall accept the Arbitrator's award as final and binding. All arbitration hereunder shall proceed in accordance with Sections 500 1-5065 of Act 236 of the Public Acts of 1961, as amended, which may be supplemented by reasonable rules of the Arbitration Association.

3.2 Disputes Involving the Developer. A contract to settle by arbitration may also be executed by the Developer and any claimant with respect to any claim against the Developer that might be the subject of a civil action, provided that:

(a) At the exclusive option of a Purchaser, Co-owner, or person occupying a Unit in the Project, a contract to settle by arbitration shall be executed by the Developer with respect to any claim that might be the subject of a civil action against the Developer, which claim involves an amount less than \$2,500.00 and arises out of or relates to a purchase agreement, Condominium Unit or the Project.

(b) At the exclusive option of the Association of Co-owners, a contract to settle by arbitration shall be executed by the Developer with respect to any claim that might be the subject of a civil action against the Developer, which claim arises out of or relates to the Common Elements of the Project, if the amount of the claim is \$10,000.00 or less.

3.3 Preservation of Rights. Election by any Co-owner or by the Association to submit any such dispute, claim, or grievance to arbitration shall preclude such party from litigating such dispute, claim, or grievance in the courts; provided, however, that except as otherwise set forth in this Article, no interested party shall be precluded from petitioning the Courts to resolve any dispute, claim, or grievance in the absence of an election to arbitrate.

ARTICLE IV

INSURANCE

4.1 Extent of Coverage. The Association, or any Insurance Trustee designated by the Association, shall be appointed as Attorney-in-Fact for each Co-owner to act in connection with insurance matters and shall be required to obtain and maintain, to the extent available and/or appropriate, fire insurance with extended coverage, vandalism and malicious mischief endorsements, and liability insurance with coverage of \$1,000,000 or

more for bodily injury, pertinent to the ownership, use, and maintenance of the common elements of the Project. All such insurance shall be purchased by the Board of Directors for the benefit of the Association, the Co-owners, their mortgagees, and the Developer, as their interests may appear.

(a) Each Co-owner shall be responsible for obtaining insurance coverage at his own expense for the interior of his Unit and it shall be each Co-owner's responsibility to obtain insurance coverage for the personal property located within his Unit or elsewhere in the Condominium, for personal liability for occurrences within his Unit or upon limited common elements appurtenant to his Unit, and for alternative living expenses in the event of fire or other casualty causing temporary loss of the Unit. The Association and all Co-owners shall use their best efforts to see that all property and liability insurance carried by the Association or any Co-owner shall contain appropriate provisions whereby the insurer waives its right of subrogation as to any claims against any Co-owner or the Association.

(b) All common elements of the Project, building service equipment and supplies, and other common personal property belonging to the Association 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, blacktopping, foundation, and excavation costs, as determined annually by the Board of Directors of the Association.

(c) Coverage, which is to be by the Unit owner's responsibility, shall also include interior walls, wall coverings, floor coverings, and screens within any Unit and the pipes, wires, conduits, and ducts contained therein and shall further include all appliances, fixtures, equipment, and trim within a Unit. Other improvements made by a Co-owner within his Unit shall also be covered by insurance obtained by and at the expense of said Co-owners; provided that, if the Association elects to include other owner improvements under its insurance coverage, any additional premium cost to the Association attributable thereto shall be assessed to and borne solely by said Co-owner and collected as a part of the assessments against said Co-owner as provided herein.

(d) The Association may maintain such fidelity coverage to protect against dishonest acts by its officers, directors, trustees, and employees and all others who are responsible for handling funds of the Association as the Board may deem appropriate.

(e) The Board of Directors is hereby irrevocably appointed the agent for each Co-owner, each mortgagee, other named insureds and their beneficiaries, and any other holder of a lien or other interest in the Condominium or the Property, for the purpose of purchasing and maintaining such insurance, including: the collection and appropriate disposition of the proceeds thereof; the negotiation of losses and execution of all documents; and the performance of all other acts necessary to accomplish such purpose. All insurance proceeds shall be held in trust for the Co-owners and mortgagees of Units as their interests may appear.

(f) Each individual Co-owner shall indemnify and hold harmless every other Co-owner, the Developer, and the Association for all damages, costs, and judgments, 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-owners 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.

(g) Except as otherwise set forth herein, all premiums upon insurance purchased by the Association pursuant to these By-Laws shall be expenses of administration.

