



**EXHIBIT "A" TO MASTER DEED
BYLAWS
OF
OTTAWA POINTE**

**ARTICLE I
ASSOCIATION OF CO-OWNERS**

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

**ARTICLE II
ASSESSMENTS**

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

2.1 Assessments for General Common Elements and Sewer Units. All costs incurred by the Association in satisfaction of any liability arising within, caused by, or connected with the General Common Elements, or the improvements constructed or to be constructed within the boundaries of the Condominium Units for which the Association has maintenance responsibility, or the administration of the Condominium Project, will constitute expenditures affecting the administration of the Project, and all sums received as the proceeds of, or pursuant to, any policy of insurance securing the interest of the Co-owners against liabilities or losses arising within, caused by, or connected with the General Common Elements or the administration of the Condominium Project will constitute receipts affecting the administration of the Condominium Project, within the meaning of Section 54(4) of the Act.

In addition to regular Association assessments, the Association shall assess the Co-owners of the Sewer Units as an expense of administration of the Project, a Community Sewer



System assessment which shall be placed in the Sewer Escrow Fund and shall be kept separate from the Association's general fund. The Sewer Escrow Fund shall be maintained in the amount of the estimated cost of operating, repairing, maintaining and replacement of defective component parts with respect to the Community Sewer System for a two (2) year period. This assessment shall be determined and certified by a licensed professional engineer or certified wastewater treatment plant operator attesting that the fee is sufficient to cover system operational maintenance costs. The Sewer Escrow Fund shall be reviewed and increased or decreased annually to reflect the cost of operation and maintenance of the Community Sewer System. An annual report summarizing the status of the Sewer Escrow Fund shall be delivered to the Township in January of each year. Should the Township take over the operation and maintenance of the Sewer System, the Sewer Escrow fund (as well as any and all other monies and assets of the Community Sewer System) shall be transferred to Croton Township. The Sewer Escrow Fund shall be restricted in use to pay for the cost of operating, maintaining, repairing, replacing and engineering, insurance and legal costs, in the event Croton Township is ever required by the MDEQ to assume responsibility for the operating and maintenance of the Community Sewer System under the Sewer Agreement.

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

(a) Budget. The Board of Directors of the Association will establish an annual budget in advance for each fiscal year and such budget will project all expenses for the forthcoming year which may be required for the proper operation, management and maintenance of the Condominium Project, including a reasonable allowance for contingencies and reserves. An adequate reserve fund for maintenance, repairs and replacement of those Common Elements that must be replaced on a periodic basis will be established in the budget and must be funded by regular semi-annual payments as set forth in Section 2.3 below rather than by special assessments. At a minimum, the reserve fund will be equal to ten percent (10%) of the Association's current annual budget on a noncumulative basis. The minimum standard required by this section may prove to be inadequate for this particular Project. The Association should carefully analyze the Condominium Project to determine if a greater amount should be set aside, or if additional reserve funds should be established for other purposes. Upon adoption of an annual budget by the Board of Directors, copies of the budget will be delivered to each Co-owner and the assessment for the year will be established based upon the budget, although the failure to deliver a copy of the budget to each Co-owner will not affect or in any way diminish the liability of any Co-owner for any existing or future assessments. Should the Board of Directors at any time determine, in the sole discretion of the Board of Directors: (1) that the assessments levied are or may prove to be insufficient to pay the costs of operation and management of the Condominium, (2) to provide replacements of existing General Common Elements, (3) to provide additions to the Common Elements not exceeding Five Thousand Dollars (\$5000) annually for the entire Project, or (4) that an event of emergency exists, the Board of Directors will have the authority to increase the general assessment or to levy such additional assessment or assessments as it will deem to be necessary. The Board of Directors also will have the authority, without Co-owner consent, to levy assessments pursuant to the provisions of Section 5.4 hereof. The discretionary authority of the Board of Directors to levy assessments pursuant to this subsection will rest solely with the Board of Directors for the benefit of the Association



and the members thereof, and will not be enforceable by any creditors of the Association or the members thereof.

