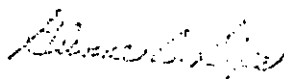


ENCL 757 PAGE 109

STATE OF MICHIGAN
EMMETT COUNTY
RECORDED

00 DEC 11 AM 11:17



REGISTER OF DEEDS

AMENDED MASTER DEED

LAKESIDE CLUB
(a planned residential condominium community)

Adopted September 2, 2000

99-

skw12-1

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE I TITLE AND NATURE	2
ARTICLE II LEGAL DESCRIPTION	2
ARTICLE III DEFINITIONS	3
Section 3.1. Act	3
Section 3.2. Association	3
Section 3.3. Bylaws	4
Section 3.4. Common Elements	4
Section 3.5. Condominium, Condominium Project or Project	4
Section 3.6. Condominium Documents	4
Section 3.8. Condominium Premises	4
Section 3.9. Condominium Subdivision Plan	4
Section 3.10. Co-Owner or Owner	4
Section 3.11. Developer	4
Section 3.12. Unit or Condominium Unit	5
ARTICLE IV COMMON ELEMENTS	5
Section 4.1. General Common Elements	5
Section 4.2. Limited Common Elements	6
Section 4.3. Maintenance and Repair Responsibilities for Common Elements	6
Section 4.4. Maintenance and Repair of Units	8
ARTICLE V USE OF PROJECT	8
Section 5.1. Use of Units and Common Elements	8
ARTICLE VI CONVERTIBLE AREA	8
Section 6.1. Convertible Area	8
ARTICLE VII UNIT DESCRIPTION AND PERCENTAGE OF VALUE	8

Section 7.1. Description of Units 8

Section 7.2. Percentages of Value 9

ARTICLE VIII EASEMENTS 9

Section 8.1. Easement for Maintenance of Encroachments and Utilities 9

Section 8.2. Access Easements 9

Section 8.3. Utility Easements 9

Section 8.4. Grant of Easements by Association 9

Section 8.5. Telecommunications Agreements 10

Section 8.6. Emergency Vehicle Access Easement 10

ARTICLE IX DEVELOPER'S RIGHTS 10

Section 9.1. Developer's Rights to Rent Units 10

ARTICLE X AMENDMENT 10

Section 10.1. Modification of Units or Common Elements 11

Section 10.2. Mortgagee Consent 11

Section 10.3. Change in Percentage of Value 11

Section 10.4. Termination, Vacation, Revocation or Abandonment 11

Section 10.5. Costs and Expenses 11

Section 10.6. Amendment Procedure 12

ARTICLE XI OMITTED PROVISIONS 12

**AMENDED AND RESTATED AND CONSOLIDATING
MASTER DEED**

**LAKESIDE CLUB
(a planned residential condominium community)**

This Amended Master Deed is made and executed this 31st day of October, 2000, by Lakeside Club Condominium Association, a Michigan non-profit corporation, hereinafter referred to as the "Association," whose mailing address is P.O. Box 321, Petoskey, Michigan 49770, in pursuance of the provisions of the Condominium Act (being Act 59 of the Public Acts of 1978, as amended) hereinafter referred to as the "Act."

WITNESSETH:

WHEREAS, Lakeside Associates, a Michigan limited partnership, hereinafter the "Developer," established the Condominium by recording the original master deed for the Condominium on May 12, 1981, in Liber 311, Pages 323 through 364, inclusive, Emmet County Records, and thereafter amended the same by First Amendment thereto, recorded in Liber 331, Pages 722 through 738, inclusive, Emmet County Records, and Second Amendment thereto, recorded in Liber 337, Pages 959 through 970, inclusive, Emmet County Records, and Third Amendment thereto, recorded in Liber 345, Pages 566 through 577, inclusive, Emmet County Records, and Fourth Amendment thereto, recorded in Liber 347, Pages 268 through 380, inclusive, Emmet County Records, and Fifth Amendment thereto, recorded in Liber 348, Pages 83 through 96, inclusive, Emmet County Records, and Sixth Amendment thereto, recorded in Liber 355, Pages 238 through 249 inclusive, Emmet County Records, Seventh Amendment thereto, recorded in Liber 367, Pages 388 through 402, inclusive, Emmet County Records, and Partial Summary Judgment recorded in Liber 407, pages 30 through 33, inclusive which by its terms amends the Master Deed; and

WHEREAS, the Developer failed to record a consolidating master deed upon completion of the Condominium as required by the Condominium Act; and

WHEREAS, the Co-Owners of the Condominium, acting through the Association, desire to consolidate the original master deed for the Condominium and all of the subsequent amendments thereto into a single instrument as required by the Condominium Act, to eliminate certain provisions thereof which no longer have any force or effect, and to make certain other amendments and modifications thereto, and to adopt the Amended Bylaws, attached hereto as Exhibit A, as the combined set of Bylaws for the Condominium and the Association.

NOW, THEREFORE, pursuant to the power to amend the master deed granted to the Co-Owners by the provisions of Article X thereof, and upon affirmative vote of not less than 2/3 of the Co-Owners by number and value, the Association does, upon the recording hereof, consolidate the above referenced master deed and all of the amendments thereto for Lakeside Club (hereinafter referred to as the "Condominium," "Project" or the "Condominium Project"), and further amends and restates the same, all as more fully set forth herein. Lakeside Club, shall, hereafter, be held, conveyed, utilized, subject to the provisions of the Act, and to the covenants, conditions, restrictions, uses, limitations and affirmative obligations set forth in this Amended Master Deed (hereinafter "Master Deed"), Exhibit A hereto and the condominium subdivision plan attached to the original master deed as Exhibit B, and all of the amendments to said Exhibit B (the terms "Exhibit B" and "Condominium Subdivision Plan" as used herein shall be deemed to refer to Exhibit B to the original master deed, as amended by the seven amendments thereto), all of which shall be deemed to run with the land and shall be a burden and a benefit to the Co-Owners and any persons acquiring, or owning an interest in the said real property, their grantees, successors, heirs, executors, administrators and assigns. This Master Deed supercedes the above reference master deed and amendments thereto, except for Exhibit B. In furtherance thereof, it is provided as follows:

ARTICLE I

TITLE AND NATURE

The Condominium Project shall be known as Lakeside Club, Emmet County Condominium Subdivision Plan No. 31. The Architectural plans for the Project were approved by the Emmet County Planning and Zoning Department and the Emmet County Building Department of Emmet County, Michigan. The Condominium Project has been established in accordance with the Act. The buildings and Units contained in the Condominium, including the number, boundaries, dimensions, area and volume of each Unit therein are set forth completely in the Condominium Subdivision Plan. The buildings contain individual Units for residential purposes only and each Unit is capable of individual utilization on account of having its own entrance from and exit to a Common Element of the Condominium Project. Each Co-Owner in the Condominium Project shall have an exclusive right to his Unit and shall have undivided and inseparable rights to share with other Co-Owners the Common Elements of the Condominium Project which are designated by the Master Deed.

ARTICLE II

LEGAL DESCRIPTION

The land which is submitted to the Condominium Project established by this Master Deed is particularly described as follows:

Land situated in the Township of Bear Creek, Emmet County, Michigan:

Commencing at the North 1/4 corner of Section 27, Township 35 North, Range 5 West; thence along the North line of said Section 27, South 89°51'30" East 655.57 feet; thence along the East line of Highway M-119, South 00°29'45" East

754.50 feet to the Place of Beginning; thence South 89°51' East 300.00 feet; thence North 00°29'45" West 254.54 feet; thence North 89°51' West 300.00 feet; thence along the East line of Highway M-119, North 00°29'45" West 84.00 feet; thence South 89°51' East 300.00 feet; thence North 00°29'45" West 83.00 feet; thence South 89°51'30" East 497.30 feet; thence North 10°36'22" West 33.59 feet; thence North 76°15'10" East 107.55 feet; thence North 73°45'00" East 155.37 feet; thence along an intermediate traverse line in the following courses: South 16°20'35" East 184.75 feet; South 06°56'44" East 352.83 feet; and South 04°03'51" East 364.02 feet; thence North 89°50'40" West 658.39 feet; thence North 00°29'45" West 300.00 feet; thence North 89°51' West 500.00 feet; thence along the East line of Highway M-119, North 00°29'45" West 66.00 feet to the Place of Beginning, including the land between the intermediate traverse line, the water's edge of Round Lake and the Easterly extension of the Northerly and Southerly lines; EXCEPTING THEREFROM Commencing at the North 1/4 corner of Section 27, Township 35 North, Range 5 West; thence along the North line of said Section 27, South 89°51'30" East 655.57 feet; thence along the East line of Highway M-119, South 00°29'45" East 754.50 feet; thence South 89°51' East 300.00 feet to the Place of Beginning; thence North 00°29'45" West 118.62 feet; thence South 89°51' East 105.57 feet; thence South 01° 16'40" East 52.28 feet; thence South 42°02'47" East 49.38 feet; thence South 00°29'45" East 29.76 feet; thence North 89°51' West 139.05 feet to the Place of Beginning; being part of Government Lot 1, Section 27, Township 35 North, Range 5 West.

ARTICLE III

DEFINITIONS

Certain terms are utilized not only in this Master Deed and Exhibit A hereto and the Condominium Subdivision Plan, but are or may be used in various other instruments such as, by way of example and not limitation, the Articles of Incorporation and Rules and Regulations of Lakeside Club Condominium Association, a Michigan non-profit corporation, and deeds, mortgages, liens, land contracts, easements and other instruments affecting the establishment of, or transfer of, interests in Lakeside Club, as a condominium. Wherever used in such documents or any other pertinent instruments, the terms set forth below shall be defined as follows:

Section 3.1. Act. "Act" or "Condominium Act" means the Michigan Condominium Act, being Act 59 of the Public Acts of 1978, as amended, including without limitation, the amendments of Act 538 of the Public Acts of 1982 and Act 113 of 1983. If any provisions of this Master Deed or its exhibits are found to conflict with any provision of the Act, or if any provision required by the Act is omitted herefrom, then the provisions of the Act are incorporated herein by reference and shall supersede and cancel any conflicting provision hereof.

Section 3.2. Association. "Association" shall mean Lakeside Club Condominium Association, a Michigan non-profit corporation of which all Co-Owners shall be members, which corporation shall administer, operate, manage and maintain the Condominium. The Association shall be governed by a Board of Directors and any action required of or permitted to the Association shall be exercisable by its Board of Directors unless specifically reserved to its members by the Condominium Documents or the laws of the State of Michigan.

Section 3.3. Bylaws. "Bylaws" means the Amended and Restated Bylaws attached hereto as Exhibit A, being the Bylaws setting forth the substantive rights and obligations of the Co-Owners and required by Section 3(8) of the Act to be recorded as part of the Master Deed. The Bylaws shall also constitute the corporate bylaws of the Association as provided for under the Michigan Nonprofit Corporation Act.

Section 3.4. Common Elements. "Common Elements," where used without modification, means both the General Common Elements and Limited Common Elements described in Article IV hereof.

Section 3.5. Condominium, Condominium Project or Project. "Condominium," "Condominium Project" or "Project" means Lakeside Club as an approved Condominium Project established in conformity with the provisions of the Act.

Section 3.6. Condominium Documents. "Condominium Documents" wherever used means and includes this Master Deed and Exhibit A hereto, the Condominium Subdivision Plan, and the Articles of Incorporation and the Rules and Regulations, if any, of the Association.

Section 3.8. Condominium Premises. "Condominium Premises" means and includes the land and the buildings, all improvements and structures thereof, and all easements, rights and appurtenances belonging to Lakeside Club as described above.

Section 3.9. Condominium Subdivision Plan. "Condominium Subdivision Plan" means Exhibit B attached to the original master deed of the Condominium, as the same was amended by the seven amendments to the master deed, which Exhibit B as so amended is incorporated herein by reference.

Section 3.10. Co-Owner or Owner. "Co-Owner" means a person, firm, corporation, partnership, association, trust or other legal entity or any combination thereof who or which owns one or more condominium Unit in the Condominium Project. The term "Owner," wherever used, shall be synonymous with the term "Co-Owner."

Section 3.11. Developer. "Developer" shall mean Lakeside Associates, a Michigan limited partnership and its successors and assigns.

Section 3.12. Unit or Condominium Unit. "Unit" or "Condominium Unit" each shall mean the enclosed space constituting a single complete residential Unit in the Project, as depicted on attached Exhibit B, and shall have the same meaning as the term "Condominium Unit" as defined in the Act.

Whenever any reference herein is made to one gender, the same shall include a reference to any and all genders where the same would be appropriate; similarly, whenever a reference is made herein to the singular, a reference shall also be included to the plural where the same would be appropriate.

ARTICLE IV

COMMON ELEMENTS

The Common Elements of the project, described in the Condominium Subdivision Plan, and the respective responsibilities for maintenance, decoration, repair or replacement are as follows:

Section 4.1. General Common Elements. The General Common Elements are:

- (a) Land. The Land described in Article II hereof, including driveways and sidewalks and parking spaces not designated as Limited Common Elements;
- (b) Hallways, etc. Common hallways, stairs, foyers and entry decks in the Project;
- (c) Electrical. The electrical transmission system throughout the Project up to the point of initial connection with, but not including, the electric meter serving each Unit;
- (d) Lighting. The street and parking area lighting system throughout the project, exterior garage lights and interior common foyer lights;
- (e) Telephone. The telephone system throughout the Project up to the point of initial connection with each Unit;
- (f) Gas. The gas distribution system throughout the Project up to the point of initial connection with, but not including, the gas meter serving each Unit;
- (g) Water. The water distribution system throughout the Project up to the point of initial connection with each Unit;
- (h) Construction. The foundations, crawl space, unit perimeter walls, roofs, and roof joists, ceilings and floors of the buildings in the Project as described and depicted on the Condominium Subdivision Plan;
- (i) Plumbing. The plumbing network throughout the Project up to the point of initial connection with each Unit;
- (j) Fireplaces, Chimneys and Flues. The fireplaces, chimneys and flues (but not the firebox) serving each Unit which has a fireplace;
- (k) Other. Such other elements of the Project not herein designated as General Common Elements or Limited Common Elements and which are not enclosed within the boundaries of a Condominium Unit.

Section 4.2. Limited Common Elements. Limited Common Elements shall be subject to the exclusive use and enjoyment of the Owner or Owners of the Unit to which the Limited Common Elements are appurtenant. The Limited Common Elements are:

- (a) Garages. The interiors of each of the garages (but not the roof or outer walls) are Limited Common Elements appurtenant to the Condominium Unit to which they are assigned (but subject to rights of ingress and egress through certain of the garages to adjoining garages) as designated on the Condominium Subdivision Plan, with numbers which correspond to the Condominium Unit to which they are assigned.
- (b) Decks. Each deck in the Project shall be a Limited Common Element appurtenant to the Unit which opens onto such deck.
- (c) Windows and Doors. The windows and doors, including storm doors, screens and the lifting mechanism, motor and rails of the overhead garage doors (but excluding the overhead garage doors themselves), serving each Unit and all knobs, latches, locks and other related hardware, shall be Limited Common Elements appurtenant to the Unit so served.
- (d) Fireboxes and Mantles. The fireboxes and mantles serving each Unit that has a fireplace shall be Limited Common Elements appurtenant to the Unit so served.
- (e) Dryer Vents. The dryer vents in exterior walls serving each Unit shall be Limited Common Elements appurtenant to the Unit so served.

Section 4.3. Maintenance and Repair Responsibilities for Common Elements. The respective responsibilities for the maintenance, decoration, repair and replacement of the Common Elements are as follows:

- (a) General Common Elements and Certain Limited Common Elements. The costs of maintenance, repair or replacement of all General Common Elements, and those Limited Common Elements, if any, concerning which the obligation of maintenance and repair is specifically allocated to the Association below, shall be expenses of administration to be borne by all of the Co-Owners to be assessed in accordance with the Bylaws attached hereto as Exhibit A; provided that the Co-Owner of each Unit shall be responsible for the cost of repairing any damage to the General Common Elements and Limited Common Elements which is caused by such Co-Owner or his or her family members, tenants, guests, invitees and licensees which is not covered by insurance required to be maintained by the Association.
- (b) Limited Common Elements. The costs of maintenance, repair, renovation, restoration or replacement of all other Limited Common Elements not specifically addressed below shall be borne by the Co-Owner of each Unit to which such Limited Common Elements are appurtenant; provided, if the Association is required to, or elects pursuant

to the provisions of the Condominium Documents to, perform such maintenance, repair, renovation, restoration or replacement, the costs thereof shall be specifically assessed against the Condominium Unit to which that Limited Common Element was appurtenant at the time the expenses were incurred. If the Limited Common Element involved was appurtenant to more than one Condominium Unit, the expenses shall be specially assessed against each of the Condominium Units equally so that the total of the special assessments equals the total of the expenses incurred.

- (c) Decks. The costs of maintenance, repair and replacement of each deck described in Section 4.2(b) above shall be borne by all of the Co-Owners.
- (d) Interior Surfaces. The costs of decoration and maintenance (but not repair or replacement except in cases of Co-Owner fault) of all interior surfaces of General Common Element walls, floors and ceilings enclosing a Unit shall be borne by the Co-Owner of each Unit to which such Limited Common Elements are appurtenant.
- (e) Windows and Doors. The cost of maintenance, repair and replacement of windows and doors, including storm doors, screens and garage door mechanisms, and all related hardware as described in Section 4.2(c) above, shall be borne by the Co-Owner of the Unit to which such Limited Common Elements are appurtenant.
- (f) Chimneys and Flues. The costs of maintenance, repair or replacement of the chimneys and flues serving each Unit which has a fireplace shall be expenses of administration to be borne by all of the Co-Owners, but the costs of maintenance, repair or replacement of the firebox, mantle and other elements of the fireplace shall be borne by the Co-Owner of the Unit in which such fireplace is located.
- (g) Garages. The costs of maintenance, repair or replacement of the roof, floor, outer walls, pedestrian access doors and garage doors of the garages shall be expenses of administration to be borne by all of the Co-Owners.
- (h) Dryer Vents. The costs of maintenance, repair or replacement of the dryer vents and other external exhaust vents shall be expenses of administration to be borne by all of the Co-Owners.

Section 4.4. Maintenance and Repair of Units. The costs of maintenance, repair, renovation, restoration or replacement of everything located within each unit, including without limitation plumbing fixtures, cabinets, light fixtures, interior walls, wallpaper and carpeting, but excluding any component thereof which is a General Common Element, if any, and in the event of insured casualty any other component on which the Association is required to or elects to maintain insurance, shall be the obligation of the Co-Owner of the Unit; provided, that with respect to any component that is other than a General Common Element on which there is dual or overlapping insurance coverage, the Co-Owner's insurance coverage shall be primary and

the Association's insurance shall not provide coverage except, and only to the extent, that the Co-Owner's insurance coverage is insufficient to cover the full cost of repair.

ARTICLE V

USE OF PROJECT

Section 5.1. Use of Units and Common Elements. No Co-Owner shall use his Condominium Unit or the Common Elements in any manner inconsistent with the purposes of the Project or in any manner which will interfere with or impair the rights of another Co-Owner in the use and enjoyment of his Condominium Unit or the Common Elements.

ARTICLE VI

CONVERTIBLE AREA

Section 6.1. Convertible Area. Developer's right to construct additional improvements within the area designated as Convertible Area on the Condominium Subdivision Plan has expired. Accordingly, Article V of the original master deed is of no further force or effect and is deleted.

ARTICLE VII

UNIT DESCRIPTION AND PERCENTAGE OF VALUE

Section 7.1. Description of Units. The Condominium Units in the Condominium Project are described in this paragraph with reference to the Condominium Subdivision Plan of Lakeside Club. Each Unit shall include all that space contained within horizontal planes and vertical planes as drawn on and specifically located on said Condominium Subdivision Plan, excluding any Common Elements contained herein. Complete Unit descriptions by means of the dimensions, areas and volumes pertinent to each Unit are set forth on said Condominium Subdivision Plan. In determining dimensions, each Condominium Unit has been measured from interior finished, unpainted surfaces of the Unit perimeter walls and ceiling and from the interior surface of the unfinished sub-floor. The architectural plans are shown in detail on 35mm microfilm aperture cards on file with the Michigan Department of Commerce.

Section 7.2. Percentages of Value. The percentage of value assigned to each Condominium Unit in the Condominium shall be equal. Such percentage of value shall be determinative of the proportionate share of each Co-Owner's undivided interest in the Common Elements, the proportionate share of each respective Co-Owner in the proceeds and expenses of administration and the value of such Co-Owner's vote at meetings of the Association of Co-Owners. The total value of the Project is 100 %.

ARTICLE VIII

EASEMENTS

Section 8.1. Easement for Maintenance of Encroachments and Utilities. In the event any portion of a Condominium Unit or Common Element encroaches upon another

Condominium Unit or Common Element due to shifting, settling or moving of a building, or due to survey errors, or construction deviations, reconstruction or repair, reciprocal easements shall exist for the maintenance of such encroachment for so long as such encroachment exists, and for maintenance thereof after rebuilding in the event of any destruction. There shall be easements to, through and over those portions of the land, structures, buildings, improvements and walls (including interior Unit walls) contained therein for the continuing maintenance and repair of all utilities in the Condominium. There shall exist easements of support with respect to any Unit interior wall which supports a Common Element.

Section 8.2. Access Easements. Access to certain garages assigned as Limited Common Elements to individual condominium Units is provided by means of an access easement across and through a garage assigned as a Limited Common Element to a different condominium Unit. Where Exhibit B to this Master Deed discloses a garage access easement across the Limited Common Element assigned to a condominium Unit, such easement shall be an easement appurtenant to the condominium Unit which is benefited by the access easement, which shall be deemed the dominant estate, and the Limited Common Element across which the easement extends shall be subject to this access easement and the condominium Unit to which such Limited Common Element is assigned shall be deemed the servient estate.

Section 8.3. Utility Easements. Public utilities furnishing services to the Project shall have access to the Common Elements and to the Condominium Units as may be reasonable for the reconstruction, repair or maintenance of such services, and any costs incurred shall be an expense of administration to be assessed in accordance with the Bylaws attached hereto as Exhibit A.

Section 8.4. Grant of Easements by Association The Association, acting through its lawfully constituted Board of Directors shall be empowered and obligated to grant such easements, licenses, rights-of-entry and rights-of-way over, under and across the Condominium Premises for utility purposes, access purposes or other lawful purposes as may be necessary for the benefit of the Condominium.

Section 8.5. Telecommunications Agreements. The Association, acting through its duly constituted Board of Directors shall have the power to grant such easements, licenses and other rights of entry, use and access and to enter into any contract or agreement, including wiring agreements, right-of-way agreements, access agreements and multi-unit agreements and, to the extent allowed by law, contracts for sharing of any installation of periodic subscriber service fees as may be necessary, convenient or desirable to provide for telecommunications, videotext, broad band cable, satellite dish, earth antenna and similar services (collectively "Telecommunications") to the Project or any Unit therein. Notwithstanding the foregoing, in no event shall the Board of Directors enter into any contract or agreement or grant any easement, license or right of entry or do any other act or thing which will violate any provision of any federal, state or local law or ordinance. Any and all sums paid by any telecommunications or other company or entity in connection with such service, including fees, if any, for the privilege of installing same or sharing periodic subscriber service fees, shall be receipts, affecting the administration of the Condominium Project within the meaning of the Act and shall be paid over to and shall be the property of the Association.

Section 8.6. Emergency Vehicle Access Easement. There shall exist for the benefit of the Township of Bear Creek, the County of Emmet or any emergency service agency, an easement over all roads in the Condominium Project and over the grass and path area

connecting the cul-de-sacs adjacent to Units 1 and 33 for use by the Township, County and/or emergency vehicles. Said easement shall be for purposes of ingress and egress to provide, without limitation, fire and police protection, ambulances and rescue services and other lawful governmental or private emergency services to the Condominium Project and Co-Owners thereof. This grant of easement shall in no way be construed as a dedication of any streets, roads, or driveways to the public.