(h) Notwithstanding any of the foregoing provisions and requirements relating to property and/or liability insurance, there may be named as an insured, on behalf of the Association, the Association's authorized representative, including any trustee with whom the Association may enter into any Insurance Trust Agreement or any successor to such trustee, who shall have exclusive authority to negotiate losses under any policy providing such property or liability insurance and to perform such other functions as are necessary to accomplish this purpose.

ARTICLE V

RECONSTRUCTION OR REPAIR

5.1 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 in accordance with the Master Deed and the original plans and specifications, 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 75% of the Co-owners and mortgagees at a meeting called for such purpose. Any such meeting shall be held within 30 days following the final adjustment of insurance claims, if any, or within 90 days after such fire or other disaster, whichever first occurs. At any such meeting, the Board or its representative shall present to all parties present an estimate of the cost of the reconstruction and the estimated amount of necessary special assessments 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 75% of the Co-owners and mortgagees at a meeting called for such purpose. Any such meeting shall be held within 30 days following the final adjustment of insurance claims, if any, or within 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 diminution in market value of such Unit, as determined by the Board.

Any insurance proceeds shall be allocated, on the basis of square footage withdrawn or such other equitable basis as the Board 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 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 Unit 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 Unit Owners in proportion to their relative percentage of ownership in the common elements. Upon withdrawal of any Unit or portion thereof, the 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.

5.2 Eminent Domain. Section 133 of the Act will control upon any taking by eminent domain.

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

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

ARTICLE VI

RESTRICTIONS

All of the Units in the Condominium will be held, used and enjoyed subject to the following limitations and restrictions (except as specifically referenced, all references to "Units" in this Article VI shall be deemed to refer to Units 1-24, inclusive):

6.1 Use.

(a) Units 1-24, inclusive, shall be used exclusively for residential occupancy, and no Unit or any common element appurtenant thereto shall be used for any purpose other than that of a single family residence or other purposes customarily incidental thereto, except that professional and quasi-professional Co-owners may use their residence as an ancillary facility to an office established elsewhere, so long as such use does not generate unreasonable traffic by members of the general public. The foregoing restrictions as to use shall not, however, be construed in such manner as to prohibit a Co-owner from: (1) maintaining his personal professional library; (2) keeping his personal business or professional records and accounts; or (3) handling his personal business or professional telephone calls and correspondence. Such uses are expressly declared customarily incidental to principal residential use and not in violation of these restrictions.

(b) The Co-owner of Unit 25 shall have the right to attach up to nine (9) docks (up to 19 slips) and related facilities to Unit 25. The use of Unit 25 shall be limited to uses associated with such docks and related facilities. The Co-owner of Unit 25 shall be permitted to lease such slips in accordance with such terms and conditions as the Co-owner of Unit 25 may designate; provided, that the slips may only be leased to Co-owners of Units 1-24, inclusive; provided further, that one (1) dock (2 slips), plus such additional slips as the Co-Owners of Units 1-24, inclusive, may not elect to lease (such

owners shall be afforded the first opportunity to lease such slips), may be leased to the owners of the property described in Section 6.4 of the Master Deed (which is adjacent to and south of the Project). In the event of a sale of a Unit, any lease of a slip to a Co-Owner of a Unit, shall be assigned to and assumed by a purchaser of such Unit upon closing of the sale, unless the purchaser of a Unit elects not to take the assignment and assumption by written notice to the Association with 30 days following the closing of the sale.

(c) Guests (meaning a non-lease use) of a Unit owner may be allowed to use the Unit owner's dock and slip, but for not more than seven (7) days in length. A period longer than seven (7) days must be approved by the Association Board.

6.2. Common Areas. The common elements shall be used only by the Co-owners of Units in the Condominium and by their agents, tenants, family members, invitees and licensees for access, ingress to, and egress from, the respective Units and for other purposes incidental to use of the Units.

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

(a) No portion of a Unit may be rented and no transient tenants may be accommodated therein; provided, that nothing herein shall prevent the rental or sublease of an entire Unit for residential purposes or of a limited common element appurtenant to such Unit in the manner set forth in Section 6.4 hereof. (See Appendix C for form to be submitted to Association Board.)

(b) No Co-owner shall make any alterations, additions, or improvements to any general common element, nor make changes to the exterior appearance or structural members of his Unit or limited common elements without the prior written approval of the Association. An Owner may make alterations, additions, or improvements within his Unit without the prior written approval of the Board, but such Owner shall be responsible for any damage to other Units, the common elements, the property, or any part thereof, resulting from such alterations, additions, or improvements.

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

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

(e) No signs, banners or advertising devices shall be displayed which are visible from the exterior of any Unit or upon the common elements, including "for sale" signs, without written permission from the Association.