(b) Special Assessments. Special assessments, in addition to those required in subsection (a) above, may be made by the Board of Directors from time to time and approved by the Co-owners as hereinafter provided to meet other needs or requirements of the Association, including, but not limited to: (1) assessments for additions to the General Common Elements of a cost exceeding Five Thousand Dollars (\$5000) annually for the entire Project, (2) assessments to purchase a Unit upon foreclosure of the lien for assessments described in Section 2.5 hereof, or (3) assessments for any other appropriate purpose not elsewhere herein described. Special assessments referred to in this subsection (b) (but not including those assessments referred to in subsection (a) above, which will be levied in the sole discretion of the Board of Directors) will not be levied without the prior approval of more than two-thirds (2/3) of all Co-owners. The authority to levy assessments pursuant to this subsection is solely for the benefit of the Association and the members thereof and will not be enforceable by any creditors of the Association.

2.3 Apportionment of Assessments and Penalty for Default. Unless otherwise provided herein or in the Master Deed, all assessments levied against the Co-owners to cover expenses of administration will be apportioned among the Units and shall be paid by the Co-owners of such units equally. **ANNUAL ASSESSMENTS AS DETERMINED IN ACCORDANCE WITH SECTION 2.2(A) ABOVE WILL BE PAYABLE BY THE CO-OWNERS OF THE UNITS, IN TWO (2) SEMI-ANNUAL INSTALLMENTS, COMMENCING WITH ACCEPTANCE OF A DEED TO OR A LAND CONTRACT VENDEE'S INTEREST IN A UNIT, OR WITH THE ACQUISITION OF TITLE TO A UNIT BY ANY OTHER MEANS.** Semi-annual assessments shall be deemed paid in advance and shall be due and payable on the first day of January and July each year. A Co-owner's initial semi-annual assessment shall be prorated. The Board of Directors may, in its sole discretion, elect to collect the regular assessments on a different basis, such as monthly, quarterly or annually. The payment of an assessment will be in default if such assessment, or any part thereof, is not paid to the Association in full on or before the due date for such payment.

Each installment in default for ten (10) or more days will bear interest from the initial due date thereof at the rate of seven percent (7%) per annum until each installment is paid in full. The Association may, pursuant to Section 17.4 hereof, levy fines for the late payment in addition to such interest. Each Co-owner (whether one or more persons) will be, and remain, personally liable for the payment of all assessments (including fines for late payment and costs of collection and enforcement of payment) pertinent to his or her Unit which may be levied while such Co-owner is the owner thereof. Each Co-owner (whether one or more persons) will be, and remain, personally liable for the payment of all assessments pertinent to his or her Unit which may be levied while such Co-owner is the owner thereof. Payments on account of installments of assessments in default will be applied as follows: first, to costs of collection and enforcement of payment, including reasonable attorneys fees; second, to any interest charges and fines for late payment on such installments; and third, to installments in default in order of their due dates.

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



2.5 Enforcement.

(a) Remedies/Liens. 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. Sums assessed to a Co-owner by the Association that are unpaid together with interest on such sums, collection and late charges, advances made by the Association for taxes or other liens to protect its lien, attorney fees, and fines in accordance with the condominium documents, constitute a lien upon the unit or units in the Project owned by the Co-owner at the time of the assessment before other liens except tax liens on the units in favor of any state or federal taxing authority and sums unpaid on a first mortgage of record, except that past due assessments that are evidenced by a notice of lien, recorded as set forth herein, have priority over a first mortgage recorded subsequent to the recording of the notice of lien. In the event of default by any Co-owner in the payment of any installment of the annual assessment levied against his or her Unit, the Association will have the right to declare all unpaid installments of the annual assessment for the pertinent fiscal year immediately due and payable. The Association also may discontinue the furnishing of any 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 will not be entitled to utilize any of the General Common Elements of the Project and will not be entitled to vote at any meeting of the Association so long as such default continues; provided, however, this provision will not operate to deprive any Co-owner of ingress or egress to and from his or her Unit. In a judicial foreclosure action, a receiver may be appointed to collect a reasonable rental for the Unit from the Co-owner thereof or any persons claiming under him. All of these remedies will be cumulative and not alternative and will not preclude the Association from exercising such other remedies as may be available at law or in equity.