ARTICLE IX

DEVELOPER'S RIGHTS

Section 9.1. Developer's Rights to Rent Units. Developer no longer owns any Units in the Condominium Project. Accordingly, Article VIII of the original master deed is of no further force or effect and is deleted.

ARTICLE X

AMENDMENT

This Master Deed and the Condominium Subdivision Plan may be amended with the consent of not less than sixty-six and two-thirds (66-2/3) percent of the Co-Owners, except as hereinafter set forth:

Section 10.1. Modification of Units or Common Elements. No Unit dimension may be modified in any material way without the consent of the Co-Owner and mortgagee of such Unit nor may be nature or extent of the Limited Common Elements or the responsibility for maintenance, repair or replacement thereof be modified in any material way without the written consent of the Co-Owner and mortgagee of the Unit to which the same are appurtenant.

Section 10.2. Mortgagee Consent. Whenever a proposed amendment would materially alter or change the rights of mortgagees generally, then such amendments shall require the approval of not less than sixty-six and two-thirds (66-2/3) percent of all first mortgagees of records, allocating one vote for each mortgage held.

Section 10.3 Change in Percentage of Value. The value of the vote of any Co-Owner and the corresponding portion of common expenses assessed against such Co-Owner shall not be modified without the written consent of such Co-Owner and his or her mortgagee nor shall the percentage of value assigned to any Unit may be modified without like consent, except as provided in this Master Deed or in the Bylaws.

Section 10.4. Termination, Vacation, Revocation or Abandonment. The Condominium Project may not be terminated, vacated, revoked or abandoned without the written consent of eighty (80) percent of Co-Owners and eighty (80) percent of first mortgagees.

Section 10.5. Costs and Expenses. A Co-Owner causing or requesting an amendment to the Condominium Documents for the benefit of that Co-Owner or his or her Unit shall be responsible for the payment of all costs and expenses for the amendment. The costs and expenses related to all other amendments shall be expenses of administration.

Section 10.6. Amendment Procedure. The procedure for amending the Master Deed shall be the same as set forth in Article XIV of the Bylaws.

ARTICLE XI

OMITTED PROVISIONS

Article X of the original master deed, captioned "Warranties", and Article XI of the original master deed, captioned "Expansion of Condominium", are of no further force or effect and are deleted.

IN WITNESS WHEREOF, the Co-Owners, acting through the Association, have caused this Amended and Restated and Consolidating Master Deed to be executed the day and year first above written.

Witnesses::

LAKESIDE CLUB CONDOMINIUM ASSOCIATION, a Michigan non-profit corporation

Mona T. Milon
MONA T. MILON

By: [Signature]
Mervyn Sternberg
Its: President

Theresa M. Martin
THERESA M. MARTIN

Mona T. Milon
MONA T. MILON

By: [Signature]
Richard Cunningham
Its: Vice-President

Theresa M. Martin
THERESA M. MARTIN

STATE OF MICHIGAN)
) ss.
COUNTY OF EMMET)

The foregoing Master Deed was acknowledged before me this 25th day of October, by Mervyn Sternberg, President of Lakeside Club Condominium Association, a Michigan non-profit corporation, on behalf of the corporation.

Theresa M. Martin
THERESA M. MARTIN Notary Public
Oakland County, Michigan
My Commission Expires: 9/21/2001

STATE OF MICHIGAN)
) ss.
COUNTY OF OAKLAND)

The foregoing Master Deed was acknowledged before me this 31st day of October, by Richard Cunningham, Vice-President of Lakeside Club Condominium Association, a Michigan non-profit corporation, on behalf of the corporation.

Theresa M. Martin
Notary Public
Oakland County, Michigan
My Commission Expires: 9/21/2001

Prepared by and after recording return to:
D. Stewart Green
Butzel Long, P.C.
32270 Telegraph Road, #200
Birmingham, Mi 48025-2457

THERESA M. MARTIN
NOTARY PUBLIC - OAKLAND COUNTY, MI
MY COMMISSION EXPIRES 09/21/2001

**EXHIBIT A
TO MASTER DEED
LAKESIDE CLUB**

AMENDED BYLAWS

Adopted September 2, 2000

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE I ASSOCIATION OF CO-OWNERS	1
Section 1.1. <u>Association</u>	1
Section 1.2. <u>Membership</u>	1
Section 1.3. <u>Condominium Documents</u>	1
ARTICLE II VOTING	2
Section 2.1. <u>Vote</u>	2
Section 2.2. <u>Eligibility to Vote</u>	2
Section 2.3. <u>Designation of Voting Representative</u>	2
Section 2.4. <u>Quorum</u>	2
Section 2.5. <u>Voting</u>	2
Section 2.6. <u>Majority</u>	2
ARTICLE III MEETINGS	3
Section 3.1. <u>Place of Meeting</u>	3
Section 3.2. <u>Annual Meeting</u>	3
Section 3.3. <u>Special Meetings</u>	3
Section 3.4. <u>Notice of Meetings</u>	3
Section 3.5. <u>Adjournment</u>	3
Section 3.6. <u>Order of Business</u>	3
Section 3.7. <u>Action Without Meeting</u>	4
Section 3.8. <u>Consent of Absentees</u>	4
Section 3.9. <u>Minutes; Presumption of Notice</u>	4
ARTICLE IV BOARD OF DIRECTORS	4
Section 4.1. <u>Number and Qualification of Directors</u>	4
Section 4.2. <u>Election of Directors</u>	5
Section 4.3. <u>Powers and Duties</u>	5
Section 4.4. <u>Other Duties</u>	5
Section 4.5. <u>Management Agent</u>	6
Section 4.6. <u>Vacancies</u>	6
Section 4.7. <u>Removal</u>	6
Section 4.8. <u>First Meeting</u>	6
Section 4.9. <u>Regular Meetings</u>	6
Section 4.10. <u>Special Meetings</u>	7
Section 4.11. <u>Waiver of Notice</u>	7
Section 4.12. <u>Quorum</u>	7
Section 4.13. <u>Fidelity Bonds</u>	7
ARTICLE V OFFICERS	7
Section 5.1. <u>Officers</u>	7
Section 5.2. <u>Election</u>	7
Section 5.3. <u>Removal</u>	8
Section 5.4. <u>Duties</u>	8
Section 5.5. <u>Compensation</u>	8
ARTICLE VI ASSESSMENTS	8
Section 6.1. <u>Expenses and Receipts of Common Elements</u>	8
Section 6.2. <u>Determination of Assessments</u>	9
Section 6.3. <u>Penalties for Default</u>	10
Section 6.4. <u>Waiver of Use or Abandonment of Unit</u>	10
Section 6.5. <u>Liens for Unpaid Assessments</u>	10
Section 6.6. <u>Enforcement</u>	10
Section 6.7. <u>Liability of Mortgagee</u>	12
Section 6.8. <u>Disposition of Sale Proceeds</u>	12
Section 6.9. <u>Statement as to Unpaid Assessments</u>	12

Section 6.10. <u>Property Taxes and Special Assessments</u>	12
Section 6.11. <u>Personal Property Tax Assessment of Association Property</u>	13
Section 6.12 <u>Construction Lien</u>	13
ARTICLE VII <u>ARBITRATION</u>	13
Section 7.1. <u>Scope of Election</u>	13
Section 7.2. <u>Judicial Relief</u>	13
Section 7.3. <u>Election of Remedies</u>	13
Section 7.4. <u>Actions in Name of Association</u>	13
ARTICLE VIII <u>INSURANCE</u>	13
Section 8.1. <u>Extent of Coverage</u>	13
Section 8.2. <u>Authority of Association to Settle Insurance Claims</u>	15
ARTICLE IX <u>RECONSTRUCTION OR REPAIR</u>	15
Section 9.1. <u>Determination to Reconstruct or Repair</u>	15
Section 9.2. <u>Repair in Accordance with Plans and Specifications</u>	15
Section 9.3. <u>Co-Owner Responsibility for Repair</u>	16
Section 9.4. <u>Association Responsibility for</u>	16
Section 9.5. <u>Eminent Domain</u>	17
Section 9.6. <u>Notification of FHLMC and FNMA</u>	17
Section 9.7. <u>Priority of Mortgage Interests</u>	17
ARTICLE X <u>RESTRICTIONS</u>	18
Section 10.1. <u>Residential Use</u>	18
Section 10.2. <u>Leasing and Rental</u>	18
Section 10.3. <u>Alterations and Modifications</u>	19
Section 10.4. <u>Activities</u>	19
Section 10.5. <u>Pets</u>	20
Section 10.6. <u>Aesthetics</u>	20
Section 10.7. <u>Vehicles</u>	20
Section 10.8. <u>Advertising</u>	21
Section 10.9. <u>Rules and Regulations</u>	21
Section 10.10. <u>Right of Access of Association</u>	21
Section 10.11. <u>Landscape</u>	21
Section 10.12. <u>Common Element Use</u>	21
Section 10.13. <u>Co-Owner Maintenance</u>	21
ARTICLE XI <u>MORTGAGES</u>	22
Section 11.1. <u>Notice to Association</u>	22
Section 11.2. <u>Insurance</u>	22
ARTICLE XII <u>INDEMNIFICATION OF OFFICERS AND DIRECTORS</u>	22
ARTICLE XIII <u>FINANCE</u>	23
Section 13.1. <u>Records</u>	23
Section 13.2. <u>Fiscal Year</u>	23
Section 13.3. <u>Bank</u>	23
ARTICLE XIV <u>AMENDMENTS</u>	23
Section 14.1. <u>Proposal</u>	23
Section 14.2. <u>Meeting</u>	23
Section 14.3. <u>Voting</u>	24
Section 14.4. <u>When Effective</u>	24
Section 14.5. <u>Binding</u>	24
Section 14.6. <u>Costs and Expenses</u>	24
ARTICLE XV <u>COMPLIANCE</u>	24
ARTICLE XVI <u>DEFINITIONS</u>	24
ARTICLE XVII <u>REMEDIES FOR DEFAULT</u>	25
Section 17.1. <u>Legal Action</u>	25
Section 17.2. <u>Recovery of Costs</u>	25
Section 17.3. <u>Removal and Abatement</u>	25

Section 17.4. Assessment of Fines 25
Section 17.5. Non-Waiver of Right 25
Section 17.6. Cumulative Rights, Remedies and Privileges 25
Section 17.7. Enforcement of Provisions of Condominium Documents 26
ARTICLE XVIII ASSESSMENT OF FINES 26
Section 18.1. General 26
Section 18.2. Procedures 26
Section 18.3. Amounts 26
Section 18.4. Collection 27
ARTICLE XIX SEVERABILITY 27

**EXHIBIT A
TO MASTER DEED
LAKESIDE CLUB
AMENDED BYLAWS**

WHEREAS, the Co-Owners of the Lakeside Club condominium, acting through the Association, have determined to consolidate the original master deed for the Condominium and all of the subsequent amendments thereto into a single instrument and to make certain other amendments and modifications thereto and, in connection therewith, desire to adopt these Amended Bylaws as the combined set of Bylaws for the Condominium and the Association.

NOW, THEREFORE, pursuant to the power to amend the Bylaws granted in granted to the Co-Owners by the provisions of Article IX of the Condominium Bylaws and Article VII of the Association Bylaws, and upon affirmative vote of not less than 2/3 of the Co-Owners by number and value at a meeting duly convened for such purpose, the Co-Owners do, upon the recording hereof, adopt the following Amended Bylaws as the single combined set of Bylaws for the Condominium and the Association, in the place and stead of our original Bylaws and Amendments thereto:

ARTICLE I

ASSOCIATION OF CO-OWNERS

Section 1.1. Association. Lakeside Club, a planned residential condominium community, located in the Township of Bear Creek, Emmet County, Michigan, shall be administered by an association of Co-Owners which shall be a non-profit corporation, hereinafter called the "Association," organized under the applicable laws of the State of Michigan, and responsible for the management, maintenance, operation and administration of the Common Elements, easements and affairs of the Condominium Project in accordance with the Master Deed, these Bylaws, the Articles of Incorporation and duly adopted Rules and Regulations of the Association, and the laws of the State of Michigan. 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 shall be subject to the provisions and terms set forth in the aforesaid Condominium Documents.

Section 1.2. Membership Each Co-Owner shall be a member of the Association and no other person or entity shall 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 in the Condominium.

Section 1.3. Condominium Documents. The Association shall keep current copies of the approved Master Deed, and all Amendments to the Master Deed and other Condominium Documents for the Condominium Project available at reasonable hours for Co-Owners, prospective purchasers and prospective mortgagees of Condominium Units in the Condominium Project.

ARTICLE II

VOTING

Section 2.1. Vote. Each Co-Owner shall be entitled to one (1) vote for each Condominium Unit owned.

Section 2.2. Eligibility to Vote. No Co-Owner shall be entitled to vote at any meeting of the Association until he has presented evidence of ownership of a Condominium Unit in the Condominium Project to the Association. The vote of each Co-Owner may only be cast by the individual representative designated by such Co-Owner in the notice required in Section 2.3 below or by a proxy given by such individual representative.

Section 2.3. Designation of Voting Representative. Each Co-Owner shall file a written notice with the Association designating the individual representative who shall vote at meetings of the Association and receive all notices and other communications from the Association on behalf of such Co-Owner. Such notice shall state the name and address of the individual representative designated, the number or numbers of the unit or units owned by the Co-Owner, and the name and address of each person, firm, corporation, partnership, association, trust or other legal entity who is the Co-Owner. Such notice shall be signed and dated by the Co-Owner. The individual representative designated may be changed by the Co-Owner at any time by filing a new notice in the manner herein provided.

Section 2.4. Quorum. The presence in person or by proxy of twenty-five percent (25%) of the Co-Owners qualified to vote shall constitute a quorum for holding a meeting of the members of the Association (except for voting on matters for which these bylaws specifically require an affirmative vote of a greater number of co-owners). The written vote of any person furnished at or prior to any duly called meeting at which meeting said person is not otherwise present in person or by proxy shall be counted in determining the presence of a quorum with respect to the question upon which the vote is cast.

Section 2.5. Voting. Votes may be cast in person or by proxy or by a writing duly signed by the designated voting representative not present at a given meeting in person or by proxy. Proxies and any written votes must be filed with the Secretary of the Association at or before the appointed time of each meeting of the members of the Association. Cumulative voting shall not be permitted.

Section 2.6. Majority. Except for voting on matters for which these bylaws specifically require an affirmative vote of a greater number of co-owners, a majority shall consist of more than fifty percent (50%) of Co-Owners 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 at which a quorum is present in person or by proxy. Whenever these bylaws require approval of a matter by a specified percentage of the Co-Owners that percentage requirement shall supercede the simple majority provided above.

ARTICLE III

MEETINGS

Section 3.1 Place of Meeting. Meetings of the Association shall be held at the Condominium clubhouse or at such other suitable place convenient to the Co-Owners as may be designated by the Association. Meetings of the Association shall be conducted in accordance with Sturgis Code of Parliamentary Procedure, Roberts Rules of Order or some other generally recognized manual of parliamentary procedure, when not otherwise in conflict with the Condominium Documents (as defined in the Master Deed) or the laws of the State of Michigan.

Section 3.2 Annual Meeting. Annual meetings of members of the Association shall be held on the Saturday immediately preceding Labor Day of each year. At such meetings there shall be elected by a ballot of the Co-Owners a Board of Directors in accordance with the requirements of Article IV of these Bylaws. The Co-Owners may also transact at annual meetings such other business of the Association as may properly come before them.

Section 3.3 Special Meetings. It shall be the duty of the President to call a special meeting of the Co-Owners as directed by resolution of the Board of Directors or upon a petition signed by one-third (1/3) of the Co-Owners presented to the Secretary of the Association. Notice of any special meeting shall state the time and place of such meeting and the purposes thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 3.4 Notice of Meetings. It shall be the duty of the Secretary (or other Association Officer in the secretary's absence) to serve a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, upon each Co-Owner of record, at least ten (10) days but not more than sixty (60) days prior to such meeting. The mailing, postage prepaid, of a notice to the representative of each Co-Owner at the address shown in the notice required to be filed with the Association by Section 2.3 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.

Section 3.5 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.

Section 3.6 Order of Business. The order of business at all meetings of the members shall be as follows: (a) roll call to determine the voting power represented at the meeting; (b) proof of notice of meeting or waiver of notice; (c) reading of minutes of preceding meeting; (d) reports of Officers; (e) reports of committees; (f) appointment of inspectors of election (at annual meetings or special meetings held for the purpose of electing Directors or Officers); (g) election of Directors (at annual meeting or special meetings held for such purpose); (h) unfinished business; and (i) new business. Meetings of members shall be chaired by the most senior Officer of the Association present at such meeting. For purposes of this section, the order of seniority of Officers shall be President, Vice President, Secretary and Treasurer.

Section 3.7 Action Without Meeting. Any action which may be taken at a meeting of the members (except for the election or removal of directors) may be taken without a meeting

by written ballot of the members. Ballots shall be solicited in the same manner as provided in Section 3.4 above for the giving of notice of meetings of members. Such solicitations shall specify (a) the number of responses needed to meet the quorum requirement; (b) the percentage of approvals necessary to approve the action; and (c) the time by which ballots must be received in order to be counted. The form of written ballot shall afford an opportunity to specify a choice between approval and disapproval of each matter and shall provide that, where the member specifies a choice, the vote shall be cast in accordance therewith. Approval by written ballot shall be constituted by receipt, within the time period specified in the solicitation, of (1) a number of ballots which equals or exceeds the quorum which would be required if the action were taken at a meeting; and (2) 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.

Section 3.8 Consent of Absentees. The transactions at any meeting of members, either annual or special, however called and noticed, shall be as valid as though made at a meeting duly held after regular call and notice, if a quorum is present either in person or by proxy; and if, either before or after the meeting, each of the members not present in person or by proxy signs a written waiver of notice, or a consent to the holding of such meeting, or an approval of the minutes thereof. All such waiver, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 3.9 Minutes; Presumption of Notice. Minutes or a similar record of the proceedings of meetings of members, when signed by the president or secretary, shall be presumed truthfully to evidence the matters set forth therein. A recitation in the minutes of any such meeting that notice of the meeting was properly given shall be prima facie evidence that such notice was given.

ARTICLE IV

BOARD OF DIRECTORS

Section 4.1. Number and Qualification of Directors. The board of directors shall be comprised of five (5) members, all of whom must be members of the Association or officers, partners, trustees, employees or agents of members of the Association. Directors shall serve without compensation, but the Association shall reimburse the Directors their actual, ordinary and reasonable out-of-pocket expenses incurred by them in connection with the performance of their obligations as Directors including, without limitation, mileage expenses and motel charges when travel is necessitated by the Directors' duties.

Section 4.2. Election of Directors. At each annual meeting held hereafter, a full slate of directors shall be elected. The term of office of each director shall be one (1) year. The directors shall hold office until their successors have been elected and hold their first meeting.

Section 4.3. Powers and Duties. The board of directors shall have the powers and duties necessary for the administration of the affairs of the Association and may do all acts and things as are not prohibited by the Condominium Documents or required thereby to be exercised and done by the Co-Owners. Any action required by the Condominium Documents to

be done by the Association shall be performed by action of the Board of Directors unless specifically required to be done by, or with the approval of, the Co-Owners.

Section 4.4. Other Duties. In addition to the foregoing duties imposed by these Bylaws or any further duties which may be imposed by resolution of the members of the Association, the Board of Directors shall be responsible specifically for the following:

- (a) Management and administration of the affairs and maintenance of the Condominium Project and the Common Elements thereof.
- (b) To levy and collect assessments from the members of the Association and to use the proceeds thereof for the purposes of the Association.
- (c) To carry insurance and collect and allocate the proceeds thereof.
- (d) To rebuild improvements after casualty.
- (e) To contract for and employ persons, firms, corporations or other agents to assist in the management, operation, maintenance and administration of the Condominium Project.
- (f) To acquire, maintain and improve, and to buy, manage, operate, sell, convey, assign, mortgage or lease any real or personal property (including any unit in the Condominium and easements, right-of-ways and licenses) on behalf of the Association in furtherance of any of the purposes of the Association, including (but without limitation) the lease or purchase of any unit in the Condominium for use by a resident manager.
- (g) 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 property owned by the Association; provided, that any such borrowing in excess of \$50,000.00 per transaction shall also be approved by affirmative vote of more than sixty percent (60%) of all of the members of the Association.
- (h) To make rules and regulations in accordance with Section 10.9 of these Bylaws.
- (i) To establish such committees as it deems necessary, convenient or desirable and to appoint persons thereto for the purpose of implementing the administration of the Condominium and to delegate to such committees any functions or responsibilities which are by law or the Condominium Documents required to be performed by the Board.
- (j) To make rules and regulations and/or to enter into agreements with the institutional lenders the purposes of which are to obtain mortgage financing for unit Co-Owners which is acceptable for purchase by the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association and/or any other agency of the federal government or the State of Michigan.
- (k) To enforce the provisions of the Condominium Documents.

Section 4.5. 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 shall authorize, including, but not limited to, the duties listed in Sections 4.3 and 4.4 above, 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..

Section 4.6. Vacancies. Vacancies in the Board of Directors which occur by virtue of any reason other than the removal of a director by a vote of the members of the Association shall be filled by vote of the majority of the remaining directors, even though they may constitute less than a quorum. Each person so elected shall be a director until a successor is elected at the next annual meeting of the members of the Association.

Section 4.7. 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 (50%) percent of all of the Co-Owners and a successor may then be elected to fill any vacancy thus created. The quorum requirement for the purpose of filling such vacancy shall be the normal twenty-five (25%) percent requirement set forth in Section 2.4 above. Any director whose removal has been proposed by the Co-Owners shall be given an opportunity to be heard at a meeting.

Section 4.8. First Meeting. The first meeting of a newly elected Board of Directors shall be held within ten (10) days after the election at such place as shall be fixed by the directors at the meeting at which such directors were elected, and no notice shall be necessary to the newly elected directors in order legally to constitute such meeting, providing a majority of the whole Board shall be present in person or by conference telephone or other similar telecommunications equipment as permitted by Section 2521 of the Non-Profit Corporation Act.

Section 4.9. Regular Meetings. Regular meetings of the Board of Directors may be held at such times and places as shall be determined by a majority of the directors or by the President, but at least two (2) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each Director personally, by mail, telephone, telegraph or facsimile, at least five (5) days prior to the date named for such meeting.

Section 4.10. Special Meetings. Special meetings of the Board of Directors may be called by the president on three (3) days notice to each director given personally, by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the president or secretary in like manner and on like notice on the written request of two (2) directors.

Section 4.11. Waiver of Notice. Before or at any meeting of the Board of Directors, any director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board shall be deemed a waiver of notice by such director of the time and place thereof. If all the directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 4.12. Quorum. At all meetings of the Board of Directors, a majority of the directors shall constitute a quorum for the transaction of business, and the acts of the majority of the directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, less than a quorum is present, the majority of those present may adjourn the meeting to a subsequent time upon 24-hour 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, shall constitute the presence of such director for purposes of determining a quorum.

Section 4.13. Fidelity Bonds. The Board of Directors shall require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be expenses of administration.

ARTICLE V

OFFICERS

Section 5.1. Officers. The principal officers of the Association shall be a president, who shall be a member of the Board of Directors, a vice president, a secretary and a treasurer, all of whom shall be members of the Association. The directors may appoint an assistant treasurer, and an assistant secretary, and such other officers as in their judgment may be necessary. Any two or more offices, except that of president and vice president, may be held by one person and, if there are an insufficient number of members willing to serve as officers, the office of vice president may be left vacant until the vacancy can be filled.

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

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

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

(d) **Treasurer.** The treasurer shall have responsibility for the Association's funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He or she shall be

responsible for the deposit of all monies and other valuable effects in the name and to the credit of the Association, and in such depositories as may be designated by the Board of Directors.

Section 5.2. Election. The officers of the Association shall be elected annually by the Board of Directors at the organizational meeting of each new board and shall hold office at the pleasure of the Board.