(f) No Co-owner shall display, hang, or store any clothing, sheets, blankets, laundry, or other articles outside his Unit, or which may be visible from the outside of his Unit (other than draperies or curtains, blinds and / or shades of a customary nature and appearance), or paint or decorate or adorn the outside of his Unit, or install any CB, short wave or other radio, satellite dish or similar device, or television antenna, window air-conditioning unit, snap-in window dividers, awning or other equipment, fixtures or items of any kind, without the prior written permission of the Association. The foregoing restrictions shall not be construed to prohibit a Co-owner from placing and maintaining outdoor furniture and decorative foliage of a customary nature and appearance on a patio, deck, or balcony which is a limited common element appurtenant to his Unit.

(g) No animal, including household pets, shall be kept without the prior written consent of the Association. Pets permitted by the Association shall be kept only in compliance with the rules and regulations promulgated by the Board of Directors from time to time, and must at all times be kept under such care and restraint as not to be obnoxious on account of noise, odor, or unsanitary conditions. No animal shall be permitted to run loose upon the common elements, limited or general, and the owner of each pet shall be responsible for cleaning up after it. Each Co-owner (or renter of the unit) must submit a letter requesting the animal be permitted within the Condominium prior to the animal being kept in the unit. No Co-owner or renter may have more than two (2) animals residing within the unit, unless a waiver is provided by the Board, upon written permission to exceed the two (2) animal limit.

The Association may charge any Co-owner maintaining animals a reasonable additional assessment to be collected in the manner provided in these bylaws if the Association determines such assessment to be necessary to defray the maintenance costs to the Association of accommodating animals within the Condominium. The Association may also, without liability to the owner thereof, remove or cause any animal to be removed from the Condominium which it determines to be in violation of the restrictions imposed by this section. Any person who causes or permits any animal to be brought or kept on the Condominium property shall indemnify and hold harmless the Association for any loss, damage, or liability which the Association may sustain as a result of the presence of such animal on the Condominium property. Co-owners not cleaning up after their animals will be assessed a fee, to be determined by the Board of Directors, if others or a firm is needed to maintain the Condominium property. The Board of Directors may place a lien against a Co-owner's property if the Co-owner continues in violation of this bylaw.

(h) No recreational vehicles, boats or trailers shall be parked or stored in any garage if such storage would prevent full closure of the door thereto or elsewhere on the Condominium property for more than 24 hours without the written approval of the

Association, and no snowmobile or other motorized recreational vehicle shall be operated on the Condominium property. No maintenance or repair shall be performed on any boat or vehicle except within a garage or Unit where totally isolated from public view.

(i) No commercial vehicles or trucks shall be parked in or about the Condominium except for the making of deliveries or pick-ups in the normal course of business.

(j) The common elements shall not be used for the storage of supplies, vehicles, or personal property (except in limited common element garages or for short periods of time as may be reasonably necessary to permit periodic collection of trash).

(k) Absent an election to arbitrate pursuant to Article III of these Bylaws, a dispute or question as to whether a violation of any specific regulation or restriction contained in this Article has occurred shall be submitted to the Board of Directors of the Association which shall conduct a hearing and render a decision thereon in writing, which decision shall be binding upon all Owners and other parties having an interest in the Condominium Project.

6.4 Leasing and Rental

(a) Right to Lease. A Co-owner may lease his Unit for the same purposes set forth in Section 6.1; provided that written disclosure of such lease transaction is submitted to the Association in the manner specified in subsection (b) below. With the exception of a lender in possession of a Unit following default of a first mortgage, foreclosure or deed or other arrangement in lieu of foreclosure, no Co-owner will lease less than an entire Unit in the Condominium and no tenant will be permitted to occupy except under a lease the initial term of which is at least twelve (12) months unless specifically approved in writing by the Association. The terms of all leases, occupancy agreements, and occupancy arrangements will incorporate, or be deemed to incorporate, all of the provisions of the Condominium Documents.

(b) Leasing Procedures. The leasing of Units in the Project will conform to the following provisions:

(1) A Co-owner desiring to rent or lease a Unit, will disclose that fact in writing to the Association at least twenty (20) days before presenting a lease form to a potential tenant of that Unit and, at the same time, will supply the Association with a copy of the exact lease form for its review by the Board of Directors for the lease's compliance with the Condominium Documents.

(2) Tenants or nonCo-owner occupants will comply with all of the conditions of the Condominium Documents of the Condominium Project and all leases and rental agreements will so state acceptance of compliance.