(b) Foreclosure Proceedings. Each Co-owner, and every other person who from time to time has any interest in the Project, will be deemed to have granted to the Association the unqualified right to elect to foreclose the lien securing payment of assessments either by judicial action or by advertisement. The provisions of Michigan law pertaining to foreclosure of mortgages by judicial action and by advertisement, as the same may be amended from time to time, are incorporated herein by reference for the purposes of establishing the alternative procedures to be followed in lien foreclosure actions and the rights and obligations of the parties to such actions, except that the Association is entitled to reasonable interest, expenses, costs, and attorney fees for foreclosure by advertisement or judicial action. The redemption period for a foreclosure is 6 months from the date of sale unless the property is abandoned, in which event the redemption period is 1 month from the date of sale. Further, each Co-owner and every other person who from time to time has any interest in the Project will be deemed to have authorized and empowered the Association to sell or to cause to be sold the Unit with respect to which the assessment(s) is or are delinquent and to receive, hold and distribute the proceeds of such sale in accordance with the priorities established by applicable law. Each Co-owner of a Unit in the Project acknowledges that at the time of acquiring title to the Unit he was notified of the provisions of this subsection and that he voluntarily, intelligently and knowingly waived notice of any proceedings brought by the Association to foreclose by advertisement the lien for nonpayment of assessments and a hearing on the same prior to the sale of the subject Unit.



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

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

(e) Liabilities Prior to Expiration of Redemption Period. The Co-owner of a condominium unit subject to foreclosure pursuant to this section, and any purchaser, grantee, successor, or assignee of the Co-owner's interest in the condominium unit, is liable for assessments by the association of Co-owners chargeable to the condominium unit that become due before expiration of the period of redemption together with interest, advances made by the association of Co-owners for taxes or other liens to protect its lien, costs, and attorney fees incurred in their collection.

(f) Mortgagee Notice to Association of Foreclosure. The mortgagee of a first mortgage of record of a condominium unit shall give notice to the association of Co-owners of the commencement of foreclosure of the first mortgage by advertisement by serving a copy of the published notice of foreclosure required by statute upon the association of Co-owners by certified mail, return receipt requested, addressed to the resident agent of the association of Co-owners at the agent's address as shown on the records of the Michigan corporation and securities bureau, or to the address the association provides to the mortgagee, if any, in those cases where the address is not registered, within 10 days after the first publication of the notice. The mortgagee of a first mortgage of record of a condominium unit shall give notice to the association of Co-owners of intent to commence foreclosure of the first mortgage by judicial action by serving a notice setting forth the names of the mortgagors, the mortgagee, and the foreclosing assignee of a recorded assignment of the mortgage, if any; the date of the



mortgage and the date the mortgage was recorded; the amount claimed to be due on the mortgage on the date of the notice; and a description of the mortgaged premises that substantially conforms with the description contained in the mortgage upon the association of Co-owners by certified mail return receipt requested addressed to the resident agent of the association of Co-owners at the agent's address as shown on the records of the Michigan corporation and securities bureau, or to the address the association provides to the mortgagee, if any, in those cases where the address is not registered, not less than 10 days before commencement of the judicial action. Failure of the mortgagee to provide notice as required by this section shall only provide the association with legal recourse and will not, in any event, invalidate any foreclosure proceeding between a mortgagee and mortgagor.

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

2.7 Developer's Responsibility for Assessments. Neither the Developer of the Project, although a member of the Association, nor its designated builder, will be responsible for payment of either general or special assessments levied by the Association prior to the Transitional Control Date, except with respect to Units owned by the Developer or its designated builder on which a completed residence is located. A "completed residence" will mean a residential structure which meets all applicable requirements for the issuance of a Certificate of Occupancy or its equivalent by the local governmental authority.

(a) Pre-Turnover Expenses. During the time that the Developer controls the Association, it will be its responsibility to keep the books balanced (including the Community Sewer System's books), and to avoid any continuing deficit in operating expenses. At the time of the Transitional Control Date, the Developer will be liable for the funding of any continuing deficit of the Association which was incurred prior to the Transitional Control Date.

(b) Post-Turnover Expenses. After the Transitional Control Date has occurred, the Developer shall be responsible for the payment of a proportionate share of all current expenses of administration actually incurred by the Association from time to time, except expenses related to maintenance and use of the Units in the Project and of the residences and other improvements constructed within or appurtenant to the Units that are not owned by Developer. For purposes of the foregoing sentence, the Developer's proportionate share of such expenses will be based upon the ratio of all Units owned by the Developer upon which a completed residence is located at the time the expense is incurred to the total number of Units then in the Project.