Section 5.3. Removal. Upon affirmative vote of a majority of the Board of Directors, any officer may be removed with or without cause, and his or her successor elected at any regular meeting of the Board called for such purpose. No such removal action may be taken, however, unless the matter shall have been included in the notice of such meeting. The officer whose removal is proposed shall be given an opportunity to be heard at the meeting.

Section 5.4. Duties. The officers shall have such other duties, powers and responsibilities as shall be authorized by the Board of Directors.

Section 5.5. Compensation. Officers may be compensated only upon the affirmative vote of more than sixty percent (60%) of all Co-Owners.

ARTICLE VI

ASSESSMENTS

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

Section 6.1. Expenses and Receipts of Common Elements. All costs incurred by the Association in satisfaction of any liability arising within, caused by or in connection with the Common Elements or the administration of the Condominium shall be expenses of administration within the meaning of Section 54 of Public Act 59 of 1978, as amended; and 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 Common Elements or the administration of the Condominium shall be receipts of administration.

Section 6.2. Determination of Assessments. Assessments shall be determined in accordance with the following provisions:

(a) **Budget; Regular Assessments.** The Board of Directors of the Association shall establish an annual budget in advance for each fiscal year and such budget shall project all expenses of 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. The Association shall maintain a reserve fund which, at a minimum, shall be equal to ten percent (10%) of the Association's current annual budget on a non-cumulative basis. The reserve fund shall be used for major repairs and replacement of those common areas which must be replaced on a periodic basis. **SINCE THE MINIMUM STANDARD REQUIRED BY THIS SUBPARAGRAPH MAY PROVE TO BE INADEQUATE**

FOR THIS 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. Upon adoption of an annual budget by the Board of Directors, copies of said budget shall be distributed to each Co-Owner and the assessment for said year shall be established based upon said budget, although the 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. Should the Board of Directors 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 the replacements of existing Common Elements, (3) to provide additions to the Common Elements, not exceeding \$10,000.00 annually, or (4) in the event of emergencies; the Board of Directors shall have the authority to increase the general assessment or to levy such additional assessment or assessments as it shall deem to be necessary.

(b) Special Assessments. Special assessments, in addition to those required in Subsection (a) above may be made by the Board of Directors 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 capital improvements for additions with a cost exceeding \$10,000.00 per year, (2) assessments to purchase a unit upon foreclosure of the lien for assessments described in Section 6.5 below, (3) assessments to purchase a unit for use as a resident manager's apartment, or (4) 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 shall be levied in the sole discretion of the Board of Directors) shall not be levied without the prior approval of sixty percent (60%) or more of all Co-Owners.

(c) Apportionment of Assessments. Unless otherwise provided herein or in the Master Deed, all assessments levied against the Co-Owners to cover expenses of administration shall be apportioned among and paid by the Co-Owners equally without increase or decrease for the existence of any rights to the use of Limited Common Elements appurtenant to a Unit except as otherwise specifically provided in the Master Deed. Annual assessments as determined in accordance with Section 6.2(a) above shall 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 fee simple title to a Unit by any other means. Special assessments as determined in accordance with Section 6.2(b) above shall be payable by Co-Owners in one installment within thirty (30) days after the date of the Association's statement for the same, or in such other manner as the Board shall reasonably Determine.

Section 6.3. Penalties for Default. The payment of an assessment shall be in default if such assessments, or any part thereof, is not paid to the Association in full on or before the due date for such payment. Assessments in default shall bear interest at the rate of twelve percent (12%) per annum, or the maximum legal rate, whichever is less, until paid in full. In addition, a late charge not to exceed fifty (\$50.00) dollars per installment may be assessed automatically by the Association upon each installment in default for ten (10) or more days until paid in full, and the Association may, pursuant to Section 15.4 and Article XVI hereof, levy fines for late payment of assessments in addition to such late charge. Each Co-Owner (whether one

or more persons) shall be personally liable for the payment of all assessments pertinent to his Condominium Unit which may be levied while such Co-Owner is the owner thereof.

Section 6.4. 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 Condominium Unit.

Section 6.5. Liens for Unpaid Assessments. Sums assessed to a Co-Owner by the Association which are unpaid, including but not limited to regular assessments, special assessments, fines and late charges, constitute a lien upon the Unit or Units owned by the Co-Owner at the time of the assessment before all other liens except tax liens on the Condominium Unit in favor of any State or Federal taxing authority and sums unpaid on a first mortgage of record, **EXCEPT** that past due assessments which are evidenced by a Notice of Lien, recorded as set forth in Section 108(3) of the Act have priority over a first mortgage recorded subsequent to recording of the Notice of Lien. All charges which the Association may levy against any Co-Owner shall be deemed to be assessments for purposes of this Section and Section 108 of the Act. The lien upon each Condominium Unit owned by the Co-Owner shall be in the amount assessed against the Condominium Unit, plus a proportionate share of the total of all other unpaid assessments attributable to Condominium Units no longer owned by the Co-Owner but which became due while the Co-Owner held title to the Condominium Units.

Section 6.6. Enforcement. The Association may enforce collection of delinquent assessments as follows:

(a) **Remedies.** In addition to any other remedies available to the Association, the Association may enforce collection of delinquent assessments by a suit at law for a money judgment or by foreclosure of the statutory lien that secures payment of assessments. In the event of default by any Co-Owner in the payment of any installment of any assessment levied against such Co-Owner's Unit, the Association shall have the right to declare all unpaid installments of such assessment for the pertinent fiscal year immediately due and payable. The Association also may discontinue the furnishing of any utilities or other services to a Co-Owner in default upon seven (7) days written notice to such Co-Owner of its intention to do so. A Co-Owner in default shall not be entitled to utilize any of the General Common Elements of the Project and shall not be entitled to vote at any meeting of the Association so long as such default continues. In a judicial foreclosure action, a receiver may be appointed to take possession of the Unit, if not occupied by the Co-Owner, and to rent the Unit and/or to collect a reasonable rental for the Unit from any persons renting the Unit. The Association may also assess fines for late payment or non-payment of assessments in accordance with the provisions in Section 15.4 of these Bylaws. All of these remedies shall be cumulative and not alternative.

(b) **Foreclosure Proceedings.** Each Co-Owner, and every other person who has any interest in the Project, shall be deemed to have granted to the Association the unqualified right to elect to foreclose the lien securing payment of assessments 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, are incorporated herein by reference for the purpose 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 has any interest in the Project shall be deemed to have authorized and empowered the Association to sell, or cause to be sold, the Unit for 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 such Unit, he or she was notified of the provisions of this subparagraph and that he or she voluntarily, intelligently and knowingly waived notice of any proceedings brought by the Association to foreclose by advertisement the lien for nonpayment of assessments and a hearing on the same prior to the sale of the subject Unit. The Association shall be entitled to bid on and purchase the Unit at any such foreclosure sale, which bid shall be a credit bid up to the amount of the lien against the Unit, including principal, interest and all other costs and expenses chargeable by the Association in the event of a foreclosure.

(c) Notice of Action. Notwithstanding the foregoing, neither a judicial foreclosure action nor a suit at law for a money judgment shall be commenced, nor shall any notice of foreclosure by advertisement be published, until the expiration of ten (10) days after mailing, by first class mail, postage prepaid, addressed to the delinquent Co-Owner(s) at his, her or their last known address, a written notice that one or more installments of the annual assessment levied against the pertinent Unit is or are delinquent and that the Association may invoke any of its remedies here-under if the default is not cured within ten (10) days after the date of mailing. Such written notice shall be accompanied by a written affidavit of an authorized representative of the Association that sets forth (1) the affiant's capacity to make the affidavit, (2) the statutory and other authority for the lien, (3) the amount outstanding (exclusive of interest, costs, attorneys, fees and future assessments), (4) the legal description of the subject Unit(s), and (5) the name(s) of the Co-Owner(s) of record. Such affidavit shall be recorded in the office of Emmet County Register of Deeds prior to commencement of any foreclosure proceeding, but it need not have been recorded as of the date of mailing. If the delinquency is not cured within the ten-day period, the Association may take such remedial action as may be available to it hereunder or under Michigan law. In the event the Association elects to foreclose the lien by advertisement, the Association shall so notify the delinquent Co-Owner and shall inform Co-Owner that he or she may request a judicial hearing by bringing suit against the Association.

(d) Expenses of Collection. The expenses incurred in collecting unpaid assessments, including interest, costs, actual attorneys, 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 or her Unit.

Section 6.7. Liability of Mortgagee. Notwithstanding any other provisions of the Condominium Documents; the holder of any first mortgage covering any Condominium Unit in the Project which comes into possession of the Condominium 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, shall take the property free of any claims for unpaid assessments or charges against the mortgaged unit which accrue prior to the time of such possession (except for claims for a pro-rata share of such assessment or charges resulting from a pro rata reallocation of such assessments or charges to all units including the mortgaged unit).

Section 6.8. Disposition of Sale Proceeds. Upon the sale or conveyance of a Condominium Unit, all unpaid assessments against the Condominium Unit shall be paid out of

the sale price or by the purchaser in preference over any other assessments or charges of whatever nature, except the following:

- (a) Amounts due the state, or any subdivision, thereof, or any municipality for taxes and special assessments due and unpaid on the Condominium Unit.
- (b) Payments due under a first mortgage having priority thereto.

Section 6.9. Statement as to Unpaid Assessments. A purchaser or grantee is entitled to a written statement from the Association of Co-Owners setting forth the amount of unpaid assessments against the seller or grantor and the purchaser or grantee is not liable for, nor is the Condominium Unit conveyed or granted subject to a lien for any unpaid assessments against the Seller or grantor in excess of those set forth in the written statement. Unless the purchaser or grantee request the written statement from the Association of Co-Owners as provided in the Act, at least five (5) days before the sale, the purchaser or grantee shall be liable for any unpaid assessments against the Condominium Unit together with interest, costs, and attorney fees incurred in the collection thereof.

Section 6.10. Property Taxes and Special Assessments. All property taxes and special assessments levied by any public taxing authority shall be assessed in accordance with Section 131 of the Act.

Section 6.11. Personal Property Tax Assessment of Association Property. The Association shall be assessed as the person or entity in possession of any tangible personal property of the Condominium owned or possessed in common by the Co-Owners, and personal property taxes based thereon shall be treated as expenses of administration.

Section 6.12 Construction Lien. A construction lien otherwise arising under Act No. 497 of the Michigan Public Acts of 1980, as amended, shall be subject to Section 132 of the Act.

ARTICLE VII

ARBITRATION

Section 7.1. Scope of Election. Disputes, claims or grievances arising out of or relating to the interpretation or the application of the Condominium Documents, or any disputes, claims or grievances arising among Co-Owners and the Association shall, upon the election and written consent of the parties to any such disputes, claims or grievances 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 hereafter shall be applicable to any such arbitration.

Section 7.2. Judicial Relief. No Co-Owner or the Association shall be precluded from petitioning any proper court to resolve any such disputes, claims or grievances

Section 7.3. Election of Remedies. Election by Co-Owners or the Association to submit any such dispute, claim or grievance to arbitration shall preclude such parties from litigating such dispute, claim or grievance in a court.

Section 7.4. Actions in Name of Association. Actions on behalf of and against the Co-Owners shall be brought in the name of the Association. The Association may assert, defend or settle claims on behalf of all Co-Owners in connection of the Common Elements of the Condominium unit project.

ARTICLE VIII

INSURANCE

Section 8.1. Extent of Coverage. The Association shall carry fire and extended coverage, vandalism and malicious mischief and liability insurance, and workmen's compensation insurance, if applicable, pertinent to the ownership, use and maintenance of the Common Elements of the Condominium Project. Such insurance shall be carried and administered in accordance with the following provisions:

(a) **Responsibilities of Co-Owners and Association.** All such insurance shall be purchased by the Association for the benefit of the Association, and the Co-Owners and their mortgagees, as their interest may appear, and provision shall be made for the issuance of certificates of mortgagee endorsements to the mortgagees of Co-Owners. Each Co-Owner shall obtain insurance coverage at his own expense upon his Unit. It shall be each Co-Owner's responsibility to obtain insurance coverage for his personal property located within his Unit or elsewhere on the Condominium, as well as all improvements and betterments located within the Unit, and for his personal liability for occurrences within his Unit or upon Limited Common Elements appurtenant to his Unit, and also for alternative living expense in event of fire, and the Association shall have absolutely no responsibility for obtaining such coverages. 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) **Insurance of Common Elements and Certain Other Components.** All Common Elements of the Condominium Project shall be insured by the Association against fire and other perils covered by a standard extended coverage endorsement, in an amount equal to the maximum insurable replacement value, excluding foundation and excavation costs, as determined annually by the Board of Directors of the Association in consultation with the Association's insurance carrier and/or its representatives in light of commonly employed methods for the reasonable determination of replacement costs. Such coverage shall also include interior walls within any Unit, the drywall thereon and the pipes, wires, conduits and ducts contained within the walls to the point of connection with a fixture. Such coverage shall be effected upon an agreed-amount basis for the entire Condominium Project with appropriate inflation riders in order that no co-insurance provisions shall be invoked by the insurance carrier in a manner that will cause loss payments to be reduced below the actual amount of any loss (except in the unlikely event of total project destruction if the insurance proceeds failed, for some reason, to be equal to the total cost of replacement). All information in the Association's records regarding insurance coverage shall be made available to all Co-Owners upon request

and reasonable notice during normal business hours so that Co-Owners shall be able to judge the adequacy of coverage and, upon the taking of due Association procedures, to direct the Board at a properly constituted meeting to change the nature and extent of any applicable coverages, if so determined. It shall be each Co-Owner's responsibility to obtain insurance coverage, including improvements and betterments coverage, for all fixtures, equipment, other items or attachments on the Limited Common Elements appurtenant to the Co-Owner's Unit and all items, property and fixtures within the Unit not required to be insured by the Association including, without limitation, all interior trim, casements, doors, windows, screens and related hardware, and the Association shall have no responsibility whatsoever for obtaining such coverage unless agreed specifically and separately between the Association and the Co-Owner in writing; 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 said Co-Owner and collected as a part of the assessments against said Co-Owner under Article II hereof.

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

(d) Proceeds of Insurance Policies. Proceeds of all insurance policies owned by the Association shall be received by the Association, held in a separate account and distributed to the Association, and the Co-Owners and their mortgagees as their interest may appear; provided, whenever repair or reconstruction of the Condominium shall be required as provided in Article VIII of these Bylaws, the proceeds of any insurance received by the Association as a result of any loss requiring repair or reconstruction shall be applied for such repair or reconstruction. In no event shall hazard insurance proceeds be used for any purpose other than for repair, replacement or reconstruction of the Project unless two-thirds (2/3) of the institutional holders of first mortgages on Units in the Project have given their prior written approval.

Section 8.2. Authority of Association to Settle Insurance Claims. Each Co-Owner, by ownership of a Unit in the Condominium Project, shall be deemed to appoint the Association as his true and lawful attorney-in-fact to act in connection with all matters concerning the maintenance of fire and extended coverage, vandalism and malicious mischief, liability insurance and workmen's compensation insurance, if applicable, pertinent to the Condominium Project the General Common Elements and the Limited Common Elements appurtenant to his Unit with such insurer as may provide such insurance for the Condominium Project. Without limitation on the generality of the foregoing, the Association as said attorney shall have full power and authority to purchase and maintain such insurance, to collect and remit premiums therefor, to collect proceeds and to distribute the same to the Association, the Co-Owners and respective mortgagees, as their interest may appear (subject always to the Condominium Documents), to execute releases of liability and to execute all documents and to do all things on behalf of such Co-Owner and the Condominium as shall be necessary or convenient to the accomplishment of the foregoing.

ARTICLE IX

RECONSTRUCTION OR REPAIR

Section 9.1. Determination to Reconstruct or Repair. If any part of the Condominium property shall be damaged, the determination of whether or not it shall be reconstructed or repaired shall be made in the following manner:

(a) **Partial Damage.** If the damaged property is a Common Element or a Unit, the property shall be rebuilt, or repaired if any Unit in the Condominium is tenantable, unless it is determined by a unanimous vote of all of the Co-Owners in the Condominium that the Condominium shall be terminated and two-thirds (2/3) of the institutional holders of a first mortgage lien on any Unit in the Condominium has given its prior written approval of such termination.

(b) **Total Destruction.** If the Condominium is so damaged that no Unit is tenantable, the damaged property shall not be rebuilt and the Condominium shall be terminated, unless seventy-five (75%) percent or more of the Co-Owners agree to reconstruction by vote or in writing within ninety (90) days after the destruction.

Section 9.2. Repair in Accordance with Plans and Specifications. Any such reconstruction or repair shall be substantially in accordance with the Master Deed and the plans and specifications for the Project, and shall repair to a condition as comparable as possible to the condition existing prior to damage unless the Co-Owners shall unanimously decide otherwise.

Section 9.3. Co-Owner Responsibility for Repair.

(a) **Definition of Co-Owner Responsibility.** If the damage is only to a Unit or a part of a Unit which is the responsibility of a Co-Owner to maintain and repair pursuant to Article IV of the Master Deed, it shall be the responsibility of the Co-Owner to repair such damage in accordance with Subsection (b) hereof. In all other cases, the responsibility for reconstruction and repair shall be that of the Association.

(b) **Damage to Interior of Unit.** Each Co-Owner shall be responsible for the reconstruction, repair and maintenance of the interior of his Unit, including, but not limited to, floor coverings, wall coverings, paint, window shades, draperies, interior walls (but not any Common Elements therein), interior trim, furniture, light fixtures and all appliances, whether free-standing or built-in. In the event damage to interior walls within a Co-Owner's Unit or to pipes, wires, conduits, ducts or other Common Elements therein is covered by insurance held by the Association, then the reconstruction or repair shall be the responsibility of the Association in accordance with Section 8.4; provided, that with respect to any component that is other than a General Common Element on which there is dual or overlapping insurance coverage, the Co-Owner's insurance coverage shall be primary and the Association's insurance shall not provide coverage except, and only to the extent, that the Co-Owner's insurance coverage is insufficient to cover the full cost of repair. If any other interior portion of a Unit is covered by insurance held by the Association for the benefit of the Co-Owner, then to the extent that the Co-Owner's insurance coverage is insufficient to cover the full cost of repair, the Co-Owner shall be entitled to receive the proceeds of insurance relative thereto to the extent of any

shortfall in the proceeds from the Co-owner's insurance, and if there is a mortgagee endorsement, such proceeds shall be payable to the Co-Owner and the mortgagee jointly. In the event of substantial damage to or destruction of any Unit or any part of the Common Elements, the Association promptly shall so notify each institutional holder of a first mortgage lien on any of the Units in the Condominium.

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

Section 9.5. Eminent Domain. Section 133 of the Act and the following provisions shall control upon any taking by eminent domain:

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

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

(c) **Continuation of Condominium After Taking.** In the event the Condominium Project continues after taking by eminent domain, then the remaining portion of the Condominium Project shall be re-surveyed and the Master Deed amended accordingly, consistent with the provisions of Section 233 of the Act. 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) **Notification of Mortgagees.** In the event any Unit in the Condominium, or any portion thereof, or the Common Elements or any portion thereof, is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a

condemning authority, the Association promptly shall so notify each institutional holder of a first mortgage lien on any of the Units in the Condominium.

Section 9.6. Notification of FHLMC and FNMA. In the event any mortgage in the Condominium is held by the Federal Home Loan Mortgage Corporation (FHLMC) or by the Federal National Mortgage Association (FNMA) then, upon request therefore by FHLMC or FNMA as the case may be, the Association shall give it written notice, at such address as it may direct, of any loss to or taking of the Common Elements of the Condominium if the loss or taking exceeds \$10,000.00 in amount or if damage to a Condominium Unit covered by a mortgage purchased in whole or in part by FHLMC or FNMA exceeds \$1,000.

Section 9.7. Priority of Mortgage Interests. 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 and/or Common Elements

ARTICLE X

RESTRICTIONS

Section 10.1. Residential Use. No Unit in the Condominium shall be used for other than single-family residence purposes (Except that persons not of the same immediate family residing together may occupy a Unit with written consent of the Board of Directors which consent shall not be unreasonably withheld) and the Common Elements shall be used only for purposes consistent with the use of single-family residences. A family shall mean one person or a group of two or more persons related by bonds of consanguinity, marriage, co-habitation or legal adoption.

Section 10.2. Leasing and Rental.

(a) **Right to Lease or Rent.** A Co-Owner may lease or rent his Unit for the same purposes set forth in Section 10.1 above. With the exception of a lender in possession of a Unit following a default of a first mortgage, by foreclosure or deed or other arrangement in lieu of foreclosure, no Co-Owner shall lease less than an entire Unit in the Condominium. No tenant shall be permitted to occupy a Unit, except pursuant to a written lease, or other document approved by the Board of Directors, and only if written disclosure of such lease transaction is submitted to the Board of Directors or its designee as set forth in Subsection (b) below. The terms of all leases, occupancy agreements and occupancy arrangements shall incorporate, or be deemed to incorporate, all of the provisions of the Condominium Documents. The provisions of this Section 10.2 notwithstanding, any Co-Owner may engage a rental management agent to act on behalf of that Co-Owner in the leasing or rental of that Co-Owner's Unit.

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

(1) A Co-Owner desiring to rent or lease a Condominium Unit, shall disclose that fact in writing to the Board of Directors or its designee at least 3 days before

leasing or renting the Condominium Unit. The Co-owner shall supply Board of Directors with a copy of the exact lease form or other approved document for its review for its compliance with the Condominium Documents.

(2) Tenants or non-Co-Owner occupants shall comply with all of the conditions of the Condominium Documents and all rules and regulations governing the Condominium Project and all leases and rental agreements shall so state.

(3) If the Association of Co-Owners determines that the tenant or non-Co-Owner occupant fails to comply with the conditions of the Condominium Documents, the Association of Co-Owners shall take the following actions:

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

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

(iii) If after fifteen (15) days the Association of Co-Owners believes that the alleged breach is not cured or may be repeated, it may institute on its behalf an action for eviction against the tenant or non-Co-Owner occupant and simultaneously for money damages in the same action against the Co-Owner and tenant or non-Co-Owner occupant for breach of the conditions of the Condominium Documents. The relief set forth in this section may be by summary proceedings. The Association of Co-Owners may hold both the tenant and Co-Owner liable for any damages caused by the Co-Owner or tenant in connection with the Condominium Unit.

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

Section 10.3. Alterations and Modifications. No Co-Owner shall make alterations in exterior appearance or make structural modifications to his Condominium Unit (including interior walls through which there exist easements for support or utilities) or make changes in any of the Common Elements, limited or general, without the express written approval of the Board of Directors including (but not by way of limitation) exterior painting or the erection of satellite dishes, antennas, lights, aerials, awnings, doors, shutters or other exterior attachments or modifications, nor shall any Co-Owner damage or make modifications or attachments to Common Element walls between Units which in any way impairs sound conditioning provisions. Exterior mounted flags shall be permitted, subject to reasonable restrictions imposed by the Association as to size and number; provided, that a Co-Owner be permitted to display a single American flag of a size not greater than 3 by 5 feet anywhere on the exterior of the Co-Owner's Unit without the prior consent of the Association. The Board of Directors may approve only

such modifications as do not impair the soundness, safety, utility or appearance of the Condominium and no such approval may be unreasonably withheld.

Section 10.4. Activities. No immoral, improper, unlawful or offensive activity shall be carried on in any Unit or upon the Common Elements, limited or general, nor shall anything be done which may be or become an annoyance or a nuisance to the Co-Owners of the Condominium, nor shall any unreasonably noisy activity be carried on in any Unit or on the Common Elements. 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 Association and each Co-Owner shall pay to the Association the increased cost of insurance premiums resulting from any such activity or the maintenance of any such condition.