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

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

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

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

(4) When a Co-owner is in arrears to the Association for assessments, the Association may give written notice of the arrearage to a tenant occupying a Co-owner's Unit under a lease or rental agreement and the tenant, after receiving the notice, will deduct from rental payments due the Co-owner the arrearage and future assessments as they fall due and pay them to the Association. The deductions will not constitute a breach of the rental agreement or lease by the tenant.

6.5 Rules and Regulations. It is intended that the Board of Directors of the Association may make rules and regulations from time to time in connection with use, operation, and management of the Condominium. Reasonable regulations consistent with the Act, the Master Deed, and these Bylaws concerning the use of the Sites and the Common Elements may be made and amended from time to time by any Board of Directors of the Association. Copies of all such rules, regulations, and amendments thereto will be furnished to all Co-owners.

6.6 Right of Access to Association. The Association or its duly authorized agents will have access to each Unit and any improvements thereon and Limited Common Elements appurtenant thereto from time to time, during reasonable working hours, upon notice to the Co-owner thereof, as may be necessary for the maintenance, repair or replacement of any of the Common Elements. The Association or its agent will also have access to each Unit and any improvements thereon and Limited Common Elements appurtenant thereto at all times without notice as may be necessary to make emergency repairs to prevent damage to the Common Elements or to another Unit or to the improvements thereon. In the event of emergency, the Association may gain

access in such manner as may be reasonable under the circumstances and will not be liable to such Co-owner for any necessary damage appurtenant thereto caused thereby or for repair or replacement of any doors or windows damaged in gaining such access.

(1) Each Co-owner shall provide a key for access to the Co-owner's unit to the Board of Directors within fifteen (15) days of occupancy of the unit. Renters shall be informed by the Co-owner of the Right of Access by the Association per Bylaw 6.6.

ARTICLE VII

MORTGAGES

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

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

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

ARTICLE VIII

VOTING

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

8.2 Eligibility to Vote. No Co-owner will be entitled to vote at any meeting of the Association until he has presented evidence of ownership of a Unit in the Condominium to the Association. Except as provided in Sections 8.5 and 9.9 of these Bylaws. The Vote of each Co-owner may be cast only by the individual representative designated by such Co-owner in the notice required in Section 8.3 or by a proxy given by such individual representative.

8.3 Designation of Voting Representative. Each Co-owner must file a written notice with the Association designating one individual representative who will

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

8.4 Quorum. The presence in person or by proxy of fifty-one percent (51%) of the Co-owners qualified to vote will constitute a quorum for holding a meeting of the members of the Association, except for voting on questions specifically required by the Condominium Documents to require a greater quorum. The written vote of any person furnished at or prior to any duly called meeting at which meeting said person is not otherwise present in person or by proxy will be counted in determining the presence of a quorum with respect to the question upon which the vote is cast.

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

8.6 Majority. A majority, except where otherwise provided herein, will consist of more than fifty-one percent (51%) of those qualified to vote and present in person or by proxy (or written vote, if applicable) at a given meeting of the members of the Association. Whenever provided specifically herein, a majority may be required to exceed the simple majority hereinabove set forth of designated voting representatives present in person or by proxy, or by written vote, if applicable, at a given meeting of the members of the Association.

ARTICLE IX

MEETINGS

9.1 Place of Meeting. Meetings of the Association will be held at the principal office of the Association or at such other suitable place convenient to the Co-owners as may be designated by the Board of Directors.

9.2 Annual Meetings. Annual meetings of the Association will be held at such time and place as will be determined by the Board of Directors. At such meetings there will be elected by ballot of the Co-owners a Board of Directors in accordance with the requirements of Article X of these Bylaws. The Co-owners may also transact at annual meetings such other business of the Association as may properly come before them.

9.3 Special Meetings. It will be the duty of the President to call a special meeting of the Co-owners as directed by resolution of the Board of Directors or upon a petition signed by two-thirds (2/3) of the Co-owners presented to the Secretary of the Association. Notice of any special meeting will state the time and place of such meeting and the purposes thereof. No business will be transacted at a special meeting except as stated in the notice.

9.4 Notice of Meetings. It will be the duty of the Secretary (or other Association officer in the Secretary's absence) to serve a notice of each annual or special meeting, stating the purpose thereof as well as of the time and place where it is to be held, upon each Co-owner of record, at least ten (10) days but not more than thirty (30) days prior to such meeting. The mailing, postage prepaid, of a notice to the representative of each Co-owner at the address shown in the notice required to be filed with the Association by Section 8.3 of these Bylaws will be deemed notice served. Any member may, by written waiver of notice signed by each member, waive such notice, and such waiver, when filed in the records of the Association, will be deemed due notice.

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

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

9.7 Action without Meeting. Any action which may be taken at a meeting of the members (except for the election or removal of Directors) may be taken without a meeting by written ballot of the members. Ballots will be solicited in the same manner as provided in Section 9.4 for the giving of notice of meetings of members. Such solicitations will specify: (a) the number of responses needed to meet the quorum requirements; (b) the percentage of approvals necessary to approve the action; and (c) the time by which ballots must be received in order to be counted. The form of written ballot will afford an opportunity to specify a choice between approval and disapproval of each matter and will provide that, where the member specifies a choice, the vote will be cast in accordance therewith. Approval by written ballot will be constituted by receipt within the time period specified in the solicitation of (i) a number of ballots which equals or exceeds the quorum which would be required if the action were taken at a meeting; and (ii) a number of approvals which equals or exceeds the number of votes which would be required for approval if the action were taken at a meeting at which the total number of votes cast was the same as the total number of ballots cast.

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

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

ARTICLE X

BOARD OF DIRECTORS

10.1 Number and qualification of Directors. The Board of Directors will be comprised of four (4) members all of whom must be members of the Association or officers, partners, trustees, employees, or agents of members of the Association. Directors will serve without compensation.

10.2 Election of Directors. Annual meetings of the Co-Owners to elect Directors and conduct other business will be held in accordance with the provisions of Section 9.2. At the first annual meeting held following adoption of these Amended and Restated Bylaws, two directors shall be elected each to serve one year until the next annual meeting or until his/her successor is elected, and two directors shall be elected each to serve a term of two years or until his/her successor is elected. At each annual meeting thereafter, two Directors shall be elected each to serve two year terms or until his/her successor is elected.

10.3 Power and Duties. The Board of Directors will have the powers and duties necessary for the administration of the affairs of the Association and may do all acts and things as are not prohibited by the Condominium Documents or required thereby to be exercised and done by Co-owners.

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

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

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

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

(d) To rebuild improvements after casualty.

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

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

(g) To borrow money and issue evidences of indebtedness in furtherance of any or all of the purposes of the Association, and to secure the same by mortgage, pledge, or other lien on property owned by the Association; provided, however, that any such action will also be approved by affirmative vote of seventy-five percent (75%) of all of the members of the Association.

(h) To make rules and regulations in accordance with these Bylaws.

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

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

(k) To do anything required of or permitted to it, as administrator of this Condominium by the Condominium Master Deed or Condominium Bylaws or by Act No. 59 of Public Acts of 1978, as amended.

10.5 Management Agent. The Board of Directors may employ for the Association a professional management agent at reasonable compensation established by the Board to perform such duties and services as the Board will authorize, including, but not limited to, the duties listed in Sections 10.3 and 10.4, and the Board may delegate to such management agent any other duties or powers which are not by law or by the Condominium Documents required to be performed by or have the approval of the Board of Directors or the members of the Association. In no event will the Board be authorized to enter into any contract with a professional management agent in which the maximum term is greater than one (1) year or which is not terminable by the Association upon thirty

(30) days, written notice thereof to the other party and no such contract will violate the provisions of Section 55 of the Act.

10.6 Vacancies. Vacancies in the Board of Directors by any reason other than the removal of a Director by a vote of the members of the Association will be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum. Each person so elected will be a Director until a successor is elected at the next annual meeting of the Association.

10.7 Removal. At any regular or special meeting of the Association duly called with due notice of the removal action proposed to be taken, any one or more of the Directors may be removed with or without cause by the affirmative vote of more than fifty-one percent (51%) of all of the Co-owners and a successor may then and there be elected to fill any vacancy thus created. The quorum requirement for the purpose of filling such vacancy will be the normal fifty-one percent (51%). Any Director whose removal has been proposed by the Co-owners will be given an opportunity to be heard at the meeting.

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

10.9 Regular Meetings. Regular meetings of the Board of Directors may be held at such times and places as will be determined from time to time by a majority of the Directors, but at least two such meetings will be held during each fiscal year. Notice of regular meetings of the Board of Directors will be given to each Director, personally, by mail, telephone or "fax" at least ten (10) days prior to the date named for such meeting.

10.10 Special Meetings. Special meetings of the Board of Directors may be called by the President on three (3) days, notice to each Director, given personally, by mail, telephone or "fax," which notice will state the time, place, and purpose of the meeting. Special meetings of the Board of Directors will be called by the President or Secretary in like manner and on like notice on the written request of two Directors.