Section 10.5. Pets. No animals or fowl (other than common household pets not exceeding two in number) shall be maintained by any Co-Owner. Household pets shall be subject to reasonable restriction by the Association as to size and number, and shall have such care and restraint so as not to be obnoxious or offensive on account of noise (including excessive barking or howling), odor or unsanitary conditions or number of pets. No animal may be kept or bred for any commercial purpose. No animal may be permitted to run loose at any time upon the Common Elements and any animal shall at all times be leashed and attended by some responsible person while on the Common Elements. No savage or dangerous animal shall be kept and any Co-Owner who causes any animal to be brought or kept upon the premises of the Condominium shall indemnify and hold harmless the Association for any loss, damage or liability which the Association may sustain as the result of the presence of such animal on the premises, whether or not the Association has given its permission therefor. Each Co-Owner shall be responsible for the prompt collection and disposition of all fecal matter deposited by any pet maintained by such Co-Owner. The Association may charge all Co-Owners maintaining animals a reasonable additional assessment to be collected in the manner provided in Article II of these Bylaws in the event that the Association determines such assessment necessary to defray the maintenance cost to the Association of accommodating animals within the Condominium. The Association shall have the right to adopt such reasonable rules and regulations with respect to animals as it may deem proper. In the event of any violation of this Section, the Association may assess fines for such violation in accordance with these Bylaws and in accordance with duly adopted rules and regulations of the Association.

Section 10.6. Aesthetics. 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. Trash receptacles shall be maintained at all times in areas designated therefor and shall not be permitted to remain elsewhere on the Common Elements except for such short periods of time as may be reasonably necessary to permit periodic collection of trash. The Common Elements shall not be used in any way for the drying, shaking or airing of clothing or other fabrics. Automobiles may be washed only in areas approved by 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. Use of any recreational facilities in the Condominium by children may be limited to such times and in such manner as the Association shall determine by duly adopted regulations. No unsightly conditions shall be maintained upon any deck or balcony and only furniture and equipment consistent with ordinary

deck or balcony use shall be permitted. All drapes, curtains, blinds or other window coverings shall be of such design so that the portion which is seen from outside the Condominium from any position or angle would be white. This includes but is not limited to lining all drapery materials, placing backing on any window shades or blinds, or any other design technique necessary to carry out the intent of this Section 10.6.

Section 10.7. Vehicles. No house trailers, commercial vehicles, boat trailers, boats, camping vehicles, camping trailers, snowmobiles, snowmobile trailers or vehicles other than non-commercial passenger vehicles (including automobiles, vans and sport utility vehicles) used primarily for general personal transportation purposes may be parked or stored upon the premises of the Condominium, unless parked in an area specifically designated therefor by the Association. Commercial vehicles and trucks shall not be parked in or about the Condominium (except as above provided) unless while making deliveries or pickups in the normal course of business.

Section 10.8. Advertising. No signs or other advertising devices shall be displayed which are visible from the exterior of a Condominium Unit or on the Common Elements, including "For Sale" signs, without written permission from the Association.

Section 10.9. Rules and Regulations. Reasonable regulations consistent with the Act, the Master Deed and these Bylaws, concerning the use of the Common Elements may be made and amended by any Board of Directors of the Association. Copies of all such regulations and amendments thereto shall be furnished to all Co-Owners and shall become effective upon adoption. 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.

Section 10.10. Right of Access of Association. The Association or its duly authorized agents shall have access to each Condominium Unit and any Limited Common Elements appurtenant thereto 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 agents shall also have access to each Condominium Unit and any Limited Common Elements appurtenant thereto at all times without notice as may be necessary to make emergency repairs to prevent damage to the Common Elements or to another Unit. It shall be the responsibility of each Co-Owner to provide the Association means of access to his Condominium Unit and any Limited Common Elements appurtenant thereto, including garages, during all periods of absence and in the event of the failure of such Co-Owner to provide means of access, the Association may gain access in such manner as may be reasonable under the circumstances and shall not be liable to such Co-Owner for any necessary damage to his Condominium Unit and any Limited Common Elements appurtenant thereto, caused thereby or for repair or replacement of any doors or windows in gaining such access.

Section 10.11. Landscape. 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 prior written approval of the Association.

Section 10.12. Common Element Use. Sidewalks, yards, landscaped areas, driveways, roads, parking areas, and other common areas shall not be obstructed nor shall they be used for purposes other than that for which they are reasonably and obviously intended. No

bicycles, vehicles, chairs or other obstructions may be left unattended on or about the Common Elements.

Section 10.13. Co-Owner Maintenance. Each Co-Owner shall maintain his Condominium 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 including, but not limited to the telephone, water, gas, plumbing, electrical or other utility conduits and systems and any other elements in any Condominium Units which are appurtenant to or which may affect any other Condominium 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 family, guests, agents or invitees, unless such damages or costs are covered by insurance carried by the Association, in which case there shall be no such responsibility (unless reimbursement to the Association is excluded by virtue of a deductible provision, in which case the responsible Co-Owner shall bear the expense to the extent of the deductible amount).

ARTICLE XI

MORTGAGES

Section 11.1. Notice to Association. Any Co-Owner who mortgages his Unit shall notify the Association of the name and address of the mortgagee, and the Association shall maintain such information in a book entitled "Mortgages of Units." The Association may, at the written request of a mortgagee of any such Condominium Unit, report any unpaid assessments due from the Co-Owner of such Condominium Unit. The Association shall give to the holder of any first mortgage covering any Unit in the Project written notification of any default in the performance of the obligations of the Co-Owner of such Condominium Unit that is not cured within sixty (60) days.

Section 11.2. Insurance. The Association shall notify each mortgagee appearing in said book of the name of each company insuring the Condominium against fire, perils covered by extended coverage, and vandalism and malicious mischief and the amounts of such coverage.

ARTICLE XII

INDEMNIFICATION OF OFFICERS AND DIRECTORS

Every director and officer of the Association shall be indemnified by the Association against all expenses and liabilities, including actual and reasonable counsel fees and amounts paid in settlement, incurred by or imposed upon him or her in connection with any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative and whether formal or informal, to which he or she may be a party or in which he or she may become involved by reason of his or her being or having been a director or officer of the Association, whether or not he or she is a director or officer at the time such expenses are incurred, except as otherwise prohibited by law; provided that, in the event of any claim for reimbursement or indemnification hereunder based upon a settlement by the director or officers seeking such reimbursement or indemnification, the indemnification herein shall apply only if the Association (with the director seeking reimbursement abstaining) approves such settlement

and reimbursement as being in the best interest of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such director or officer may be entitled. At least ten (10) days prior to payment of any indemnification which it has approved, the Association shall notify all Co-Owners thereof. An opinion of independent counsel as to the propriety of indemnification shall be obtained if a majority of the Co-Owners vote to procure such opinion. In no event shall any Director be indemnified for any willful or wanton misconduct or for acts of gross negligence. The Association is authorized to carry officers' and directors' liability insurance covering acts of the officers and directors of the Association in such amounts as it shall deem appropriate.

ARTICLE XIII

FINANCE

Section 13.1. Records. The Association shall keep detailed books of account showing all expenditures and receipts of administration, and which shall specify the maintenance and repair expenses of the Common Elements and any other expenses incurred by or on behalf of the Association and the Co-Owners. Such accounts and all other Association records shall be open for inspection by the Co-Owners and their mortgagees during reasonable working hours. The Association shall prepare and distribute to each Co-Owner at least once a year a financial statement, the contents of which shall be defined by the Association. The books of account shall be reviewed or audited, as the Board deems appropriate, at least annually by qualified independent accountants; provided, however, that such accountants need not be certified public accountants nor does such review or audit need to be certified. Any institutional holder of a first mortgage lien on any Unit in the Condominium shall be entitled to receive a copy of such annual financial statement within ninety (90) days following the end of the Association's fiscal year upon request therefor. The costs of any such review or audit and any accounting expenses shall be expenses of administration.

Section 13.2. Fiscal Year. The fiscal year of the Association shall be July 1 through June 30, unless otherwise established by the Directors by written resolution, in which case it shall be an annual period commencing on such date as may be initially determined by the Directors. The commencement date of the fiscal year shall be subject to change by the directors for accounting reasons or other good cause.

Section 13.3. Bank. Funds of the Association shall be initially deposited in such bank or savings association as may be designated by the Directors and shall be withdrawn only upon the check or order of such officers, employees or agents as are designated by resolution of the Directors. The funds may be invested 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 XIV

AMENDMENTS

Section 14.1. 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 in number of the Co-Owners at a meeting of the Association or by instrument in writing signed by them.

Section 14.2. Meeting. Upon any such amendment being proposed, a meeting for consideration of the same shall be duly called in accordance with the provisions of these Bylaws.

Section 14.3. Voting. These Bylaws may be amended by the Association at any regular meeting or a special meeting called for such purpose, by an affirmative vote of two-thirds (2/3) of all Co-Owners. A Co-Owner's Condominium Unit dimensions or appurtenant Limited Common Elements may not be modified without his consent. The Condominium Documents may otherwise be amended for a proper purpose, even if the amendments will materially alter or change the rights of the Co-Owners, mortgagees, or other interested parties, with the consent of two-thirds (2/3) of the Co-Owners. Without the prior written approval of all institutional holders of first mortgage liens on any Unit in the Condominium, no amendment to these Bylaws shall become effective which involves any change, direct or indirect (other than renumbering), in Sections 3.1, 6.2(a), 6.2(c), 6.8, 8.1(d), 9.1, 9.3(b), 9.5, 9.6, 9.7, 11.1, 14.3, 17.1, 17.2 and 17.3 of these Bylaws.

Section 14.4. When Effective. Any amendment to these Bylaws shall become effective upon approval of the same by the Co-Owners, and if necessary mortgagees, and recordation of the same with the office of the Register of Deeds in Emmet County, Michigan.

Section 14.5. Binding. A copy of each amendment to the Bylaws shall be furnished to every member of the Association after adoption; provided, however, that any amendment to these Bylaws that is adopted in accordance with this Article shall be binding upon all persons who have an interest in the Project irrespective of whether such persons actually receive a copy of the amendment.

Section 14.6. Costs and Expenses. A person causing or requesting an amendment to the Condominium Documents shall be responsible for the costs and expenses of the amendment except for amendments based upon a vote of a prescribed majority of Co-Owners, the costs of which shall be expenses of administration.

ARTICLE XV

COMPLIANCE

These Bylaws are adopted to comply with the requirements of the Act, as well as Act No. 162 of the Public Acts of Michigan of 1982. The Association of Co-Owners and all present or future Co-Owners, tenants, future tenants, or any other persons acquiring an interest in or using the facilities of the Project in any manner are subject to and shall comply with the Act, as amended, and the mere acquisition, occupancy or rental of any Unit or an interest therein or the utilization of or entry upon the Condominium premises shall signify that the Condominium Documents are accepted and ratified. In the event the Condominium Documents conflict with the provisions of the Act, or Act 162, the Act or Act 162, as applicable, shall govern.

ARTICLE XVI

DEFINITIONS

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

ARTICLE XVII

REMEDIES FOR DEFAULT

Any default by a Co-Owner shall entitle the Association or another Co-Owner or Co-Owners to the following relief:

Section 17.1. Legal Action. Failure to comply with any of the terms or provisions of the Condominium Documents shall be grounds for relief, which may include without intending to limit the same, an action to recover sums due for damages, injunctive relief, foreclosure of lien (if default in payment of Assessments) or any combination thereof, and such relief may be sought by the Association, or, if appropriate, by an aggrieved Co-Owner or Co-Owners.

Section 17.2. Recovery of Costs. In any proceedings arising because of an alleged default by any Co-Owner, the Association, if successful, shall be entitled to recover the costs of the proceeding and such reasonable attorney's fees, (not limited to statutory fees) as may be determined by the Court, but in no event shall any Co-Owner be entitled to recover such attorney's fees.

Section 17.3. Removal and Abatement. The violation of any of the provisions of the Condominium Documents shall also give the Association or its duly authorized agents the rights set forth above, including without limitation the right to enter upon the Common Elements, Limited or General, or into any Unit, where reasonably necessary, and summarily remove and abate, at the expense of the Co-Owner in violation, any structure, thing or condition existing or maintained contrary to the provisions of the Condominium Documents.

Section 17.4. Assessment of Fines. The violation of any of the Condominium Documents by any Co-Owner shall be grounds for assessment by the Association, acting through its duly constituted Board of Directors, of monetary fines for such violations in accordance with Article XVII of these Bylaws.

Section 17.5. Non-Waiver of Right. The failure of the Association or any Co-Owner to enforce any right, provision, covenant or condition which may be granted by the Condominium Documents shall not constitute a waiver of the right of the Association or of any such Co-Owner to enforce such right, provisions, covenant or condition in the future.

Section 17.6. 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 aforesaid Condominium Documents shall be deemed to be cumulative and the exercise of any one or more shall not be deemed to constitute an election of remedies nor shall it preclude the party thus exercising the same from exercising

such other and additional rights, remedies or privileges as may be available to such party at law or in equity.

Section 17.7. Enforcement of Provisions of Condominium Documents. A Co-Owner may maintain an action against the Association of Co-Owners and its officers and directors to compel these 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 non-compliance with the terms and provisions of the Condominium Documents or the Condominium Act.

ARTICLE XVIII

ASSESSMENT OF FINES

Section 18.1. General. The violation by any Co-Owner, occupant or guest of any of the provisions of the Condominium Documents, including any duly adopted rules and regulations, shall be grounds for assessment by the Association, acting through its duly constituted Board of Directors, of monetary fines against the involved Co-Owner. Such Co-Owner shall be deemed responsible for such violations whether they occur as a result of his or her personal actions or the actions of his or her family, guests, tenants or any other person admitted through such Co-Owner to the Condominium Premises.

Section 18.2. Procedures. Upon any such violation being alleged by the Association, the following procedures will be followed:

(a) **Notice.** Notice of the, together with a description of the factual nature of the alleged offense set forth with such reasonable specificity as will place the Co-Owner on notice as to the violation, shall be sent by first class mail, postage prepaid, or personally delivered to the representative of said Co-Owner at the address shown in the notice required to be filed with the Association pursuant to Section 2.3 of these Bylaws.

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

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

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

Section 18.3. Amounts. Upon violation of any of the provisions of the Condominium Documents and after default of the offending Co-Owner or upon the decision of the Association as recited above, the following fines shall be levied:

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

(b) Second Violation. Such amount as the Board of Directors shall determine, but not in excess of a Twenty-Five Dollar (\$25.00) fine.

(c) Third Violation. Such amount as the Board of Directors shall determine, but not in excess of a Fifty Dollar (\$50.00) fine.

(d) Fourth Violation and Subsequent Violations. Such amount as the Board of Directors shall determine, but not in excess of a One Hundred Dollar (\$100.00) fine for each violation.

Section 18.4. Collection. The fines levied pursuant to Section 18.3 above shall be assessed against the Co-Owner and the Unit and shall be due and payable on the first day of the following month. Failure to pay any such fine when due will subject the Co-Owner to all liabilities set forth in the Condominium Documents including, without limitations, those described in Article VI and Article XV of these Bylaws.

ARTICLE XIX

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

**EXHIBIT B
TO MASTER DEED
LAKESIDE CLUB**

There is no change in the legal description of the Condominium as shown on Exhibit B to the Master Deed and the Amendments thereto. Accordingly, the original Exhibit B as Amended by the several Amendments, is incorporated herein by reference.

CM-AM



OFFICIAL SEAL Emmet Register of Deeds
Michele E. Stine 10/31/2011 02:07:21 PM

L: 1139 P: 161

RECEIVED
EMMET COUNTY
REGISTER OF DEEDS
1 2011 OCT 31 A 11:52

LAKESIDE CLUB

First Amendment

to the

Amended and Restated and Consolidating Master Deed

This First Amendment to the Amended and Restated and Consolidating Master Deed is made and executed on this 4th day of October, 2011, by Lakeside Club Condominium Association, a Michigan nonprofit corporation, hereinafter referred to as "Association," whose registered office is located at 923 Spring Street, Petoskey, Michigan 49770.

48

WITNESSETH:

WHEREAS, the Developer, Lakeside Associates, originally established the Project by recording the Master Deed, together with the Condominium Bylaws attached thereto as Exhibit "A" and the Condominium Subdivision Plan attached thereto as Exhibit "B" on August 24, 1983 in Liber 331 Page 722 et seq. and First Amendment to master Deed recorded in Liber 331 pages 722 through 738, and Second Amendment to Master Deed recorded in Liber 337 Pages 959 through 970, and Third Amendment to Master Deed recorded in Liber 345 Pages 566 through 577, and Fourth Amendment to Master Deed recorded in Liber 347 Pages 268 through 280, and Fifth Amendment to Master Deed recorded in Liber 348 Pages 83 through 96, and Sixth Amendment to Master Deed recorded in Liber 355 Pages 238 through 249, and Seventh Amendment to Master Deed recorded in Liber 367 Pages 388 through 402, designated as Emmet County Condominium Subdivision Plan # 31, Emmet County Records, for the purpose of establishing a residential condominium in the Township of Bear Creek, County of Emmet, Michigan to be known as Lakeside Club; and,

WHEREAS, said Master Deed and its Exhibits have been superseded by the Amended and Restated and Consolidating Master Deed recorded by the Association on December 11, 2000 in Liber 757 Page 109 through 123; and,

WHEREAS, the Association desires to further amend the said Amended and Restated and Consolidating Master Deed and its attached Exhibit A (Condominium Bylaws) in accordance with MCL 559.190;

DOC # 5091741 L: 1139 P: 161
10/31/2011 02:07:21 PM Page 1 of 48
Rec Fee: \$155.00 Doc Type: CDAM
Emmet, Michigan, Michele E. Stine



Pb

NOW, THEREFORE, Association, as the entity designated to administer the affairs of the Project does, upon the recording hereof, ratify Lakeside Club as a residential Condominium, existing under the Act and does redeclare that Lakeside Club (hereinafter referred to as "Condominium," "Project" or the "Condominium Project") shall be held, conveyed, hypothecated, encumbered, leased, rented, occupied, improved or in any other manner utilized, subject to the provisions of the Act and to the covenants, conditions, restrictions, uses, limitations and affirmative obligations set forth in this First Amendment to Amended and Restated and Consolidating Master Deed and its Exhibit "A". No changes are being made to the Condominium Subdivision Plan by virtue of the First Amendment to Amended and Restated and Consolidating Master Deed; the Condominium Subdivision Plan, as previously amended remains in full force and effect. All of the provisions of this First Amendment to Amended and Restated and Consolidating Master Deed, including attached Exhibit "A" shall be deemed to run with the land and shall be a burden and a benefit to Association, its successors and assigns, and any persons acquiring or owning an interest in the said real property, their grantees, successors, heirs, personal representatives, administrators and assigns. In furtherance of, and in continuation of the Condominium Project, it is provided as follows:

ARTICLE I

TITLE AND NATURE

The Condominium Project shall be known as Lakeside Club, Emmett County Condominium Subdivision Plan No. 31. Detailed architectural plans for the project were approved by the Township of Bear Creek, Emmet County, Michigan and are on file with the Township. The Condominium Project is established in accordance with the Act. The buildings and Units contained in the Condominium, including the number, boundaries, dimensions and are of each Unit therein are set forth completely in the Condominium Subdivision Plan attached as Exhibit "B" to the Master Deed and as subsequently amended. Each building contains individual Units for residential purposes and each Unit is capable of individual utilization on account of having its own entrance from and exit to a Common Element of the Condominium Project. Each Co-owner in the Condominium Project shall have an exclusive right to his Unit and shall have undivided and inseparable rights share with other Co-owners the Common Elements of the Condominium Project as are designated by this Master Deed.

ARTICLE II

LEGAL DESCRIPTION

Land situated in the Township of Bear Creek, Emmet County, Michigan, described as:

Commencing at the North ¼ corner of Section 27, Township 35 North, Range 5 West; thence along the North line of said Section 27, South 89°51'30" East 655.57 feet; thence along the East line of Highway



M-119, South 00°29'45" East 754.50 feet to the Place of Beginning; thence South 89°51' East 300.00 feet; thence North 00°29'45" West 254.54 feet; thence North 89°51' West 300.00 feet; thence along the East line of Highway M-119, North 00°29'45" West 84.00 feet; thence South 89°51' East 300.00 feet; thence North 00°29'45" West 83.00 feet; thence South 89°51'30" East 497.30 feet; thence North 10°36'22" West 33.59 feet; thence North 76°15'10" East 107.55 feet; thence North 73°45'00" East 155.37 feet, thence along an intermediate traverse line in the following courses; South 16°20'35" East 184.75 feet; South 06°56'44" East 352.83 feet; and South 04°03'51" East 364.02 feet; thence North 89°50'40" West 658.39 feet; thence North 00°29'45" West 300.00 feet; thence North 89°51' West 500.00 feet; thence along the East line of Highway M-119, North 00°29'45" West 66.00 feet to the Place of Beginning, including the land between the intermediate traverse line, the water's edge of Round Lake and the Easterly extension of the Northerly and Southerly lines; EXCEPTING THEREFROM Commencing at the North ¼ corner of Section 27; Township 35 North, Range 5 West; thence along the North line of said Section 27, South 89°51'30" East 655.57 feet; thence along the East line of Highway M-119, South 00°29'45" East 754.50 feet; thence South 89°51' East 300.00 feet to the Place of Beginning; thence North 00°29'45" West 118.62 feet; thence South 89°51' East 105.57 feet; thence South 01°16'40" East 52.28 feet; thence South 42°02'47" East 49.38 feet; thence South 00°29'45" East 29.76 feet; thence North 89°51' West 139.05 feet to the Place of Beginning; being part of Government Lot 1, Section 27, Township 35 North, Range 5 West.

ARTICLE III

DEFINITIONS

Certain terms are used not only in this First Amendment to Amended and Restated and Consolidating Master Deed and Exhibits "A" and "B" of the original Master Deed, as previously amended, but are or may be used in various other instruments such as, by way of example and not limitation, the Articles of Incorporation, Condominium Bylaws and Rules and Regulations of Lakeside Club Condominium Association, Inc., a Michigan nonprofit corporation and deeds, mortgages, liens, land contracts, easements and other instruments affecting the establishment of or transfer of interests in Lakeside Club, as a condominium. Wherever used in such documents or any other pertinent instruments, the terms set forth below shall be defined as follows:

A. The "Act" means the Michigan Condominium Act, being Act 59 of the Public Acts of 1978, as amended.

B. "Association" shall mean Lakeside Club Condominium Association, the nonprofit corporation organized under Michigan law of which all Co-owners shall be members which corporation shall administer, operate, manage and maintain the Condominium. Any action required of or permitted to be performed by the Association shall be exercisable by its Board of Directors unless specifically reserved to its members by the Condominium Documents or the laws of the State of Michigan.



C. "Common Elements," where used without modification, means the portions of the Condominium Project other than the Condominium Units and shall include but not be limited to the General and Limited Common Elements described in Article IV hereof.

D. "Condominium Bylaws" means Exhibit "A" attached hereto, being the Restated and Amended Condominium Bylaws setting forth the substantive rights and obligations of the Co-owners and required by Sections 3(8) and 8 of the Act to be attached to and incorporated into this Master Deed. They shall also constitute the Association's corporate bylaws.

E. "Condominium Documents" wherever used means and includes this First Amendment to Amended and Restated and Consolidating Master Deed, Exhibits "A" and "B", as amended, the Restated Articles of Incorporation, the Restated and Amended Condominium Bylaws and Rules and Regulations, if any, of the Association and any other instrument referred to in the Master Deed as amended which affects the rights and obligations of a co-owner in the Condominium Project.

F. "Condominium Premises" means and includes the land and the buildings, all improvements and structures thereon and all easements, rights and appurtenances belonging to Lakeside Club as described above.

G. "Condominium Project," "Condominium" or "Project" means Lakeside Club as a condominium project established in conformity with the provisions of the Act.

H. "Condominium Subdivision Plan" means Exhibit "B" to the Master Deed as previously amended.

I. "Co-owner," means a person, firm, corporation, partnership, association, trust or other legal entity or any combination thereof who owns a condominium unit within the Condominium Project. The term "owner," wherever used, shall be synonymous with the term "Co-owner."

J. "All Co-owners" and "All of the Co-owners" mean and include the Co-owners of Lakeside Club Condominium.

K. "Developer" shall mean Lakeside Associates, a Michigan limited partnership, which made and executed the original Master Deed and its successors and assigns.

L. "Front Deck" shall mean the deck closest to the garage serving each building and originally planned parking area.

M. "Master Deed" means and includes this First Amendment to Amended and Restated and Consolidating Master Deed.



N. "Rear Deck" shall mean the deck on the side of the building opposite the Front Deck".

O. "Unit" or "Condominium Unit" means that portion of the Condominium Project designed and intended for separate ownership and use as described in this Master Deed, as amended, for residential or other permitted or lawful purposes.

P. Whenever any reference herein is made to one gender, the same shall include a reference to any and all genders where the same would be appropriate. Whenever a reference is made herein to the singular, a reference shall also include the plural where the same would be appropriate.

ARTICLE IV COMMON ELEMENTS

The Common Elements of the Project described in the Condominium Subdivision Plan as amended and the respective responsibilities for maintenance, decoration, repair or replacement and use thereof are as follows:

A. **General Common Elements.** The General Common Elements are:

1. **Land.** The land and beneficial easements described in Article II hereof, including driveways, sidewalks and parking spaces not identified as Limited Common Elements.

2. **Hallways, Stairs, Foyers & Entry Decks.** Hallways and all stairs exterior to any and all Units, all front entry decks which provide access to multiple Unit common foyers, exterior entry doors to common foyers and common foyers.

3. **Electrical Wiring Network.** The electrical wiring network throughout the Project to the point of connection with the electrical meter for each Unit.

4. **Common Lighting.** The street and parking area lighting system throughout the Project including exterior garage lights, exterior building lights and interior lights in multiple Unit access foyers.

5. **Telephone Wiring Network.** The telephone wiring network, including the telephone interface box, throughout the Project to the point of connection with any telephone interface connection box servicing the Units.

6. **Gas Line Network.** The gas line network throughout the Project to the point of connection with the gas meter serving each Unit.



OFFICIAL COPY

7. **Water Distribution System.** The water distribution system throughout the Project to the point of connection with each Unit.

8. **Construction.** Foundations, crawl spaces, Unit perimeter walls, roofs, roof joists, ceilings and floors of the buildings in the Project as described and depicted on the Condominium Subdivision Plan including garages and their walls, floors, and roofs except as otherwise designated as Limited Common Elements.

9. **Plumbing Network.** The plumbing network throughout the project to the point of initial connection with each Unit, including all sump pumps and their discharge lines.

10. **Fireplaces, Chimneys & Flues.** The fireplaces, chimneys and flues (but not the fireboxes) serving each Unit which has a fireplace.

11. **Other.** Such other elements of the Project not herein designated as General or Limited Common Elements which are not enclosed within the boundaries of a Unit and which are intended for common use or necessary to the existence, upkeep and safety of the Project.

B. Limited Common Elements. The Limited Common Elements shall be subject to the exclusive use and enjoyment of the Co-owner(s) of the Unit to which they are appurtenant. The Limited Common Elements are:

1. **Garages.** The interiors of each garage (but not the roof or outer walls) are Limited Common Elements appurtenant to each Unit to which they have been assigned (but subject to ingress and egress rights through certain of the garages to adjoining garages as designated on the Condominium Subdivision Plan, with numbers which correspond to the Condominium Unit to which they are assigned.

2. **Rear Decks.** Each rear deck in the Project and each rear deck closet used for heating components or any other purpose shall be Limited Common Elements appurtenant to each Unit which opens onto such deck.

3. **Windows and Doors.** The skylights, door walls, sliding doors, windows and all doors (whether related to the unit or garage), including storm doors, screens, motor, rails and lifting mechanism of the overhead garage doors (but excluding the overhead garage doors themselves) serving each unit and its garage and all knobs, latches, locks and other related hardware, shall be Limited Common Elements appurtenant to the Units so served.

4. **Fireplaces and Mantles.** The hearth, fireboxes and mantles serving each Unit that has a fireplace shall be limited Common Elements appurtenant to the Units so served.



UNOFFICIAL COPY

5. **Dryer Vents.** The dryer vents in exterior walls serving each Unit shall be Limited Common Elements appurtenant to the Units so served.

6. **Air Conditioning Systems.** Each air conditioning system including all its components, ducts and condensate discharge lines shall be Limited Common Elements appurtenant to the Units so served.

7. **Heating Systems.** Each heating system including all its components, ducts and humidifiers shall be Limited Common Elements appurtenant to the Units so served.

C. **Maintenance, Repair and Replacement Duties for the Common Elements.** The duties for maintenance repair and replacement of the Common Elements shall be as follows:

1. **General Common Elements.** The Association shall be responsible for the maintenance, repair and replacement of all General Common Elements. The expenses incurred by the Association in performing these duties shall be deemed to be "expenses of administration" to be assessed to all of the Co-owners as provided in the Condominium Bylaws; provided however that all expenses caused by any Co-owner or their tenants, contractors, invitees or guests shall be specially assessed to such Co-owner(s) unless such expenses are paid by proceeds of the Association's insurance policies.

2. **Limited Common Elements.** Each co-owner shall be responsible for the maintenance, repair and replacement of all Limited Common Elements appurtenant to their Unit except as specifically provided below:

(a) **Insurance Paid.** Repairs or replacements paid for by proceeds of the Association's insurance policies.

(b) **Rear Decks and Adjacent Closets.** The Association shall be responsible for the repair and replacement, but not the maintenance, of rear decks and the adjacent closets enclosing heating system components and other items.

(c) **Dryer Vents.** The Association shall be responsible for the periodic cleaning of all dryer vents.

(d) **Garage Doors and Their Mechanisms.** The Association shall be responsible for all garage doors both pedestrian and overhead lifting doors but excluding the motor, rails and lifting mechanism and all knobs, latches, locks and other related hardware.

3. **Units, Contents and Appliances.** The Co-owner of each Unit shall be responsible for the entire interior of the unit from the inward surface of the drywall face of each General Common Element wall. The decoration, maintenance, repair and replacement of all non-Common Elements shall be the duty of the Co-owner of each Unit. This shall include, but is not



limited to all appliances (except sump pumps), all contents, all plumbing fixtures, electrical fixtures, cabinets, counters, interior walls, all interior wall coverings (primer, paint, wallpaper, paneling, etc.) carpeting and all finished flooring (tile, linoleum, hardwood, etc.).

ARTICLE V

USE OF PROJECT- Unit 57

No Co-owner shall use his/her/their Unit or any Common Element in a manner that is inconsistent with the purposes of the Project or in any manner which will unreasonably interfere with or impair the rights of another Co-owner in the use and enjoyment of their Condominium Unit or the Common Elements. Unit 57 contains two access entries; upon sale of this Unit, one of the two access entries shall be deleted by the Co-owner. The Co-owner of Unit 57 shall pay an extra Thirty Dollars (\$30.00) per month to the Association so long as the second access entry shall exist.

ARTICLE VI

UNIT DESCRIPTION AND PERCENTAGE OF VALUE

Section 1. Description of Units. Each Unit in the Condominium Project is described with reference to the Condominium Subdivision Plan of Lakeside Club Condominium as amended. Each Unit shall include all that space contained within horizontal planes and vertical planes as drawn on and specifically located on said Condominium Subdivision Plan, excluding any Common Elements therein. Complete Unit descriptions by means of the dimensions, areas and volumes pertinent to each Unit has been measured from the interior, finished, unpainted surfaces of Unit perimeter walls and ceilings and from the interior surface of the unfinished sub-floor. The architectural plans are shown in detail on 35mm microfilm aperture cards on file with the Michigan Department of Commerce.

Section 2. Percentages of Value. The percentage of value assigned to each Unit is equal as established by the Developer. The percentage of value assigned to each Unit shall be determinative of each Co-owner's undivided interests in the Common Elements of the Condominium Project, the proportionate share of each Co-owner in the proceeds and expenses of administration and the value of each Co-owner's vote at meetings of the Association. The total value of the Project is 100%.

ARTICLE VII

EASEMENTS

Section 1. Easements for Maintenance of Encroachments and Utilities. In the event any portion of a Unit or Common Element encroaches upon another Unit or Common Element



due to shifting, settling or moving of a building or due to survey errors or construction deviations, reciprocal easements shall exist for the maintenance of such encroachment for so long as such encroachment exists and for maintenance thereof, after rebuilding in the event of any destruction. There shall be easements to, through and over those portions of the land, structures, buildings, improvements and walls (including interior Unit walls) contained therein for the continuing maintenance and repair of all utilities in the Condominium. There shall exist easements of support with respect to any Unit interior wall which supports a Common Element.

Section 2. Access Easements. Access to certain garages assigned as Limited common Elements to individual Units is provided by means of an access easement across and through a garage assigned as a Limited Common Element to a different Unit. Where the Condominium Subdivision plan discloses a garage access easement across the Limited Common Element assigned to a Unit, such easement shall be an easement appurtenant to the Unit which is benefitted by the access easement, which shall be deemed to be the dominant estate and the Limited Common Element across which the easement extends shall be subject to this access easement and the Unit to which such Limited Common Element is assigned shall be deemed to be the servient estate.

Section 3. Utility Easements. Public utilities furnishing services to the project shall have access to the Common Elements and to the Units as may be reasonable for the reconstruction, repair or maintenance of such services and any costs incurred shall be an expense of administration to be assessed in accordance with the Condominium Bylaws.

Section 4. Grant of Easements by the Association. The Association acting through its lawfully constituted Board of Directors shall be empowered and obligated to grant such easements, licenses, rights of entry and rights of way over, under and across the Project for utility purposes, access purposes or other lawful purposes as may be necessary for the benefit of the Condominium.

Section 5. Telecommunications Agreements. The Association acting through its lawfully constituted Board of Directors shall have the power to grant such easements, licenses and other rights of entry, use and access and to enter into any contract or agreement, including wiring agreements, right of way agreements, access agreements and multi-unit agreements and, to the extent allowed by law, contracts for sharing of any installation of periodic subscriber fees as may be necessary, convenient or desirable to provide for telecommunications, videotext, broadband cable, satellite dish, earth antenna and similar services (collectively "telecommunications") to the project or any Unit therein. Notwithstanding the foregoing, in no event shall the Board of Directors enter into any contract or agreement or grant any easement, license or right of entry or do any other act or thing which will violate any provision of any federal, state or local law or ordinance. Any and all sums paid by any telecommunications or other company or entity in connection with such service, including fees, if any, for the privilege

of installing same or sharing periodic subscriber fees shall be receipts affecting the administration of the Condominium Project within the meaning of the Act and shall be paid over to and shall be the property of the Association.

Section 6. Emergency Vehicle Access Easement. There shall exist for the benefit of the Township of Bear creek, the County of Emmett or any emergency service agency, an easement over all roads in the Project and over the grass and path area connecting the cul-de-sacs to Units 1 and 33 for use by the Township, County and/or emergency vehicles. Said easement shall be for the purposes of ingress and egress to provide, without limitation, fire and police protection, ambulances and rescue services and other lawful governmental or private emergency services to the Condominium Project and the Co-owners thereof. This grant of easement shall in no way be construed as a dedication of any streets, roads or driveways to the public.

(Remainder of this page intentionally left blank)



UNOFFICIAL COPY

ARTICLE VIII
AMENDMENT

Amendments to this First Amendment to the Amended and Restated and Consolidating Master Deed may be made in accordance with the applicable provisions of the Act.

Lakeside Club Condominium Association, a
Michigan non-profit corporation

Executed: OCTOBER 4, 2011

By: [Signature]
Mervyn Sternberg, its President

STATE OF MICHIGAN)

)ss
OAKLAND
COUNTY OF EMMET)

The foregoing First Amendment to the Amended and Restated and Consolidating Master Deed of Lakeside Club Condominium was acknowledged before me, a notary public, on the 4th day of OCTOBER, 2011 by Mervyn Sternberg, known to me to be the President of Lakeside Club Condominium Association, Inc. a Michigan non-profit corporation, who acknowledged and certified that the foregoing First Amendment to the Amended and Restated and Consolidating Master Deed was duly approved by affirmative vote of the co-owners of the Association and that he has executed this as his own free act and deed on behalf of the Association.

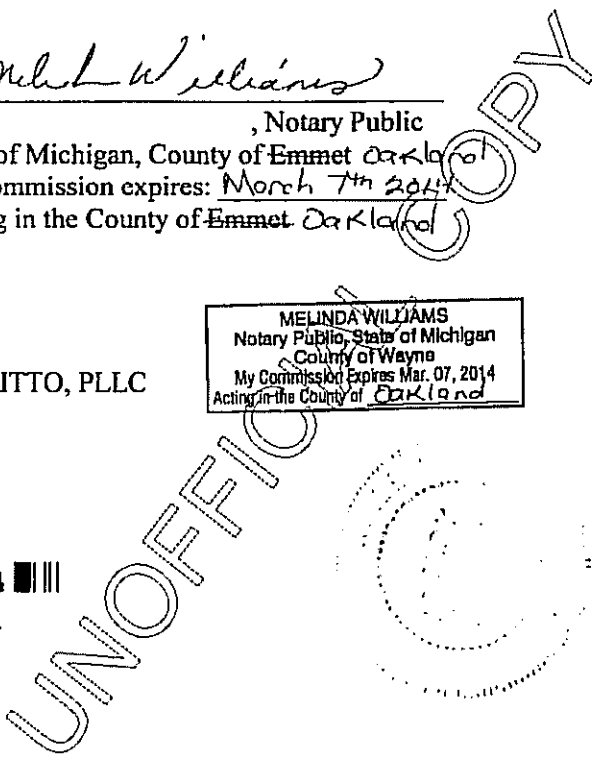
[Signature]

, Notary Public
State of Michigan, County of Emmet Oakland
My commission expires: March 7th 2014
Acting in the County of Emmet Oakland

DRAFTED BY AND WHEN RECORDED
RETURN TO:
D. DOUGLAS ALEXANDER (P29010)
ALEXANDER, ZELMANSKI, DANNER & FIORITTO, PLLC
44670 ANN ARBOR RD., STE. 170
PLYMOUTH, MI 48170

MELINDA WILLIAMS
Notary Public, State of Michigan
County of Wayne
My Commission Expires Mar. 07, 2014
Acting in the County of Oakland

DOC # 5091741 L: 1139 P: 161
10/31/2011 02:07:21 PM Page 11 of 48
Rec Fee: \$155.00 Doc Type: CMDAM
Emmet, Michigan, Michele E. Stine



LAKESIDE CLUB CONDOMINIUM

TABLE OF CONTENTS

FIRST AMENDMENT TO THE AMENDED AND RESTATED AND CONSOLIDATING MASTER DEED

RECITALS.....	1, 2
ARTICLE I, TITLE AND NATURE.....	2
ARTICLE II, LEGAL DESCRIPTION.....	2, 3
ARTICLE III, DEFINITIONS.....	3
A. "Act".....	3
B. "Association".....	3
C. "Common Elements".....	3
D. "Condominium Bylaws".....	3
E. "Condominium Documents".....	4
A. "Condominium Premises".....	4
B. "Condominium Project", "Condominium", "Project".....	4
C. "Condominium Subdivision Plan".....	4
D. "Co-owner".....	4
E. "All Co-owners", All of the Co-owners".....	4
F. "Developer".....	4
G. "Front Deck".....	4
H. "Master Deed".....	4
I. "Rear Deck".....	4
J. "Unit", "Condominium Unit".....	4
K. "Gender & Plural".....	4, 5



UNOFFICIAL COPY

ARTICLE IV, COMMON ELEMENTS..... 5

A. General Common Elements..... 5

- 1. Land..... 5
- 2. Hallways, Stairways, Foyers & Entry Decks.....5
- 3. Electrical Wiring Network.....5
- 4. Common Lighting.....5
- 5. Telephone Wiring Network..... 5
- 6. Gas Line Network.....5
- 7. Water Distribution System.....5
- 8. Construction.....5
- 9. Plumbing Network.....5
- 10. Fireplaces, Chimneys & Flues.....6
- 11. Other..... 6

B. Limited Common Elements..... 6

- 1. Garages..... 6
- 2. Rear Decks.....6
- 3. Windows and Doors..... 6
- 4. Fireplaces and Mantles.....6
- 5. Dryer Vents.....6
- 6. Air Conditioning Systems.....6
- 7. Heating Systems.....6

C. Maintenance, Repair and Replacement Duties.....6

- 1. General Common Elements.....7
- 2. Limited Common Elements.....7
 - (a) Insurance Paid.....7
 - (b) Rear Decks and Adjacent Closets.....7
 - (c) Dryer Vents.....7
 - (d) Garage Doors and Their Mechanisms.....7
- 3. Units, Contents and Appliances.....7

ARTICLE V, USE OF PROJECT-Unit 57..... 78

ARTICLE VI, UNIT DESCRIPTION AND PERCENTAGES OF VALUE..... 8

- Section 1. Description of Units..... 8
- Section 2. Percentages of Value.....8

DOC # 5091741 L: 1139 P: 161
 10/31/2011 02:07:21 PM Page 13 of 48
 Rec Fee: \$155.00 Doc Type: CNOAM
 Emmet, Michigan, Michele E. Stine



UNOFFICIAL COPY

ARTICLE VII, EASEMENTS..... 8

 Section 1. Easements for Maintenance of Encroachments, Utilities..... 8

 Section 2. Access Easements..... 8, 9

 Section 3. Utility Easements..... 9

 Section 4. Grant of Easements by Association..... 9

 Section 5. Telecommunications Agreements..... 9

 Section 6. Emergency Vehicle Access Easement..... 9

ARTICLE VIII, AMENDMENT..... 10

DOC # 5091741 L: 1139 P: 16A
10/31/2011 02:07:21 PM Page 14 of 48
Rec Fee: \$165.00 Doc Type: CMDAM
Emmet, Michigan, Michele E. Stine



UNOFFICIAL COPY

TABLE OF CONTENTS

LAKESIDE CLUB CONDOMINIUM

AMENDED AND RESTATED CONDOMINIUM BYLAWS

EXHIBIT "A" TO THE

AMENDED AND RESTATED AND CONSOLIDATING MASTER DEED

PAGE(S)

ARTICLE I, ASSOCIATION OF CO-OWNERS..... 1

Section 1. Association.....1

Section 2. Membership; No Refunds of Reserves..... 1

ARTICLE II, ASSESSMENTS..... 2

Section 1. Assessments for Common Elements.....2

Section 2. Determination of Assessments.....2

(a) Budget, Additional Assessments.....2, 3

(b) Special Assessments.....3

Section 3. Apportionment of Assessments; Default in Payment.....3, 4

Section 4. Waiver of Use or Abandonment of Unit; Uncompleted Repair Work..... 4

Section 5. Enforcement.....4, 5

Section 6. Liability of Mortgagee.....5

Section 7. Property Taxes and Special Assessments.....5

Section 8. Personal Property Tax Assessment of Association Property.....6

Section 9. Construction Lien.....6

Section 10. Statement as To Unpaid Assessments.....6

ARTICLE III, ARBITRATION..... 6

Section 1. Scope and Election.....6

Section 2. Judicial Relief.....7

Section 3. Election of Remedies.....7

ARTICLE IV, INSURANCE..... 7

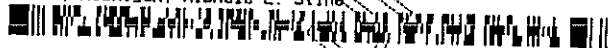
Section 1. Basic Insurance Responsibility of the Association.....7

Section 2. Insurance Responsibilities of the Co-owners.....7

Section 3. Specific Insurance Responsibilities of the Association.....7

(a) Property Coverage.....7, 8

(b) General Liability Insurance.....8



UNOFFICIAL COPY

Table of Contents continued

PAGE(S)

(c) Directors and Officers Liability Insurance..... 8
 Section 4. Premium Expense..... 8
 Section 5. Proceeds of Insurance Policies..... 8
 Section 6. Authority of Association to Settle Insurance Claims..... 8

ARTICLE V, RECONSTRUCTION OR REPAIR..... 9

Section 1. Responsibility for Reconstruction or Repair..... 9
 (a) One or More Units Tenable..... 9
 (b) No Unit Tenable..... 9
 Section 2. Repair in Accordance With Master Deed, Etc..... 9
 Section 3. Co-owner and Association Responsibilities..... 9
 Section 4. Co-owner Responsibility for Repair..... 9, 10
 Section 5. Association Responsibility for Repair..... 10
 Section 6. Timely Reconstruction and Repair..... 11
 Section 7. Eminent Domain..... 11
 (a) Taking of Entire Unit..... 11
 (b) Taking of Common Elements..... 11
 (c) Continuation of Condominium After Taking..... 11
 (d) Notification of Mortgagees..... 11
 Section 8. Mortgages Held By FHLMC; Other Institutional Holders..... 11
 Section 9. Priority of Mortgagee Interests..... 11

ARTICLE VI, RESTRICTIONS..... 12

Section 1. Residential Use 12
 Section 2. Leasing and Rental..... 12
 (a) Violation of Condominium Documents by Tenants or Non-Co-owner Occupants..... 12
 (b) Arrearage in Condominium Assessments..... 12, 13
 Section 3. Alterations and Modifications of Units and Common Elements..... 13
 Section 4. Activities..... 13, 14
 Section 5. Pets/Animals..... 14
 Section 6. Aesthetics – Window Coverings..... 14
 Section 7. Utilization of Common Elements; User Limitations..... 15
 Section 8. Vehicles..... 15
 Section 9. Signs, Advertising..... 15, 16
 Section 10. Rules/Regulations..... 16
 Section 11. Right of Access of Association..... 16
 Section 12. Landscaping..... 16
 Section 13. Co-owner Maintenance..... 16, 17
 Section 14. Co-Owner Causing Damage..... 17
 Section 15. Assessment of Costs of Enforcement..... 18



UNOFFICIAL COPY

Table of Contents continued

PAGE(S)

ARTICLE VII, MORTGAGES..... 18

 Section 1. Co-owner Duty to Give Notice..... 18

 Section 2. Association Duties to Give Notices..... 18

ARTICLE VIII, VOTING..... 18

 Section 1. Vote..... 18

 Section 2. Eligibility to Vote..... 18, 19

 Section 3. Designation of Voting Representative..... 19

 Section 4. Quorum..... 19

 Section 5. Voting..... 19

 Section 6. Majority..... 19

ARTICLE IX, MEETINGS..... 19

 Section 1. Location; Procedure..... 19

 Section 2. Annual Meeting; Agenda..... 19, 20

 Section 3. Special Meetings..... 20

 Section 4. Membership Meeting Notices..... 20

 Section 5. Quorum..... 20

 Section 6. Adjournment for want of Quorum..... 20

 Section 7. Appointment of Election Tellers..... 20

 Section 8. Minutes; Presumption of Notice..... 21

ARTICLE X, BOARD OF DIRECTORS..... 21

 Section 1. Eligibility; Compensation Prohibited..... 21

 Section 2. Size, Terms of Office..... 21

 Section 3. Powers, Duties..... 21, 22

 Section 4. Vacancies..... 22

 Section 5. Recall..... 22

 Section 6. First Meetings of Boards..... 22

 Section 7. Regular Board Meetings..... 23

 Section 8. Special Board Meetings..... 23

 Section 9. Waiver of Notice..... 23

 Section 10. Quorum..... 23

 Section 11. Fidelity Bonds/Employee Dishonesty Insurance..... 23

 Section 12. Executive Sessions..... 23

 Section 13. Conflicts of Interest..... 23



UNOFFICIAL COPY

Table of Contents continued

PAGE(S)

ARTICLE XI, OFFICERS..... 24

 Section 1. Officers; Compensation Prohibited..... 24

 Section 2. Election..... 24

 Section 3. Removal..... 24

 Section 4. President..... 24

 Section 5. Vice President..... 24

 Section 6. Secretary..... 24

 Section 7. Treasurer..... 24

 Section 8. Miscellaneous..... 25

ARTICLE XII, FINANCE..... 25

 Section 1. Records..... 25

 Section 2. Fiscal Year..... 25

 Section 3. Depositories..... 25

ARTICLE XIII, INDEMNIFICATION OF OFFICERS AND DIRECTORS..... 25

 Section 1. Indemnification of Directors and Officers..... 25, 26

 Section 2. Directors' and Officers' Liability Insurance..... 26

ARTICLE XIV, AMENDMENTS..... 26

 Section 1. Proposal..... 26

 Section 2. Meeting..... 26

 Section 3. Voting..... 26

 Section 4. When Effective..... 26

 Section 5. Binding..... 26

ARTICLE XV, COMPLIANCE..... 27

ARTICLE XVI, DEFINITIONS..... 27

ARTICLE XVII, REMEDIES FOR DEFAULT..... 27

 Section 1. Relief Available..... 27

 (a) Legal Action..... 27

 (b) Recovery of Costs..... 27

 (c) Removal and Abatement..... 27, 28



UNOFFICIAL COPY

Table of Contents continued	<u>PAGE(S)</u>
(d) Assessment of Fines.....	28
(i) Procedures.....	28
(ii) Fine Schedule.....	28
Section 2. Non-waiver of Right.....	28
Section 3. Cumulative Rights, Remedies, and Privileges.....	28
ARTICLE XVIII, SEVERABILITY.....	28
ARTICLE XIX, CONFLICTS.....	29

DOC # 5091741 L: 1139 P: 161
10/31/2011 02:07:21 PM Page 19 of 48
Rec Fee: \$155.00 Doc Type: CMDAM
Emmet, Michigan, Michele E. Sline



UNOFFICIAL COPY

LAKESIDE CLUB

AMENDED AND RESTATED CONDOMINIUM BYLAWS

EXHIBIT "A" TO THE AMENDED AND RESTATED CONSOLIDATING MASTER DEED

ARTICLE I

ASSOCIATION OF CO-OWNERS


Section 1. Association. Lakeside Club Condominium, a planned residential condominium community located in the Township of Bear Creek, County of Emmet, State of Michigan, hereinafter the "Condominium", shall be administered by an Association of Co-owners which shall be a nonprofit corporation, hereinafter called the "Association", organized under the applicable laws of the State of Michigan, and responsible for the management, maintenance, operation and administration of the Common Elements, easements and affairs of the Condominium in accordance with the Master Deed, these Bylaws, the Articles of Incorporation, the duly adopted rules and regulations of the Association, and the laws of the State of Michigan.