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

10.12 Adjournment. At all meetings of the Board of Directors, a majority of the Directors will constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present will be the

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

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

ARTICLE XI

OFFICERS

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

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

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

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

(d) Treasurer. The Treasurer will have responsibility for the Association funds and securities and will be responsible for keeping full and accurate accounts of all

receipts and disbursements in books belonging to the Association. He will be responsible for the deposit of all monies and other valuable effects in the name and to the credit of the Association, and in such depositories as may, from time to time, be designated by the Board of Directors.

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

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

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

ARTICLE XII

FINANCE

12.1 Records. The Association will keep detailed books of account showing all expenditures and receipts of administration which will specify the maintenance and repair expenses of the Common Elements and any other expenses incurred by or on behalf of the Association and the Co-owners. Such accounts and all other Association records will be open for inspection by the Co-owners and their mortgagees during reasonable working hours. The Association will prepare and distribute to each Co-owner at least once a year a financial statement, the contents of which will be defined by the Association. The books of account will be audited at least annually by qualified independent auditors; provided, however, that such auditors need not be certified public accountants nor does such audit need to be a certified audit. Any institutional holder of a first mortgage lien on any Unit in the Condominium will be entitled to receive a copy of such annual audited financial statement within ninety (90) days following the end of the Association's fiscal year upon request therefore. The costs of any such audit and any accounting expenses will be expenses of administration.

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

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

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

ARTICLE XIII

INDEMNIFICATION OF OFFICERS AND DIRECTORS

Every director and officer of the Association will be indemnified by the Association against all expenses and liabilities, including attorney fees, reasonably incurred by or imposed upon him/her in connection with any proceedings to which he/she may be a party or in which he/she may become involved by reason of his/her being or having been a director or officer of the Association, whether or not he/she is a director or officer at the time such expenses are incurred, except in such cases wherein the director or officer is adjudged guilty of willful or wanton misconduct or gross negligence in the performance of his/her duties, provided that, in the event of any claim for reimbursement or indemnification hereunder based upon a settlement by the director or officer seeking such reimbursement or indemnification, the indemnification herein will apply only if the Board of Directors (with the director seeking reimbursement abstaining) approves such settlement and reimbursement as being in the best interest of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such director or officer may be entitled, including indemnification under the Articles of Incorporation of the Association. At least ten (10) days prior to payment of any indemnification, whether under this section or under the Articles of Incorporation of the Association, the Board of Directors shall notify all Co-owners of the payment.

ARTICLE XIV

SEAL

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

ARTICLE XV

COMPLIANCE

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

entry upon the Condominium Property will signify that the Condominium Documents are accepted and ratified.

ARTICLE XVI

REMEDIES FOR DEFAULT

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

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

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

16.3 Removal and Abatement. The violation of any of the provisions of the Condominium Documents will 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 and the improvements thereon, where reasonably necessary, and summarily remove and abate, at the expense of the Co-owner in violation, any structure, thing, animal, or condition existing or maintained contrary to the provisions of the Condominium Documents. The Association will have no liability to any Co-owner arising out of the exercise of its removal and abatement power authorized herein.

16.4 Assessment of Fines. The violation of any of the provisions of the Condominium Documents by any Co-owner will be grounds for assessment by the Association, acting through its duly constituted Board of Directors, of monetary fines for such violations. No fine may be assessed unless rules and regulations establishing such fine have first been duly adopted by the Board of Directors of the Association and notice thereof given to all Co-owners in the same manner as prescribed in Section 9.5 of these Bylaws. Thereafter, fines may be assessed only upon notice to the offending Co-owners as prescribed in said Section 9.5, and an opportunity for such Co-owner to appear before the Board no less than seven (7) days from the date of the notice and offer evidence in defense of the alleged violation. All fines duly assessed may be collected in the same manner as provided in these Bylaws. No fine will be levied for the first violation. Fine amounts will be determined by the Board of Directors.

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

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

16.7 Enforcement of Provisions of Condominium Documents. A Co-owner may maintain an action against the Association and its officers and Directors to compel such persons to enforce the terms and provisions of the Condominium Documents. A Co-owner may maintain an action against any other Co-owner for injunctive relief or for damages or any combination thereof for noncompliance with the terms and provisions of the Condominium Documents or the Act.

ARTICLE XVII

MISCELLANEOUS PROVISIONS

17.1 Definitions. All terms used herein will have the same meaning as set forth in the Master Deed to which these Bylaws are attached as an Exhibit or as set forth in the Act.