These Bylaws shall constitute the Bylaws referred to in the Master Deed and required by Section 3 (8) of Act No. 59 of the Michigan Public Acts of 1978, as amended (hereinafter the "Act") and the Michigan Nonprofit Corporation Act.

Section 2. Membership; No Refunds of Reserves. Each Co-owner shall be a member of the Association and no other person or entity shall 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 the Co-owner's Unit in the Condominium.

A Co-owner selling a Unit shall not be entitled to any refund whatsoever from the Association with respect to any reserve or other asset of the Association. The Association shall keep current copies of the Amended and Restated and Consolidating Master Deed, all amendments to the Amended and Restated and Consolidating Master Deed and other Condominium Documents for the Condominium available at reasonable hours to Co-owners, prospective purchasers and prospective mortgagees of Units in the Condominium. All Co-owners in the Condominium and all persons using or entering upon or acquiring any interest in any Unit therein or the Common Elements thereof shall be subject to the provisions and terms set forth in the aforesaid Condominium Documents.

DOC # 5091741 L: 1139 P: 161
10/31/2011 02:07:21 PM Page 20 of 48
Rec Fee: \$155.00 Doc Type: CMDAN
Emmet, Michigan, Michela E. Skine



ARTICLE II

ASSESSMENTS

All expenses arising from the management, administration, insurance, maintenance, repair and operation of the Association pursuant to the Condominium Documents and the Act shall be levied by the Association against the Units and the Co-owners thereof in accordance with the following provisions except as otherwise expressly provided:

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

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

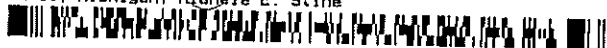
(a) **Budget; Additional Assessments.** The Board of Directors of the Association shall establish an annual budget in advance for each fiscal year and such budget shall project all expenses for the forthcoming year which may be required for the proper operation, management and maintenance of the Condominium, including a reasonable allowance for contingencies and reserves. Failure or delay of the Board of Directors to prepare or adopt a budget for any fiscal year shall not constitute a waiver or release in any manner of a Unit Co-owner's obligation to pay the allocable share of the common expenses as herein provided whenever the same shall be determined and, in the absence of any annual budget or adjusted budget each Unit Co-owner shall continue to pay each monthly installment at the monthly rate established for the previous fiscal year until notified of the monthly payment which is due not more than ten (10) days after such new annual or adjusted budget is adopted.

An adequate reserve fund for maintenance, repairs and replacement of those Common Elements that must be replaced on a periodic basis shall be established in the budget and must be funded by regular monthly payments as set forth in Section 3 below rather than by additional or lump sum assessments. At a minimum, the reserve fund shall be equal to ten (10%) percent of the Association's current annual budget on a non-cumulative basis. Since the minimum standard required by this Section may prove to be inadequate for this particular Condominium, the Association of Co-owners should carefully analyze the Condominium to determine if a greater amount should be set aside, or if additional reserve funds should be established for other purposes from time to time. The funds contained in such reserve fund shall be used for major repairs and replacements of Common Elements.

Upon adoption of an annual budget by the Board of Directors, copies of said budget shall be delivered to each Co-owner and the assessment for said year shall be established based upon said budget, although the 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.

If the Board of Directors at any time determines, in its sole discretion that the assessments levied are or may prove to be insufficient:

(1) to pay the costs of operation, management, insurance, maintenance, repair and replacement of the Condominium;



(2) to provide replacements of existing Common Elements;

(3) to provide additions to the Common Elements not exceeding Twenty-Five Thousand Dollars (\$25,000.00), in the aggregate, annually, or

(4) in the event of emergencies,

the Board of Directors shall have the authority to increase the general assessment or to levy such additional or special assessment or assessments without Co-owner approval as it shall deem to be necessary.

The Board of Directors shall also have the authority, without Co-owner consent, to levy assessments pursuant to the provisions of Article V, Section 5 hereof. The authority to levy assessments pursuant to this subsection is solely for the benefit of the Association and the members thereof and shall not be enforceable by any creditors of the Association or the members thereof except in the event that the Association may voluntarily and conditionally assign the right to levy assessments to any lender in connection with any voluntary loan transaction entered into by the Association.

(b) **Special Assessments.** Special assessments, other than additional assessments referenced in subsection (a) of this Section 3, 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 (and not repair or replacement of) the Common Elements of an aggregate cost exceeding Twenty-Five Thousand Dollars (\$25,000.00), per year;

(2) assessments to purchase a Unit upon foreclosure of the lien for assessments described in Section 5 hereof;

(3) assessments for any other appropriate purpose not elsewhere herein described.

Special assessments referred to in this subsection (but not including those assessments referred to in subsection 2(a) above which may be levied in the sole discretion of the Board of Directors) shall not be levied without the prior approval of more than sixty (60%) percent 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 shall not be enforceable by any creditors of the Association or the members thereof except in the event that the Association may voluntarily and conditionally assign the right to levy assessments to any lender in connection with any voluntary loan transaction entered into by the Association.

Section 3. Apportionment of Assessments; Default in Payment. Unless otherwise provided herein, all assessments levied against the Co-owners to cover expenses of administration shall be apportioned among and paid by the Co-owners equally, without increase or decrease for the existence of any rights to the use of Limited Common Elements appurtenant to a Unit.

Annual assessments as determined in accordance with Article II, Section 2 (a) above (but not additional or special assessments which shall be payable as the Board of Directors elects) shall be payable by the Co-owners in twelve (12) equal monthly installments, commencing with acceptance of a Deed to, or a land contract purchaser's interest in, a Unit, or with the acquisition of fee simple title to a Unit by any other means. Monthly installments of the annual assessment are due on the first day of each month. The



payment of an assessment shall be in default if such assessment, or any part thereof, is not paid to the Association in full on or before the due date for such payment. An administrative charge shall be assessed for any assessment in default paid more than ten (10) days after its due date. The administrative charge shall be in the amount of Fifty Dollars (\$50.00) or such other amount as may be determined by the Board of Directors from time to time. In the event the board establishes a new administrative charge amount, it shall give written notice to all members thirty (30) days before the new administrative charge rate shall become applicable. Such administrative charge shall not be deemed to be a penalty or interest upon the funds due to the Association but is intended to constitute a reasonable estimate of the administrative costs and other damages incurred by the Association in connection with the late payment of assessments. Assessments in default shall bear interest at the rate of seven (7%) percent per annum or such higher rate as may be allowed by law until paid in full. All payments shall be applied first against administrative charges, attorney fees, interest and costs and thereafter against assessments in order of oldest delinquency.

Each Co-owner (whether one or more persons) shall be and remain personally liable for the payment of all assessments (including administrative charges and costs of collection and enforcement of payment) pertinent to the Co-owner's Unit which may be levied while such Co-owner is the owner thereof. In addition to a Co-owner who is also a land contract seller, the land contract purchaser shall be personally liable for the payment of all assessments (including administrative charges and costs of collection and enforcement of payment) pertinent to the subject Condominium Unit which are levied up to and including the date upon which the land contract seller actually takes possession of the Unit following extinguishment of all rights of the land contract purchaser in the Unit.

Section 4. Waiver of Use or Abandonment of Unit; Uncompleted Repair Work. No Co-owner may exempt himself or herself from liability for contribution toward the expenses of administration by waiver of the use or enjoyment of any of the Common Elements, or by the abandonment of the Co-owner's Unit, or because of uncompleted repair work, or the failure of the Association to provide service.

Section 5. Enforcement. The Association may enforce collection of delinquent assessments by a suit at law for a money judgment or by foreclosure of the statutory lien that secures payment of assessments, or both in accordance with the Act. Pursuant to Section 139 of the Act, no Co-owner may assert in an answer or set-off to a complaint brought by the Association for nonpayment of assessments the fact that the Association or its agents have not provided services or management to the Co-owner.

Each Co-owner, and every other person who from time to time has any interest in the Condominium, shall be deemed to have granted to the Association the unqualified right to elect to foreclose 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 the same may be amended from time to time, are incorporated herein by reference for the purpose of establishing the alternative procedures to be followed in lien foreclosure actions and the rights and obligations of the parties to such actions. Further, each Co-owner and every other person who from time to time has any interest in the Condominium, shall be deemed to have authorized and empowered the Association to sell or to cause the Unit to be sold 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 Condominium acknowledges that at the time of acquiring title to such Unit, the Co-owner was notified of the provisions of this Section and that the Co-owner voluntarily, intelligently and knowingly waived notice of any proceedings brought by the Association to foreclose by advertisement the lien for nonpayment of assessments and a hearing on the same prior to the sale of the subject Unit. The Association, acting on behalf of all Co-owners, may bid in at the foreclosure sale, and acquire, hold, lease, mortgage or convey the Condominium Unit.

Notwithstanding the foregoing, a judicial foreclosure action shall not be commenced, nor shall any notice of foreclosure by advertisement be published, until the expiration of ten (10)

DOC # 5091741 L: 1139 P: 161
10/31/2011 02:07:21 PM Page 23 of 48
Rec Fee: \$155.00 Doc Type: CMRR
Emmet, Michigan, Michele E. Stine



days after mailing, by first class mail, postage prepaid, addressed to the delinquent Co-owner(s) at his/her or their last known address of a written notice that one or more installments of the annual assessment and/or a portion or all of an additional and/or a special assessment 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 shall be accompanied by or in the form of a written Affidavit of an authorized representative of the Association that sets forth (i) the Affiant's capacity to make the Affidavit, (ii) the statutory and other authority for the lien, (iii) the amount outstanding (exclusive of interest, costs, attorney 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. The Affidavit may contain other information that the Association of Co-owners considers appropriate as per the Michigan Condominium Act including but not limited to the amount of any unpaid interest, costs, attorney fees, future assessments, court costs and/or unpaid monetary fines. Such Affidavit shall be recorded in the office of the Emmet County Register of Deeds prior to commencement of any foreclosure proceeding, but it need not have been recorded as of the date of mailing to the Co-owner. 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 Co-owner and shall inform the Co-owner that he/she may request a judicial hearing by bringing suit against the Association.

The expenses incurred in collecting unpaid assessments, including interest, costs, actual attorney's fees (not limited to statutory fees), administrative charges, unpaid monetary fines and advances for taxes or other liens paid by the Association to protect its lien, shall be chargeable to the Co-owner in default including administrative charges and unpaid monetary fines, if any, and shall be secured by the lien on the Co-owner's Unit. In the event of default by any Co-owner in the payment of any installment of the annual assessment levied against the Co-owner's Unit, and/or in the event of default by any Co-owner in the payment of any installment and/or portion of any additional or special assessment levied against the Co-owner's Unit, or any other obligation of a Co-owner which, according to these Bylaws, may be assessed to and collected from the responsible Co-owner in the manner provided in Article II hereof, the Association shall have the right to declare all unpaid installments of the annual assessment for the applicable fiscal year (and for any future fiscal year in which said delinquency continues) and/or all unpaid portions or installments of the additional or special assessment, if applicable, immediately due and payable. The Association also may discontinue the furnishing of any utility or other services to a Co-owner in default upon seven (7) days written notice to such Co-owner of its intention to do so. A Co-owner in default shall not be entitled to utilize any of the General Common Elements of the Condominium, shall not be entitled to vote at any meeting of the Association, and shall not be entitled to run for election as a director or be appointed an officer of the Association so long as such default continues; provided, however, this provision shall not operate to deprive any Co-owner of ingress or egress to and from the Co-owner's 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 person claiming under such Co-owner as provided by the Act.

Section 6. Liability of Mortgagee. Notwithstanding any other provisions of the Condominium Documents, the holder of any first mortgage covering any Unit in the Condominium which acquires title to the Unit pursuant to the remedies provided in the mortgage and any purchaser at a foreclosure sale in regard to said first mortgage, shall take the property free of any claims for unpaid assessments or charges against the mortgaged Unit which accrue prior to the acquisition of title by such holder, purchaser or assignee (except for claims for a pro rata share of such assessments or charges resulting from a pro rata reallocation of such assessments or charges to all Units including the mortgaged Unit). If title is acquired via deed in lieu of foreclosure, the grantee under such deed shall be fully liable to the Association for all amounts owed on the unit.

Section 7. Property Taxes and Special Assessments. All property taxes and special assessments levied by any public taxing authority shall be assessed in accordance with Section 131 of the Act.



Section 8. Personal Property Tax Assessment of Association Property. The Association shall be assessed as the person or entity in possession of any tangible personal property of the Condominium owned or possessed in common by the Co-owners, and personal property taxes based thereon shall be treated as expenses of administration.

Section 9. Construction Lien. A construction lien (mechanic's lien) otherwise arising under Act No. 497 of the Michigan Public Acts of 1980, as amended, shall be subject to the limitations set forth in Section 132 of the Act, including the following:

(a) A construction lien (mechanic's lien) for work performed upon a Condominium Unit or upon a Limited Common Element may attach only to the Condominium Unit upon which the work was performed.

(b) A construction lien (mechanic's lien) for work authorized by the Association of Co-owners may attach to each Condominium Unit only to the proportionate extent that the Co-owner of the Condominium Unit is required to contribute to the expenses of administration as provided by the Condominium Documents.

(c) A construction lien (mechanic's lien) may not arise or attach to a Condominium Unit for work performed on the Common Elements not contracted by the Association of Co-owners.

Section 10. Statement as to 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 Association assessments, interest, administrative charges, fines, costs and attorney fees thereon and related collection costs. Upon written request to the Association, accompanied by a copy of the executed purchase agreement pursuant to which the purchaser holds the right to acquire the Unit, the Association shall provide a written statement of such unpaid assessments and related collection costs 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 as to such Unit shall be deemed satisfied; provided, however, that the failure of a purchaser to request such statement at least five (5) days prior to the closing of the purchase of such Unit shall render any unpaid assessments together with interest, costs, and attorneys' fees incurred in the collection thereof, and the lien securing same fully enforceable against such purchaser and the Unit itself, to the extent provided by the Act. Under the Act, unpaid assessments constitute a lien upon the Unit and the proceeds of sale thereof prior to all claims except tax liens on the Condominium Unit in favor of any state or federal taxing authority and first mortgages of record. The Association may charge such reasonable amounts for preparation of such a statement as it may from time to time determine.

ARTICLE III

ARBITRATION

Section 1. Scope and Election. Disputes, claims or grievances arising out of or relating to the interpretation or the application of the Condominium Documents, or any disputes, claims or grievances arising among or between Co-owners, or between a Co-owner or Co-owners and the Association shall, upon the election and written consent of both of the parties to any such disputes, claims or grievances, and written notice to the Association, if applicable, be submitted to arbitration and the parties thereto shall accept the arbitrators' decision as final and binding; provided that no question affecting the claim of title of any person to any fee or life estate in real estate is involved. The Commercial Arbitration Rules of the American Arbitration Association as amended and in effect from time to time hereafter shall be applicable to any such arbitration. Any agreement



to arbitrate pursuant to the provisions of this Article III, Section 1 shall include an agreement between the parties that the judgment of any Circuit Court of the State of Michigan may be rendered upon any award rendered pursuant to such arbitration.

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

Section 3. Election of Remedies. Election by the parties to submit such disputes, claims or grievances to arbitration shall preclude them from litigating such disputes, claims or grievances in the Courts.

ARTICLE IV

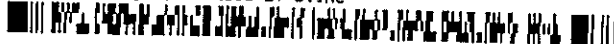
INSURANCE

Section 1. Basic Insurance Responsibility of the Association. The Association shall carry property insurance, general liability insurance, directors and officers liability insurance, workers compensation and employers liability insurance, employee dishonesty if applicable, and such other insurance as the Board may determine to be appropriate with respect to the ownership, use and maintenance of the General and Limited Common Elements of the Condominium and the administration of Condominium affairs. Such insurance shall be carried and administered in accordance with the following provisions:

Section 2. Insurance Responsibilities of the Co-owners. It shall be each Co-owner's responsibility to determine by personal investigation the nature and extent of insurance coverage needed to protect his/her Unit, his/her personal property located within his/her Unit or elsewhere in the Condominium and for his/her personal liability for occurrences within his/her Unit or upon the Limited Common Elements appurtenant to his/her Unit and also for additional living expenses. Each Co-owner may obtain insurance coverage at his/her own expense upon the building items within his/her Condominium Unit which were furnished with the Unit by the Developer however it will be considered to be excess insurance since the Association's property insurance will be primary coverage as described below. Each Co-owner shall be solely responsible to insure all betterments, improvements, and additions to their Unit and its appurtenant Limited Common Elements. Each Co-owner and the Association hereby waive their own and their insurers' rights of subrogation and recovery as to any claims against any Co-owner and the Association.

Section 3. Specific Insurance Responsibilities of the Association. The Association shall purchase 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 the Co-owners.

(a) Property Coverage. All Common Elements of the Condominium shall be insured under a Special Form property damage insurance policy or policies covering immediate and direct loss or damage to covered property unless the loss is excluded under Section III B EXCEUSIONS of the policy; vandalism, malicious mischief and any other cause of loss deemed advisable by the Board of Directors of the Association, in an amount equal to the maximum insurable replacement value, including code reconstruction, if applicable, as determined annually by the Board of Directors of the Association in consultation with the Association's insurance carrier and/or its representatives in light of commonly employed methods for the reasonable determination of replacement costs. Such coverage shall include interior walls within any Unit and the pipes, wires, conduits and ducts contained therein and shall further include all building items including fixtures, equipment and trim within a Unit which were furnished with the Unit by the Developer. The property insurance coverage shall be written on a Blanket Amount basis including an Agreed Value clause for the entire



Condominium with appropriate provisions in order that no coinsurance provisions shall be invoked by the insurance carrier in a manner that will cause loss payments to be reduced below the actual amount of any loss (except in the unlikely event of total project destruction and the insurance proceeds failed, for some reason, to be equal to the total cost of replacement). All information in the Association's records regarding insurance coverage shall be made available to all Co-owners upon request and reasonable notice during normal business hours so that the Co-owners shall be enabled to judge the adequacy of such coverage. Upon re-evaluation and effectuation of coverage, the Association shall notify all the Co-owners of the nature and extent of all changes in coverages.

(b) **General Liability Insurance.** General liability insurance shall be carried in such limits as the Board of Directors may from time to time determine to be appropriate. The general liability insurance shall cover: (1) the Association; (2) each Co-owner of the Condominium but only with respect to his/her liability arising out of the ownership, maintenance or repair of that portion of the premises which is their duty as such; and (3) any person or organization while acting as a managing agent for the Association. The liability insurance carried by the Association shall, where appropriate, contain cross-liability endorsements to cover liability of the Co-owners as a group to another Co-owner.

(c) **Directors and Officers Liability Insurance.** Directors and officers liability insurance shall be carried in such limits as the Board of Directors may from time to time determine to be appropriate. The liability insurance shall cover any persons who now are, or shall become duly elected or appointed directors or officers of the Association. The policy may also have to be endorsed to include "prior acts" coverage for persons who had been duly elected or appointed directors or officers of the Association if it is determined that previous expiring policies do not cover claims for wrongful acts reported after the expiration or termination date of those expiring policies.

Section 4. Premium Expense. All premiums upon insurance purchased by the Association pursuant to these Bylaws shall be expenses of the Association.

Section 5. Proceeds of Insurance Policies. Proceeds of all insurance policies owned by the Association shall be received by the Association, held in a separate account, and distributed to the Association, the Co-owners and their mortgagees as their interests may appear; provided, however, whenever Article V of these Bylaws requires the repair or reconstruction of the Condominium, any insurance proceeds received by the Association as a result of any loss requiring repair or reconstruction shall be applied for such purpose. Property insurance proceeds shall never be used for any purpose other than for repair, replacement or reconstruction of the condominium project unless all of the holders of mortgages on Units, and all Co-owners, in the Condominium have given their prior written approval.

Section 6. Authority of Association to Settle Insurance Claims. Each Co-owner by ownership, of a Unit in the Condominium, shall be deemed to appoint the Association as the true and lawful attorney-in-fact to act in connection with all matters concerning insurance pertinent to the Condominium, the Unit and the Common Elements appurtenant thereto. Without limitation on the generality of the foregoing, the Association as said attorney shall have full power and authority to purchase and maintain such insurance, distribute the proceeds 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.

DDC # 5091741 L: 1139 P: 161
10/31/2011 02:07:21 PM Page 27 of 48
Rec Fee: \$155.00 Doc Type: CMDAM
Emmet, Michigan, Michele E. Stine



ARTICLE V

RECONSTRUCTION OR REPAIR

Section 1. Responsibility for Reconstruction or Repair. In the event any part of the Condominium property shall be damaged, the determination of whether or not it shall be reconstructed or repaired shall be made in the following manner:

(a) **One or More Units Tenantable.** If any part of the Condominium Premises is damaged or deteriorated, the damaged or deteriorated property shall be rebuilt or repaired unless not less than 67% of the co-owners and 51% of the holders of first mortgages determine that the Condominium shall be terminated.

(b) **No Unit Tenantable.** In the event the Condominium is so damaged that no Unit is tenantable, the damaged property shall not be rebuilt and the Condominium shall be terminated, unless seventy-five (75%) percent or more of all the Co-owners agree to reconstruction by vote or in writing within ninety (90) days after the destruction.

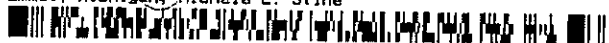
Section 2. Repair in Accordance with Amended and Restated and Consolidating Master Deed, Etc. Any such reconstruction or repair shall be substantially in accordance with the Amended and Restated and Consolidating Master Deed and the plans and specifications for the Condominium to a condition as comparable as possible to the condition existing prior to damage unless holders of at least 51% of the votes of units subject to mortgages held by such eligible holders are allocated is obtained plus 67% percent of the eligible Co-owners shall consent to do otherwise.