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

17.3 Notices. Notices provided for in the Act, Master Deed, or Bylaws must be in writing, and are to be addressed to the Association at the attention of the President of the Condominium Association; said address being the Association address where Condominium Association payments are paid. The Association may designate a different address for notices to it by giving written notice of such change of address to all Co-owners. Any Co-owner may designate a different address for notices to him by giving written notice to the Association. Notices addressed as above will be deemed delivered when mailed by United States mail with postage prepaid, or when delivered in person.

17.4 Amendment. These Bylaws may be amended, altered, changed, added to, or repealed only in the manner set forth in the Master Deed.

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

- (1) the Master Deed, including the Condominium Subdivision Plan but excluding these Bylaws;
- (2) these Bylaws;
- (3) the Articles of Incorporation of the Association; and
- (4) the Rules and Regulations of the Association.

Spring Lake Condominium Association
Supplement to Bylaws – ARTICLE XVIII

Maintenance of Common Element and Limited Common Elements

APPROVED by the Board of Directors – **ASSOCIATION NOT RESPONSIBLE FOR COST OF ITEMS DESIGNATED CO-OWNER RESPONSIBILITY**

Item	Association Responsibility	Co-Owner Responsibility	Comments
Air Conditioner		X	
Deck			
Repair and Replacement	X		
Snow removal		X	
Painting	X		
Driveway	X		
Doors			
Locks		X	
Screen		X	
Sliders	X		
Storm		X	
Surfaces, Exterior	X		
Threshold		X	
Weather-stripping		X	
Electrical			
Bulbs		X	
Circuit Breakers		X	
Door Bell Button		X	
Door Bell Mechanism		X	
Exterior Light Fixtures	X		
Interior Lights		X	
Outlet/switches		X	
Wiring		X	
Fireplace			
Damper adjustment		X	
Flue cleaning		X	
Gas valves/fixtures		X	
Glass doors/screens		X	

Surfaces, Interior		X	
Surfaces, Exterior	X		
Floors			
Coverings		X	
Squeaks		X	
Sub floor structure	X		Except from leaking fixtures
Foundation	X		
Furnace		X	

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Item	Association	Co-Owner	Comments
Garage			
Automatic opener		X	
Garage overhead door	X		Except owner or visitor damage
Floor surface		X	Cosmetic cracks
Structure	X		
Outside Surface	X		
Locks & Keys		X	
Tracks & rollers	X		
Walls-inside		X	Includes surface cracks
Weather stripping		X	
Gutter	X		
Hot Water Heater		X	
Insects/Pest			
Bee nest		X	Unless over 8' high
Structural Damage	X		Termites, carpenter ants
Non Structural Damage		X	Bird nest, slab ants, moles, mice, etc.
Lawn	X		
Mailboxes			
Repair and Replacement	X		Insects co-owner
Patio-concrete	X		
Lights		X	
Bulbs		X	
Snow removal		X	
Planting Beds			Except owner installed landscaping
Flowers/Plants		X	
Shredded Bark	X		
Shrubs	X		Except what co-owner planted
Plumbing			
Drain		X	
Pipe leaks		X	Except in common pipe areas
Pipe freeze up		X	
Outside hose bib	X		
Sewer backup	X		
Shut off valve-main	X		
Porch-front			
Bulbs		X	
Concrete	X		
Snow removal	X		
Roof	X		
Sidewalks	X		
Smoke detectors		X	

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Item	Association	Co-Owner	Comments
Support Post, Repair	X		
Support Post, Painting	X		
Television cable		X	
Trees	X		Except what co-owner planted
Vents/Grates			
Exterior	X		Repair/replacement
Interior		X	Bird nest and other damage
Walls			
Drywall	X		
Exterior Surface	X		
Nail Pops		X	
Paint/Paper		X	
Structural	X		
Windows			
Frame		X	
Glass		X	
Handles/Locks		X	
Outside Caulking	X		
Screen		X	
Seals		X	
Surfaces		X	
Weather stripping		X	

Note: Wall covering and floor covering are considered decoration and are the responsibility of the homeowner. Drywall and sub-flooring are considered surfaces and are the responsibility of the Association.

Irrespective of the above, damages resulting from co-owner negligence or owner fault, will be the responsibility of the homeowner.

Spring Lake Condominiums
Request for Animals to Reside in Condominium Unit
Appendix A

I, _____, owner /
 renter of unit _____ request permission to have the following
 animal(s) reside within the unit and on Association property. See Bylaw
 6.3.g (below) for restrictions and Association rules.