Section 3. Co-owner and Association Responsibilities. In the event the damage is only to a part of a Unit which is the responsibility of a Co-owner to maintain and repair, it shall be the responsibility of the Co-owner to repair such damage in accordance with Section 4 hereof. In all other cases, the responsibility for reconstruction and repair shall be that of the Association subject to the terms and conditions of the Amended and Restated and Consolidating Master Deed.

Section 4. Co-owner Responsibility for Repair. Each Co-owner shall be responsible for the reconstruction, repair, maintenance, replacement and decoration of the interior (the enclosed space from the interior drywall surface of any General Common Element wall constituting a single complete residential Unit except for any Common Elements therein except as otherwise noted) of the Co-owner's Unit including all finished flooring and floor coverings, all non-load bearing interior walls, wall coverings, and interior trim and, including, without limitation the following items:

(a) All appliances and their controls within the Unit and supporting hardware, including, but not limited to, furnace, humidifier, air cleaner, air conditioner, compressor, garbage disposal, dishwasher, range, oven, vent fan, dryers, furnaces and heating system components, air conditioning systems (including condensate drain lines), all duct work, vent covers, filters, water softeners, water filters and water heaters, if any.

(b) All doors (except all garage doors), windows, skylights, door walls, sliding doors and all of their hardware such as deadbolts, locking mechanism, handles and knobs on both sides of door, all window and door screens, garage door lifting mechanism, remote control apparatus, rails and all other components other than the exterior lifting door.



(c) All electrical fixtures, wiring, appliances and other electrical devices within the individual Unit from the meter in, including, but not limited to, doorbell systems (all components inside and outside of Unit), interior lighting fixtures, switches, outlets, antenna outlets and circuit breakers.

(d) All plumbing fixtures, pipes (including condensation upon them), appliances, from the point where they enter from the wall surfaces including, but not limited to commodes, tubs, shower pans, shower stalls, shower enclosures, tub and shower caulking, faucets, Unit shut-off valves, rings, seals and washers.

(e) All cabinets, counters, sinks, tile (either floor or wall mounted) and finished wood flooring, , and related hardware.

(f) All improvements and decorations including, but not limited to, paint, wallpaper, paneling, carpeting, linoleum and trim.

(g) Individual Unit drain lines (sanitary or otherwise) located within the Unit's perimeter walls (foundation); however, in the event a drain line services more than one Unit, then in that event, the Association will be responsible for its reconstruction, repair, maintenance and replacement.

(h) All Limited Common Elements unless otherwise specified and all other items not specifically enumerated above which may be located within the individual Unit's perimeter walls.

In the event that damage to interior walls within a Co-owner's Unit, or to pipes, wire, conduits, ducts or other Common Elements therein, or to any fixtures, equipment and trim which are standard items within a Unit is covered by insurance held by the Association, then the reconstruction or repair shall be the responsibility of the Association in accordance with Section 5 of this Article V provided however that the portion of the expense incurred but not recovered by virtue of any insurance deductible shall be the Co-owner's obligation. If any other interior portion of a Unit is covered by insurance held by the Association for the benefit of the Co-owner, the Co-owner shall be entitled to receive the proceeds of insurance relative thereto and if there is a mortgage endorsement, the proceeds shall be payable to the Co-owner and the mortgagee jointly. In the event damage to a Co-owner's Unit is covered by insurance held by the Association for the benefit of the Co-owner, the Co-owner shall begin reconstruction or repair of the damage upon receipt of the insurance proceeds from the Association. In the event of substantial damage to or destruction of any Unit or any part of the Common Elements, the Association promptly shall so notify each institutional holder of a first mortgage lien on any of the Units in the Condominium upon receipt of a written request.

Section 5. Association Responsibility for Repair. The Association shall be responsible for reconstruction, repair and maintenance of the General Common Elements (including exterior doors to common foyers) and any specifically mentioned Limited Common Elements as provided in the Amended and Restated and Consolidating Master Deed. Immediately after a casualty causing damage to property for which the Association has the responsibility of maintenance, repair or reconstruction, the Association shall obtain reliable and detailed estimates of the cost to place the damaged property in a condition as good as that existing before the damage. If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction or repair required to be performed by the Association, or if at any time during such reconstruction or repair, or upon completion of such reconstruction or repair, the funds for the payment of the costs thereof are insufficient, assessments shall be made against the Co-owners who are responsible for the costs of reconstruction or repair of the damaged property (as provided in the Amended and Restated and Consolidating Master Deed) in sufficient amounts to provide funds to pay the estimated or actual costs of repair. This Article shall not be construed to require replacement of mature trees or vegetation with equivalent trees or vegetation.



Section 6. Timely Reconstruction and Repair. The Association or Co-owner responsible for the reconstruction, repair and/or maintenance shall proceed with and complete reconstruction, repair, maintenance or replacement of the damaged property without delay.

Section 7. Eminent Domain. Section 133 of the Act and the following provisions shall control upon any taking by eminent domain.

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

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

(c) **Continuation of Condominium After Taking.** In the event the Condominium continues after taking by eminent domain, then the remaining portion of the Condominium shall be resurveyed and the Amended and Restated and Consolidating Master Deed amended accordingly, and, if any Unit shall have been taken, then 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 (100%) percent. A Condominium Unit partially taken shall receive a reallocated percentage of value based pro rata on the percentage taken. 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, but only with the prior approval of 51% of the votes of eligible holders of first mortgage liens on individual Units in the Condominium.

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

Section 8. Mortgages Held By FHLMC; Other Institutional Holders. 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 shall give it written notice at such address as it may, from time to time, direct of any loss to or taking of the Common Elements of the Condominium if the loss or taking exceeds \$10,000.00 in amount or if damage to a Condominium Unit covered by a mortgage purchased in whole or in part by FHLMC exceeds \$1,000.00. The Association shall provide such other reasonable notice as may be required, from time to time, by other institutional holders of mortgages upon Units.

Section 9. Priority of Mortgagee Interests. 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 and/or Common Elements.



ARTICLE VI
RESTRICTIONS

Section 1. Residential Use. No Unit shall be used for any commercial, manufacturing, industrial or business purposes that create any nuisances or liability exposures, such as, but not limited to, customer/client/patient visits, noise, traffic or parking congestion, odors, vibrations or anything else that might detract from the peaceful and residential character of Lakeside Club. Subject to the foregoing and all other applicable restrictions, home offices are not necessarily forbidden. Timesharing and interval ownership is prohibited.

Section 2. Leasing and Rental.

(a) A Co-owner may lease his/her unit for the same purposes set forth in Section 1 provided that the written approval (which approval shall not be unreasonably withheld) of such lease transaction is obtained from the board of Directors of the Association (except that such approval shall not be required in the case of a lease of a Unit subject to a mortgage loan guaranteed by the United States Veterans Administration). No rooms in any Unit may be rented.

(b) **Violation of Condominium Documents by Tenants or Non-Co-owner Occupants.** If the Association determines that the tenant or non-Co-owner occupant has failed to comply with the conditions of the Condominium Documents, the Association shall take the following action:

(1) The Association shall notify the Co-owner by certified mail advising of the alleged violation by the tenant or non-Co-owner occupant.

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

(3) If after fifteen (15) days the Association believes that the alleged breach is not cured or may be repeated, it may institute on its own behalf an action for eviction against the tenant or non-Co-owner occupant and simultaneously for money damages in the same action against the Co-owner and tenant or non-Co-owner occupant for breach of the conditions of the Condominium Documents. The relief set forth in this subsection may be by summary proceedings. The Association may hold both the tenant or non-Co-owner occupant and the Co-owner liable for any damages caused by the Co-owner or tenant or non-Co-owner occupant in connection with the Condominium Unit or the Condominium and for actual legal fees incurred by the Association in connection with legal proceedings hereunder.

(c) **Arrearage in Condominium Assessments.** When a Co-owner is in arrears to the Association for assessments, the Association may give written notice of the arrearage to a tenant occupying a Co-owner's Condominium Unit under a lease or rental agreement and the tenant, after receiving the notice, shall deduct from rental payments due the Co-owner the arrearage and future assessments as they fall due and pay them to the Association. The deductions shall not be a breach of the rental agreement or lease by the tenant. The form of lease used by any Co-owner shall explicitly contain the foregoing provisions. Pursuant to the Michigan Condominium Act, if the tenant, after being notified, fails or refuses to remit rent otherwise due the Co-owner to the Association of Co-owners, then the Association of Co-owners may do the following:



(1) issue a statutory notice to quit for nonpayment of rent to the tenant and shall have the right to enforce that notice by summary proceeding.

(2) initiate proceedings pursuant to MCL 559.212(4) (b).

Section 3. Alterations and Modifications of Units and Common Elements. No Co-owner shall make alterations in exterior appearance or make structural modifications to the Co-owner's Unit (including interior walls through or in which there exist easements for support or utilities) or make changes in any of the Common Elements, Limited or General, without the advance express written approval of the Board of Directors (which approval shall be in recordable form), including, but not by way of limitation, installation of window mounted or "through the wall" air conditioners, exterior painting or the erection of antennas, lights, aerials, awnings, doors, shutters, newspaper holders, mailboxes, basketball backboards or other exterior attachments or modifications, nor shall any Co-owner damage or make modifications or attachments to walls between Units which in any way impair sound conditioning. Over the air reception devices including but not limited to satellite dish antennas shall not be attached or installed upon any General Common Element roof; such devices shall not be attached or installed upon any other General Common Element without the advance written permission of the Board of Directors. Over the air reception devices such as satellite dish antennas may be installed within Units or Limited Common Elements in accordance with the rules and regulations of the Federal Communications Commission. No attachment, appliance or other item may be installed which is designed to kill or repel insects or other animals by light or humanly audible sound.

All requests for approval of any alteration or modification shall be submitted via six (6) copies each of which shall be accompanied by an accurate scaled drawing.

The foregoing is subject to the applicable provisions of the Michigan Condominium Act governing improvements or modifications if the purpose of the improvement or modification is to facilitate access to or movement within the Unit for persons with disabilities under the circumstances provided for in the Act at MCL 559.147 a, as amended from time to time.

The Co-owner shall be responsible for the maintenance and repair of any such modification or improvement. In the event that the Co-owner fails to maintain and/or repair said modification or improvement to the satisfaction of the Association, the Association may undertake to maintain and/or repair same and assess the Co-owner the costs thereof and collect same from the Co-owner in the same manner as provided for the collection of assessments in Article II hereof. The Co-owner shall indemnify and hold the Association harmless from and against any and all costs, damages, and liabilities incurred in regard to said modification and/or improvement.

No Co-owner shall in any way restrict access to any plumbing, water line, water line valves, water meter, sprinkler system valves or any element which affects an Association responsibility in any way. Should access to any facilities of any sort be required, the Association may remove any coverings or attachments any nature that restrict such access and will have no responsibility for repairing or reinstalling any materials, (whether or not installation thereof has been approved hereunder), that are damaged in the course of gaining such access, nor shall the Association be responsible for monetary damages of any sort arising out of actions taken to gain necessary access.

Section 4. Activities. No unsafe, unsanitary, unlawful or nuisance activity shall be carried on in any Unit or upon the Common Elements, Limited or General, nor shall anything be done which may be or become an annoyance or a nuisance to the Co-owners of the Condominium. No unreasonably noisy activity shall be carried on in or on the Common Elements or in any Unit at any time. No Co-owner shall do or permit anything to be done or keep or permit to be kept in the Co-owner's Unit or on the Common Elements anything that will



increase the rate of insurance on the Condominium without the written approval of the Association, and each Co-owner shall pay to the Association the increased cost of insurance premiums resulting from any such activity or the maintenance of any such condition even if approved. Activities which are deemed offensive and are expressly prohibited include, but are not limited to, the following: the use of fireworks, firearms, paint ball guns, air rifles, pellet guns, b-b guns, bows and arrows, or other similar dangerous weapons, projectiles or devices.

Section 5. Pets/Animals. No more than two animals (one dog and/or one cat or up to two cats or up to two dogs) of any kind shall be kept or be brought on to the Condominium Premises by any person unless specifically approved in writing by the Board of Directors. No animal may be kept or bred for any commercial purpose. All animals shall have such care and restraint so as not to be obnoxious or offensive on account of noise, odor or unsanitary conditions. No animal may be permitted to run loose at any time upon the Common Elements and all dogs shall at all times be leashed and attended by some responsible person while on the Common Elements, Limited or General. No animal shall be kept, tethered or allowed to remain on any front or rear porch but may travel across same for ingress and egress only.

No savage or dangerous animal shall be kept and any Co-owner who causes any animal to be brought or kept upon the premises of the Condominium shall indemnify and hold harmless the Association for any loss, damage or liability (including costs and attorney fees) which the Association may sustain as a result of the presence of such animal on the premises, whether or not the Board has given its permission therefor, and the Association may assess and collect from the responsible Co-owner such losses and/or damages in the manner provided in Article II hereof.

Each Co-owner shall be responsible for the immediate collection and disposition of all fecal matter deposited by any pet maintained by such Co-owner. No animal which can be heard on any frequent or continuing basis shall be kept in any Unit or on the Common Elements. The Association may charge all Co-owners maintaining animals a reasonable additional assessment to be collected in the manner provided in Article II of these Bylaws in the event that the Association determines such assessment necessary to defray the maintenance cost to the Association of accommodating animals within the Condominium. The Association shall have the right to require that any pets be registered with it and may adopt such additional reasonable rules and regulations with respect to animals as it may deem proper.

The Association may also assess fines for such violation of the restrictions imposed by this Section or by any applicable rules and regulations of the Association. Small animals which are constantly caged such as small birds or fish shall not be subject to the foregoing restrictions.

Section 6. Aesthetics; Window Coverings. 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. No unsightly condition shall be maintained on any porch, deck, balcony or patio. The Common Elements shall not be used in any way for the drying or airing of clothing or other fabrics. Outdoor holiday decorations shall be put up and taken down in a timely manner in accordance with the Rules and Regulations adopted by the Board from time to time. Trash receptacles shall be maintained at all times in areas designated therefore by the Board of Directors and shall not be permitted to remain elsewhere on the Common Elements except for such short periods of time as may be reasonably necessary to permit periodic collection of trash. All drapes, curtains, blinds and other window coverings shall be of such design that the portion which is seen from outside the Unit from any position or angle is white. This includes but is not limited to lining all drapery materials, placing backing on any window shades or blinds or any other design technique necessary to carry out the intent of this Section. In general, no activity shall be carried on nor condition maintained by any Co-owner either in the Co-owner's Unit or upon the Common Elements, which is detrimental to the appearance of the Condominium.



Section 7. Utilization of Common Elements; User Limitations. Sidewalks, yards, landscaped areas, driveways, roads, parking areas, and porches shall not be obstructed in any way nor shall they be used for purposes other than for which they are reasonably and obviously intended. Only furniture or equipment consistent with normal use of decks and balconies shall be permitted. No bicycles, vehicles, chairs, benches or other objects may be left unattended on or about the Common Elements. Use of any recreational facilities or other amenities in the Condominium may be limited to such times and in such manner as the Association shall determine by duly adopted regulations; provided, however, that use of any amenities in the Condominium shall be limited to resident Co-owners who are members in good standing with the Association and to the tenants, land contract purchasers and/or other non-Co-owner occupants of Condominium Units in which the Co-owner does not reside and/or such guests as may be permitted by the rules and regulations made by the Board of Directors; provided, further, however, that the nonresident Co-owners of such Condominium Units must be members in good standing of the Association. No Co-owner shall be permitted to have more than six (6) guests of their Unit using any amenity of the Condominium simultaneously without the prior written permission of the Board of Directors. All guests must be accompanied by a Co-owner at all times when utilizing any amenities.

Section 8. Vehicles. No motorcycles, house trailers, recreational vehicles, or vehicles, such as club wagons, commercial vehicles, boat trailers, boats, camping vehicles, camping trailers, mobile homes, dune buggies, motor homes, all terrain vehicles, snowmobiles, snowmobile trailers or similar vehicles *other than* automobiles, sport utility vehicles and pickup trucks may be parked upon the premises of the Condominium, unless specifically approved by the Board of Directors or parked in an area specifically designated therefore by the Board of Directors. Nothing herein contained shall be construed to require the Board to approve the parking of such vehicles as are described in the first sentence of this Section or to designate an area therefore. The Association shall not be responsible for any damages, costs, or other liability arising from any failure to approve the parking of such vehicles or to designate an area therefore.

Commercial vehicles and trucks shall not be parked in or about the Condominium (except as above provided) unless making deliveries or pick-ups in the normal course of business. For purposes of this Section, the term "commercial vehicle" means any vehicle that has any one of the following characteristics: (a) more than two axles; (b) gross vehicle weight rating in excess of 10,000 pounds; (c) visibly equipped with or carrying equipment or materials used in a business; (d) a vehicle with a sign advertising or identifying a business.

Non-operational vehicles and vehicles with expired license plates shall not be parked or stored on the Condominium Premises without the written permission of the Board of Directors. Vehicles which detract from the appearance of the Condominium shall not be parked or stored on the Condominium Premises. Non-emergency maintenance or repair of motor vehicles shall not be permitted on the Condominium Premises. Vehicles shall not be washed anywhere within the Condominium Project. The Association may assign General Common Element parking spaces for the use of the residents of a particular Unit or Units in an equitable manner. Each Co-owner shall park their vehicle inside their assigned garage or the limited common element drive immediately adjoining their garage.

The Association may cause vehicles parked or stored in violation of this Section or of any applicable rules and regulations of the Association to be removed from the Condominium Premises and the cost of such removal may be assessed to, and collected from, the Co-owner of the Unit responsible for the presence of the vehicle in the manner provided in Article II hereof. Co-owners shall, if the Association shall require, register with the Association all vehicles maintained on the Condominium Premises. The Board of Directors may make reasonable rules and regulations governing the parking of vehicles in the Condominium consistent with the provisions hereof.

Section 9. Signs, Advertising. No signs shall be displayed which are visible from the exterior of a Unit or on the Common Elements at any time for any reason without advance written approval of the Board of



Directors. This prohibition includes, but is not limited to, "For Sale" signs, "Open" signs, "Garage Sale" signs and political signs. No advertising devices shall be displayed which are visible from the exterior of a Unit or on the Common Elements at any time without the advance written permission of the Board of Directors.

Section 10. Rules/Regulations. Reasonable rules and regulations consistent with the Act, the Master Deed and these Bylaws, concerning the use of the Condominium may be made and amended from time to time by the Board of Directors of the Association. Copies of all such regulations and amendments thereto shall be furnished to all Co-owners and shall become effective thirty (30) 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 (50%) percent of all Co-owners.

Section 11. Right of Access of Association. The Association and its duly authorized agents shall have access to each Unit and any 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 agents shall also have access to each Unit, garage and any Limited Common Elements appurtenant thereto at all times without notice as may be necessary to make emergency repairs to prevent damage to the Common Elements or to another Unit and/or to protect the safety and/or welfare of the inhabitants of the Condominium.

It shall be the responsibility of each Co-owner to provide the Association with a key to gain access to the Co-owner's Unit, garage and any Limited Common Elements appurtenant thereto during all periods of absence and in the event of the failure of such Co-owner to provide means of access, the Association may gain access in such manner as may be reasonable under the circumstances and shall not be liable to such Co-owner for any necessary damage to the Co-owner's Unit and any Limited Common Elements appurtenant thereto caused thereby or for repair or replacement of any doors or windows damaged in gaining such access. In the event that it is necessary for the Association to gain access to a Unit to make repairs to prevent damage to the Common Elements or to another Unit or to protect the safety and welfare of the inhabitants of the Condominium, the costs, expenses, damages, and/or attorney fees incurred by the Association in such undertaking shall be assessed to the responsible Co-owner and collected in the same manner as provided in Article II of these Bylaws, including all damages resulting from any Co-owner or their tenants, family, occupants, invitees or contractor's failure or delay in providing access to the Association. The Association shall have no liability for damages to Co-owner alterations, betterments, improvements or customizations resulting from the Association's efforts to gain access to any common element nor shall the Association be held liable for the expenses of the removal or replacements of any such obstructions.

Section 12. Landscaping. No Co-owner shall perform any landscaping or plant any trees, shrubs or flowers or place any ornamental materials upon the Common Elements unless approved by the Board of Directors in writing. Any such approved landscaping performed by the Co-owner and any such trees, shrubs, or flowers planted by the Co-owner shall be performed and/or planted, as the case may be, in a manner consistent with the landscaping in other portions of the Condominium Premises. The Co-owner shall be responsible for the maintenance of any such approved landscaping performed by a Co-owner and any such trees, shrubs, or flowers planted by the Co-owner. In the event that such Co-owner fails to adequately maintain such landscaping performed by the Co-owner and any such trees, shrubs, or flowers planted by the Co-owner to the satisfaction of the Association, the Association shall have the right to perform such maintenance and assess and collect from the Co-owner the cost thereof in the manner provided in Article II hereof. The Co-owner shall also be liable for any damages to the Common Elements arising from the performance of such landscaping or the planting of such trees, shrubs, or flowers, or the continued maintenance thereof. Fences, hedges and walls shall not be constructed or placed on the common elements.

Section 13. Co-owner Maintenance. Each Co-owner shall maintain his/her Unit and any Limited Common Elements appurtenant thereto for which he/she has maintenance responsibility in a safe, clean and



sanitary condition. Each Co-owner shall have the following duties and shall be fully liable for any and all expenses or damages which may result from any failure to perform any of these duties:

(i) maintain his/her Unit and any Limited Common Elements appurtenant thereto for which he/she has maintenance responsibility in a safe, clean and sanitary condition, including but not limited to caulking tubs and shower enclosures, grouting all tile work, replacing any leaking fixture or appliance, maintaining air conditioning condensate drain lines in a proper operating condition so as not to allow water to escape and damage any item and properly controlling humidifiers to prevent moisture/water damage to any item..

(ii) use due care to avoid damaging any of the Common Elements, other Units or their appurtenances, contents and improvements including, but not limited to, the telephone, water, plumbing, electrical or other utility conduits and systems and any other elements in any Unit which are appurtenant to or which may affect any other Unit.

(iii) maintain heat inside his/her Unit so as to prevent pipes from freezing; Units with fire suppression systems shall be required to maintain heat at such temperature as the Board may specify.

(iv) winterize (close water valves, shut off ice-makers, shut off water heaters) his/her Unit during all periods of absence when freezing temperatures may reasonably be anticipated. Close and lock all windows, doors and skylights.

(v) cause his/her Unit to be timely monitored during all periods of absence to assure that all windows, skylights and doors are securely closed and locked, no water is escaping from any pipe or fixture or appliance and to assure that adequate heat is being maintained and that all fixtures and appliances are functioning properly.

(vi) promptly report to the Association any Common Element which has been damaged or which is otherwise in need of maintenance, repair or replacement and any other circumstances which if not promptly reported and attended to, could result in loss or damage to any Common Element or any Unit.

(vii) adequately insure his/her Unit in accordance with Article IV

Section 14. Co-Owner Causing Damage Each Co-owner shall be responsible for damages or costs to the Association, or to other Co-owners, as the case may be, resulting from damage to or misuse of any of the Common Elements or another Unit or its contents by the Co-owner, or his/her family, guests, tenants, land contract purchasers, agents, contractors or invitees, unless such damages or costs are covered by insurance carried by the Association in which case there shall be no such responsibility (unless full reimbursement to the Association is excluded by virtue of a deductible provision, in which case the responsible Co-owner shall bear the expense to the extent of the deductible amount). Any costs or damages to the Association or to other Co-owners, as the case may be, may be assessed to and collected from the responsible Co-owner in the manner provided in Article II hereof. The Co-owners shall have the responsibility to report to the Association any Common Element which has been damaged or which is otherwise in need of maintenance, repair or replacement and any other circumstances which if not promptly reported and attended to, could result in loss or damage to any Common Element. All damages resulting from the failure of the Co-owner to report any of the foregoing items may be assessed to and collected from the responsible Co-owner in the manner provided in Article II hereof. Each Co-owner shall have these responsibilities and liabilities regardless of whether they occupy the Unit or the Unit is occupied by their tenant, guest, etc.



Section 15. Assessment of Costs of Enforcement. Any and all costs, damages, expenses and/or attorney fees incurred by the Association in enforcing any of the restrictions set forth in this Article VI and/or rules and regulations made by the Board of Directors of the Association under Article VI, Section 10 of these Bylaws, and any expenses incurred as a result of the conduct of less than all those entitled to occupy the Condominium Project, or by their contractors, licensees or invitees, may be assessed to and collected from the responsible Co-owner in the manner provided in Article II hereof. This shall include all legal fees and related costs whether or not there is litigation and all such expenses as are incurred before, during and after any litigation.

ARTICLE VII

MORTGAGES

Section 1. Co-owner Duty to Give Notice. Any Co-owner who mortgages his/her Unit shall notify the Association of the name and address of the mortgagee and the Association shall maintain such information in a book entitled "Mortgages of Units".

Section 2. Association Duties to Give Notices. The Association, upon receiving written notice, shall promptly issue notice to each holder, insurer or guarantor of a first mortgage happening of any of the following:

- (a) Any proposed amendment of the condominium documents effecting a change in (i) the boundaries of any unit or the exclusive easement rights appertaining thereto and/or (ii) interests in the general or limited common elements appertaining to any unit or the liability for common expenses appertaining thereto and/or the number of votes in the Association appertaining to any unit;
- (b) The purposes to which any unit or the common elements are restricted;
- (c) Any proposed termination of the condominium project;
- (d) Any condemnation loss or any casualty loss which affects a material portion of the condominium or which affects any unit on which there is a first mortgage held, insured or guaranteed by such eligible holder;
- (e) Any delinquency in the payment of assessments or charges owed by an owner of a unit subject to the mortgage of such eligible holder, insurer or guarantor, where such delinquency has continued for sixty (60) days;
- (f) Any material lapse, cancellation or modification of any insurance policy maintained by the Association pursuant to paragraph 14 (a) (i) of HUD Manual 4265.1 Appendix 24.
- (g) The issuance of notice of an official meeting of the membership in which case each holder, insurer or guarantor of a first mortgage shall be allowed to designate a representative to attend such meeting.

ARTICLE VIII

VOTING

Section 1. Vote. Except as limited in these Bylaws, each Co-owner shall be entitled to one (1) vote for each Unit owned by such Co-owner.

Section 2. Eligibility to Vote. No Co-owner shall be entitled to vote at any meeting of the Association until he/she has presented a deed or other evidence of ownership of a Unit in the Condominium to the



Association. Land contract vendees shall be recognized as owners unless the vendor provides the Association with a copy of the land contract expressly reserving voting privileges to the vendor. The vote of each Co-owner may be cast only by the individual representative designated by such Co-owner in the notice required in Section 3 of this Article VIII below or by a proxy given by such individual representative. No Co-owner who is in default of a duty to pay any sum to the Association shall be entitled to vote until such default is cured.

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

Section 4. Quorum. The presence in person or by proxy of twenty-five (25%) percent of the Co-owners qualified to vote shall constitute a quorum for holding a meeting of the members of the Association, except for voting on questions specifically provided herein to require a greater quorum. The written ballot of any person furnished at or prior to any duly called meeting at which meeting said person is not otherwise present in person or by proxy shall be counted in determining the presence of a quorum with respect to the question upon which the ballot is cast.

Section 5. Voting. Votes may be cast in person or by proxy or by a written ballot duly signed by the designated voting representative not present at a given meeting in person or by proxy. Proxies and any ballots must be filed with the Secretary of the Association, or such other person as the Association shall designate, at or before the appointed time of each meeting of the members of the Association. Cumulative voting shall not be permitted. No person shall be permitted to act as proxy for more than five (5) designated voters and all such persons shall be members of the Association provided, however, that there shall be no limit as to the number of proxies which may be given to any director or all directors as a group.

Section 6. Majority. A majority, except where otherwise provided herein, shall consist of more than fifty (50%) percent in value of those qualified to vote and present in person or by proxy (or written vote, if applicable) at a given meeting of the members of the Association. Whenever provided specifically herein, the requisite affirmative vote may be required to exceed the simple majority hereinabove set forth and may require a designated percentage in both number and value of all Co-owners.

ARTICLE IX

MEETINGS

Section 1. Location; Procedure. Meetings of the Association shall be held at the clubhouse or such suitable place convenient to the Co-owners as may be designated by the Board of Directors. Meetings of the Association shall be conducted in accordance with Roberts Rules of Order when not otherwise in conflict with the Articles of Incorporation, the Condominium Bylaws, the Condominium Master Deed or the laws of the State of Michigan.

Section 2. Annual Meeting; Agenda. Annual Meetings of members of the corporation shall be held on the Saturday immediately preceding Labor Day each year at such time and place as the Board of Directors shall direct or upon such other date as the Board of Directors may determine. At such meetings there shall 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 Corporation



as may properly come before them. At the Annual Meeting of members, the order of business shall be as follows, unless otherwise determined by the Board of Directors:

- (a) Calling the meeting to order.
- (b) Proof of notice of the meeting.
- (c) Determination of Quorum.
- (d) Reading of minutes of the last previous Annual Meeting.
- (e) Reports from officers.
- (f) Reports from committees.
- (g) Election of directors.
- (h) Other business.

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

Section 4. Membership Meeting Notices. It shall be the duty of the Secretary (or other Association officer in the Secretary's absence) to serve a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, upon each Co-owner of record, at least ten (10) calendar days but not more than sixty (60) calendar days prior to such meeting. The mailing, postage prepaid or E-mailing, 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 VIII, Section 3 of the Condominium 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. Proxy and written ballot forms shall be distributed with the first notice of all business meetings.

Section 5. Quorum. The presence in person or by proxy of twenty-five (25%) percent of the Co-owners qualified to vote shall constitute a quorum for holding a meeting of the members of the Association, except for voting on questions specifically provided herein to require a greater quorum. The written ballot of any person furnished at or prior to any duly called meeting at which meeting said person is not otherwise present in person or by proxy shall be counted in determining the presence of a quorum with respect to the question upon which the ballot is cast.

Section 6. Adjournment for Want of Quorum. 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 another time.

Section 7. Appointment of Election Tellers. The Board of Directors shall appoint two (2) Co-owners who are not candidates or spouses or co-habitants of any candidates to serve as tellers of the ballots cast in every election. It shall be the duty of such tellers to oversee the counting and tallying of the ballots so as to assure that the ballots are fairly and accurately handled and counted.



Section 8. Minutes; Presumption of Notice. Minutes or a similar record of the proceedings of meetings of Members, when signed by the President or Secretary, shall be presumed truthfully to evidence the matters set forth therein. A recitation in the Minutes of any such meeting that notice of the meeting was properly given shall be *prima facie* evidence that such notice was properly given.

ARTICLE X

BOARD OF DIRECTORS

Section 1. Eligibility; Compensation Prohibited. The affairs of the Association shall be governed by a Board of Directors all of whom must be members of the Association or the legal spouse of a member except that officers, partners, trustees, employees or agents of members that are legal entities and not individual persons may be designated by such entities to serve as directors, if elected, of the corporation. No person may be elected or appointed to serve as a director unless they shall have E-mail and the knowledge and equipment to utilize same. Directors shall serve without compensation, whether by salary, stipend or otherwise except that they may be reimbursed for their out of pocket expenses incurred in the performance of their duties. No candidate for election or appointment to the Board of Directors shall be eligible if delinquent in the payment of any sum of money owed to the Association. Only one person per unit shall be eligible as a candidate notwithstanding the fact that the unit is jointly owned by two or more persons and/or entities. If a member is a partnership then only a partner thereof shall be qualified and eligible to serve as a director. If a member is a corporation, then only a shareholder or a director thereof shall be qualified and eligible to serve as a director. Any co-owner landlord who is neither a partnership nor a corporation shall be qualified and eligible to serve as a director only in his or her individual capacity and the tenant or agent of such landlord shall not be qualified or eligible to serve as a director.

Section 2. Size, Terms of Office. The Board of Directors shall be composed of five (5) persons who shall manage the affairs of the corporation. Directors shall serve until their successors take office which shall be deemed to be at the time of their election. Each new term of office for each elected Director shall be one (1) year unless the director(s) was/were elected to fill a vacancy in which case the term shall be the unexpired term of the director(s) who is/are replaced.

Section 3. Powers, Duties. The Board of Directors shall have all 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 the Co-owners. The Board shall have the authority to take such actions as it deems to be necessary and/or appropriate to protect the interests of the Association during any emergency situation. In addition to the foregoing general duties imposed by these Bylaws, or any further duties which may be imposed by resolution of the members of the Association, the Board of Directors shall be responsible specifically for the following:

- (a) Management and administration of the affairs of and maintenance of the condominium project and the common elements thereof.
- (b) To collect assessments from the members of the Association and to use the proceeds thereof for the purposes of the Association.
- (c) To carry insurance and collect and allocate the proceeds thereof.
- (d) To rebuild improvements after casualty.
- (e) To contract for and employ persons, firms, corporations or other agents to assist in the management, operation, maintenance and administration of the condominium project.



(f) To acquire, maintain and improve, and to buy, operate, manage, sell, convey, assign, mortgage or lease any real or personal property (including any apartment 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 and all of the purposes of the business of the Association, and to secure the same by mortgage, pledge, or other lien, on property owned by the Association in any amount up to One Hundred Twenty Five Thousand Dollars (\$125,000.00). Any borrowing in excess of said sum must first be approved by affirmative vote of more than sixty (60%) percent of all of the members of the Association entitled to vote and present in person, by proxy or by written ballot.

(h) To establish and maintain a reserve fund for the periodic maintenance, repair and replacement of the Common Elements as required by the Act.

(i) To make rules and regulations in accordance with Article VI, Section 11 of the Condominium Bylaws.

(j) 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.

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

(l) 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 shall authorize, including, but not limited to, the duties listed above, 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.

Section 4. Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a Director by a vote of the members of the Association shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum. Each person so elected shall be a Director until a successor is elected at the next Annual Meeting of the Association. The Board shall consider past service to the Association as a factor in the selection of any of its appointees; no Co-owner shall be eligible for appointment if delinquent in the payment of any amount owed the Association.

Section 5. Recall. At any regular or special meeting of the Association duly called, any one or more of the Directors may be removed with or without cause by affirmative vote of at least fifty-one (51%) percent of the entire membership and a successor may then and there be elected to fill any vacancy thus created. Any Director whose removal has been proposed by the Co-owners shall be given an opportunity to be heard at the meeting before the vote is taken on the recall proposal.

Section 6. First Meetings of Boards. The first meeting of a newly elected Board of Directors shall be held within ten (10) calendar days of election at such place as shall be fixed by the Directors at the meeting at which such Directors were elected. No other notice shall be necessary to the newly elected Directors to constitute a duly called first meeting. This meeting shall count toward the minimum number of regular meetings described in Section 7.



Section 7. Regular Board 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 one such meeting 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, fax, telephone or E-mail, at least ten (10) days prior to the date named for such meeting.

Section 8. Special Board Meetings. Special meetings of the Board of Directors may be called by the President on three (3) calendar days' notice to each Director, given personally, by mail, fax, telephone or E-mail, 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.

Section 9. Waiver of Notice. Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meetings of the Board shall be deemed a waiver of notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 10. Quorum. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, there be less than a quorum present, the majority of those present may adjourn the meeting 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.

Section 11. Fidelity Bonds/Employee Dishonesty Insurance. The Board of Directors shall require that all directors, officers, agents and employees of the Association handling or responsible for Association funds and/or property shall be covered by adequate fidelity bonds and/or employees dishonesty insurance purchased by the Association. The premiums on such bonds and/or insurance shall be expenses of administration. Such bonds and/or insurance shall not be less than the estimated maximum of funds held by the Association at any time, including maximum expected reserve funds and in no event less than a sum equal to three month's aggregate assessments on all units plus reserve funds.

Section 12. Executive Sessions. The Board of Directors, in its discretion, may close a portion or all of any meeting of the Board of Directors to the members of the Association or may permit members of the Association to attend a portion or all of any meeting of the Board of Directors. Any member of the Association shall have the right to inspect, and make copies of, the minutes of the meetings of the Board of Directors; provided, however, that no member of the Association shall be entitled to review or copy any minutes which reference privileged communications between the Board of Directors and counsel for the Association, or any other matter to which a privilege against disclosure pertains under Michigan Statute, common law, the Michigan Rules of Evidence, or the Michigan Court Rules.

Section 13. Conflicts of Interest. In the event any director shall have any relationship with, or interest in, any person or entity with whom or which the Association may have any contractual dealings, such director shall have an affirmative duty to disclose such relationship or interest, in writing, to the Board of Directors at a Board meeting as soon as such contractual dealings are contemplated or initiated. Directors having a conflict of interest shall recuse themselves from all discussions and voting upon matters affected by such conflict.



ARTICLE XI

OFFICERS

Section 1. Officers; Compensation Prohibited. The principal officers of the Association shall be a President, a Vice President, a Secretary and a Treasurer, all of whom shall be members of the Association and members of the Board of Directors. The Directors may appoint an Assistant Treasurer, and an Assistant Secretary, and such other officers as in their judgment may be necessary. Officers shall serve without compensation, whether by salary, stipend or otherwise except that they may be reimbursed for their out of pocket expenses incurred in the performance of their duties.

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

Section 3. Removal. Upon affirmative vote of a majority of the members of the Board of Directors, any officer may be removed either with or without cause, and his successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board called for such purpose.

Section 4. President. The President shall be the chief executive officer of the Association. He/She shall preside at all meetings of the Association and of the Board of Directors. He/She shall have all of the general powers and duties which are usually vested in the office of the President of an association, including, but not limited to the power to appoint committees from among the members of the Association from time to time as he/she may in his/her discretion deem appropriate to assist in the conduct of the affairs of the Association.

Section 5. Vice President. The Vice President shall take the place of the President and perform his/her duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other member of the Board to so do on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him/her by the Board of Directors.

Section 6. Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of the meetings of the members of the Association; he/she shall have charge of the corporate seal 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. The Secretary, or, in the absence or disability of the Secretary, the Treasurer, shall sign the minutes upon approval. Any Co-owner shall be entitled to obtain a copy of the approved and signed minutes except minutes of executive sessions of the Board; the Association shall have the right to require advance payment of the reasonable cost of providing requested copies of minutes.

Section 7. Treasurer. The Treasurer shall have responsibility for the Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. The Treasurer shall review and oversee payment of all invoices. The Treasurer shall monitor the reserve funds of the Association and consult with the Board as necessary concerning such funds. All decisions concerning reserve funds shall be made by the Board and shall not be delegated to any third party. Withdrawals from reserve funds shall be approved in advance by signature of at least one director if payable to the Association; if payable to any other party the signature of at least two directors shall be required. Reserve funds shall be used only for such purposes as are permitted under Michigan law. The Treasurer shall be responsible for the deposit of all monies and other valuable effects in the name and to the credit of the Association, and in such depositories as may, from time to time, be designated by the Board of Directors.



Section 8. Miscellaneous. The officers shall have such other duties, powers and responsibilities as shall, from time to time, be authorized by the Board of Directors.

ARTICLE XII

FINANCE

Section 1. Records. The Association shall keep detailed books of account showing all expenditures and receipts of administration, and which shall specify the maintenance and repair expenses of the Common Elements and any other expenses incurred by or on behalf of the Association and the Co-owners. Such accounts and all other non-privileged Association records shall be open for inspection by the Co-owners and their mortgagees during reasonable working hours. The Board of Directors shall prepare and distribute to each Co-owner at least once a year a financial statement, the contents of which shall be defined by the Board of Directors. The Board of Directors shall annually engage a qualified, independent certified public accountant to perform a compilation, review or audit of the books of account. Any institutional holder of a first mortgage lien on any Unit in the Condominium shall be entitled to receive a copy of such annual financial statement within ninety (90) days following the end of the Association's fiscal year upon request therefore. The cost of any such compilation, review or audit and any other accounting expenses shall be expenses of administration.

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

Section 3. Depositories. The funds of the Association may be invested from time to time in accounts or deposit certificates of such banks or credit unions as are insured by an agency of the federal government and may also be invested in interest-bearing obligations of the United States Government or in such other depositories as may be adequately insured in the discretion of the Board of Directors. The funds of the Association shall be withdrawn only upon the check or order of such officers, employees or agents as are designated by resolution of the Board of Directors from time to time.

ARTICLE XIII

INDEMNIFICATION OF OFFICERS AND DIRECTORS

Section 1. Indemnification of Directors and Officers. The Association shall indemnify any person who was or is party or is threatened to be made a party to a threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative and whether formal or informal, other than an action by or in the right of the Association, by reason of the fact that he or she is or was a Director, Officer, or employee of the Association, against expenses, including attorneys' fees, judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with the action, suit or proceeding, if the person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Association or its members, was not guilty of willful and wanton misconduct or gross negligence and, with respect to a criminal action or proceeding, if the person had no reasonable cause to believe his or her conduct was unlawful. The termination of an action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent, does not, of itself, create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the Association or its members and, with respect to a criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful or was not guilty of willful and wanton misconduct or gross negligence; provided, however, that in the event of any claim for reimbursement or indemnification hereunder based upon settlement by the Director, Officer or other person



seeking such reimbursement or indemnification, the indemnification provided for herein shall apply only if the Board of Directors (with the person seeking reimbursement or indemnification abstaining) approves such settlement and reimbursement or indemnification as being in the best interest of the Association. The foregoing right of reimbursement or indemnification shall be in addition to and not exclusive of other rights to which such Director, Officer or other person may be entitled. At least ten days prior to payment of any reimbursement or indemnification which it has approved, the Board of Directors shall notify all Co-owners thereof.

The Association shall indemnify any person who was or is party or is threatened to be made a party to a threatened, pending or completed action or suit in the right of the Association to procure a judgment in its favor by reason of the fact that he or she is or was a Director, Officer, or employee of the Association, against expenses, including attorneys' fees and amounts paid in settlement actually and reasonably incurred by him or her in connection with the action or suit, if the person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Association or its members and was not guilty of willful and wanton misconduct or gross negligence. Indemnification shall not be made for a claim, issue or matter in which the person has been found to be liable to the Association except as provided in Section 564c of the Business Corporation Act.

Section 2. Directors' and Officers' Liability Insurance. Whether or not the Association would have the power to indemnify the persons under Sections 561 and 562 of the Nonprofit Corporation Act, the Association shall provide directors and officers liability insurance for every director and every officer of the Association for the same purposes provided above in Section 1 and in such amounts as may reasonably insure against potential liability arising out of the performance of their respective duties. No director or officer shall collect for the same expense or liability under Section 1 above and under this Section 2; however, to the extent that the liability insurance provided herein to a director or officer was not waived by such director or officer and is inadequate to pay any expenses or liabilities otherwise properly indemnifiable under the terms hereof, a director or officer shall be reimbursed or indemnified only for such excess amounts under Section 1 hereof.

ARTICLE XIV

AMENDMENTS

Section 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 in number of the Co-owners or by an instrument in writing signed by them.

Section 2. Meeting. Upon any such amendment being proposed, a meeting for consideration of the same shall be duly called in accordance with the provisions of these Bylaws.

Section 3. Voting. These Bylaws may be amended by the Co-owners at any regular annual meeting or a special meeting called for such purpose by an affirmative vote of not less than sixty-six and two thirds (66 2/3%) percent of all Co-owners in number and in value. Notwithstanding any provision of the Condominium Documents to the contrary, mortgagees are entitled to vote only on amendments which are material to their interests as defined in the Michigan Condominium Act as amended from time to time.

Section 4. When Effective. Any amendment to these Bylaws shall become effective upon recording of such amendment in the office of the County Register of Deeds.

Section 5. Binding. A copy of each amendment to these Bylaws shall be furnished to every member of the Association after adoption; provided, however, that any amendment to these Bylaws that is adopted in accordance with this Article shall be binding upon all persons who have an interest in the Condominium irrespective of whether such persons actually receive a copy of the amendment.



ARTICLE XV

COMPLIANCE

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

ARTICLE XVI

DEFINITIONS

All terms used herein shall have the same meaning as set forth in the Master Deed to which these Bylaws are attached as an Exhibit or as set forth in the Act. Whenever any reference herein is made to one gender, the same shall include a reference to any and all genders where same would be appropriate; similarly, whenever a reference is made herein to the singular, a reference shall also be included to the plural where the same would be appropriate.

ARTICLE XVII

REMEDIES FOR DEFAULT

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

(b) **Recovery of Costs.** In the event of a default of the Condominium Documents by a Co-owner and/or non-Co-owner resident or guest, the Association shall be entitled to recover from the Co-owner and/or non-Co-owner resident or guest, the pre-litigation costs and attorney fees incurred in obtaining their compliance with the Condominium Documents. In any proceeding arising because of an alleged default by any Co-owner, the Association, if successful, shall be entitled to recover the costs of the proceeding and such reasonable attorney fees, (not limited to statutory fees) as may be determined by the Court, but in no event shall any Co-owner be entitled to recover such attorney fees. This shall include all legal fees and related costs whether or not there is litigation and all such expenses as are incurred before, during and after any litigation. The Association, if successful, shall also be entitled to recoup all costs and attorney's fees incurred in defending any claim, counterclaim or other matter from the Co-owner asserting the claim, counterclaim or other matter.

(c) **Removal and Abatement.** The violation of any of the provisions of the Condominium Documents, including the rules and regulations promulgated by the Board of Directors of the Association hereunder, 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 and abate, at the expense of the Co-owner in violation, any structure, thing or condition existing or maintained contrary to the provisions of the Condominium Documents; provided, however, that judicial proceedings shall be instituted before items of construction are altered or demolished pursuant to this subsection. The Association shall have no liability to any Co-owner arising out of the exercise of its removal and abatement power authorized herein.

(d) **Assessment of Fines.** The violation of any of the provisions of the Condominium Documents, including any of the rules and regulations promulgated by the Board of Directors of the Association hereunder, by any Co-owner, in addition to the rights set forth above, shall be grounds for assessment by the Association of a monetary fine for such violation.

(i) **Procedures.** Upon any violation being alleged by the Association, a written notice shall be sent to the offending Co-owner describing the facts constituting the alleged violation, the specific restriction alleged to have been violated and the notice shall set forth the date (no less than seven (7) days from the date of the notice), time and place for a hearing before the Board of Directors, at which the Co-owner shall have the right to appear before the Board and offer evidence in defense of the alleged violation. No legal counsel for the offending Co-owner shall be permitted to attend such hearings and the Michigan Rules of Evidence shall not apply. The Board shall issue a written notice of its determination within ten (10) days after the hearing and, upon finding that a violation has occurred, the Board of Directors may levy a fine in accordance with the following subsection.

(ii) **Fine Schedule.** The Board of Directors shall establish, and have the authority to revise, a reasonable schedule of fines upon thirty days advance notice to the membership.

Section 2. 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 shall not constitute a waiver of the right of the Association or of any such Co-owner to enforce such right, provision, covenant or condition in the future.

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

ARTICLE XVIII

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

DOC # 5091741 L: 1139 P: 161
10/31/2011 02:07:21 PM Page 47 of 48
Rec Fee: \$155.00 Doc Type: CMDAM
Emmet, Michigan, Michele E. Stine



ARTICLE XIX

CONFLICTS

In the event there exists any conflict among the terms and provisions contained within the Master Deed or these Condominium Bylaws, the terms and provisions of the Master Deed shall control.

DOC # 5091741 L: 1139 P: 161
10/31/2011 02:07:21 PM Page 48 of 48
Rec Fee: \$155.00 Doc Type: CADAM
Emmel, Michigan, Michele E Stine



UNOFFICIAL COPY