Pet no. 1:

type (dog, cat, etc.) _____ breed _____ name _____ age _____

Pet no. 2:

type (dog, cat, etc.) _____ breed _____ name _____ age _____

No animal, including household pets, shall be kept without the prior written consent of the Association. Pets permitted by the Association shall be kept only in compliance with the rules and regulations promulgated by the Board of Directors from time to time, and must at all times be kept under such care and restraint as not to be obnoxious on account of noise, odor, or unsanitary conditions. No animal shall be permitted to run loose upon the common elements, limited or general, and the owner of each pet shall be responsible for cleaning up after it. Each Co-owner (or renter of the unit) must submit a letter requesting the animal be permitted within the Association prior to the animal being kept in the unit. No Co-owner or renter may have more than two (2) animals residing within the unit, unless a waiver is provided by the Board, upon written permission to exceed the two (2) animal limit.

The Association may charge any Co-owner maintaining animals a reasonable additional assessment to be collected in the manner provided in these bylaws if the Association determines such assessment to be necessary to defray the maintenance costs to the Association of accommodating animals within the Condominium. The Association may also, without liability to the owner thereof, remove or cause any animal to be removed from the Condominium which it determines to be in violation of the restrictions imposed by this section. Any person who causes or permits any animal to be brought or kept on the Condominium property shall indemnify and hold harmless the Association for any loss, damage, or liability which the Association may sustain as a result of the presence of such animal on the Condominium property. Co-owners not cleaning up after their animals will be assessed a fee, to be determined by the Board of Directors, if others or a firm is needed to maintain the Condominium property. The Board of Directors may place a lien against a Co-owner's property if the Co-owner continues in violation of this bylaw.

**Spring Lake Condominiums
Proxy Vote Designation
Appendix B**

I, _____, Owner, Co-owner(s) of Unit _____, name _____ as my/our proxy for the purposes of voting in the Spring Lake Condominium Association meeting of _____ as outlined in Bylaw 8.2 (below).

Signature(s) _____

8.2 Eligibility to Vote. No Co-owner will be entitled to vote at any meeting of the Association until he has presented evidence of ownership of a Unit in the Condominium to the Association. Except as provided in Sections 8.5 and 9.9 of these Bylaws. The Vote of each Co-owner may be cast only by the individual representative designated by such Co-owner in the notice required in Section 8.3 or by a proxy given by such individual representative.

Spring Lake Condominiums
Rental of Unit
Appendix C

I, _____, Owner, Co-owner(s) of Unit _____, name _____ intend to rent my unit in accordance with the Bylaws section 6.3(a) and 6.4.

Signature(s) _____

6.3 (a) No portion of a Unit may be rented and no transient tenants may be accommodated therein; provided, that nothing herein shall prevent the rental or sublease of an entire Unit for residential purposes or of a limited common element appurtenant to such Unit in the manner set forth in Section 6.4 hereof.

6.4 Leasing and Rental

(a) Right to Lease. A Co-owner may lease his Unit for the same purposes set forth in Section 6.1; provided that written disclosure of such lease transaction is submitted to the Association in the manner specified in subsection (b) below. With the exception of a lender in possession of a Unit following default of a first mortgage, foreclosure or deed or other arrangement in lieu of foreclosure, no Co-owner will lease less than an entire Unit in the Condominium and no tenant will be permitted to occupy except under a lease the initial term of which is at least twelve (12) months unless specifically approved in writing by the Association. The terms of all leases, occupancy agreements, and occupancy arrangements will incorporate, or be deemed to incorporate, all of the provisions of the Condominium Documents.

(b) Leasing Procedures. The leasing of Units in the Project will conform to the following provisions:

(1) A Co-owner desiring to rent or lease a Unit, will disclose that fact in writing to the Association at least twenty (20) days before presenting a lease form to a potential tenant of that Unit and, at the same time, will supply the Association with a copy of the exact lease form for its review by the Board of Directors for the lease's compliance with the Condominium Documents, which lease form shall require tenant to comply with all provisions of these bylaws.

(2) Tenants or nonCo-owner occupants will comply with all of the conditions of the Condominium Documents of the Condominium Association and all leases and rental agreements will so state acceptance of compliance. A Co-Owner shall provide each prospective Tenant or nonCo-Owner occupant with a copy of these bylaws, and

prior to occupying a Unit, each Tenant or nonCo-Owner occupant shall have delivered to the Association a signed acknowledgement that he/she has received, read and agrees to comply with all the provisions of these.

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

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

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

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

(4) When a Co-owner is in arrears to the Association for assessments, the Association may give written notice of the arrearage to a tenant occupying a Co-owner's Unit under a lease or rental agreement and the tenant, after receiving the notice, will deduct from rental payments due the Co-owner the arrearage and future assessments as they fall due and pay them to the Association. The deductions will not constitute a breach of the rental agreement or lease by the tenant.