(c) Exempted Transactions. The Developer will not be responsible for the payment of any portion of any general or special assessment which is levied for deferred maintenance,



maintenance, reserves for replacement or capital improvements or additions, except with respect to Units owned by it on which a completed residence is located. In no event will the Developer be liable for any assessment levied in whole or in part to finance litigation or other claims against the Developer, any cost of investigating and/or preparing such litigation or claim, or any similar related costs.

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

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

2.10 Construction Lien. A construction lien otherwise arising under Act No. 497 of the Michigan Public Acts of 1980, as amended, being MCL 570.1101 to 570.1305, will be subject to Section 132 of the Act.

2.11 Statement as to Unpaid Assessments. The purchaser of any Unit may request a statement of the Association as to the amount of any unpaid Association assessments, and interest, late charges, fines, costs, and attorney fees relating thereto. Upon written request to the Association accompanied by a copy of the executed purchase agreement pursuant to which the purchaser holds the right to acquire a Unit, the Association will provide a written statement of such unpaid assessments, interest, late charges, fines, costs, and attorney fees as may exist or a statement that none exist, which statement will be binding upon the Association for the period stated therein. Upon the payment of that sum within the period stated, the Association's lien for assessments, interest, late charges, fines, costs, and attorney fees as to such Unit will 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 will render any unpaid assessments, interest, late charges, fines, costs, and attorney fees and the lien securing same fully enforceable against such purchaser and the Unit itself, to the extent provided by the Act. Under the Act, unpaid assessments constitute a lien upon the Unit and the proceeds of sale thereof prior to all claims except real property taxes and first mortgages of record, as provided herein.

ARTICLE III ARBITRATION

3.1 Submission to Arbitration. Any dispute, claim or grievance arising out of or relating to the interpretation or application of the Master Deed, By-Laws or other Condominium Documents, or to any disputes, claims or grievances arising among or between the Co-owners or between such owners and the Association may, upon the election and written consent of the parties to any such dispute, claim or grievance, and written notice to the Association, be submitted to arbitration by the Arbitration Association and the parties thereto shall accept the Arbitrator's award as final and binding. All arbitration hereunder shall proceed in accordance with Sections 5001-5065 of Act 236 of the Public Acts of 1961, as amended, which may be supplemented by reasonable rules of the Arbitration Association.



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

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

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

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

ARTICLE IV INSURANCE

4.1 Extent of Coverage. The Association shall, to the extent appropriate given the nature of the General Common Elements of the Project, carry liability and other insurance coverage as the Board of Directors may determine to be appropriate. Such insurance will be carried and administered in accordance with the following provisions:

(a) Responsibilities of Association. All such insurance will be purchased by the Association for the benefit of the Association, and the Co-owners and their mortgagees, as their interests may appear, and provision will be made for the issuance of certificates of mortgagee endorsements to the mortgagees of Co-owners. Each Co-owner shall be responsible for obtaining insurance coverage for his or her property located within the boundaries of his or her unit (including, but not limited to the Driveway serving his or her unit), and the Association shall have absolutely no responsibility for obtaining such coverage.

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

(c) Proceeds of Insurance Policies. Proceeds of all insurance policies owned by the Association will be received by the Association, held in a separate account and distributed to the Association, and the Co-owners and their mortgagees, as their interests may appear; provided, however, whenever repair or reconstruction of the General Common Elements will be required as provided in Article V of these Bylaws, the proceeds of any insurance received by the Association as a result of any loss requiring



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repair or reconstruction will be applied for such repair or reconstruction and in no event will hazard insurance proceeds be used for any purpose other than for repair, replacement or reconstruction of the General Common Elements unless two-thirds (2/3) of the Association members have given their written approval.

4.2 Authority of Association to Settle Insurance Claims. Each Co-owner, by acceptance of a deed, land contract, or other conveyance, does hereby appoint the Association as his or her true and lawful attorney-in-fact to act in connection with all matters concerning such insurance for the Condominium Project. Without limitation on the generality of the foregoing, the Association as said attorney will have full power and authority to purchase and maintain such insurance, to collect and remit premiums therefor, to collect proceeds and to distribute the same to the Association, the Co-owners and respective mortgagees, as their interests may appear (subject always to the Condominium Documents), to execute releases of liability and to execute all documents and to do all things on behalf of such Co-owner and the Condominium as are necessary or convenient to the accomplishment of the foregoing.

4.3 Responsibilities of Co-owners. Each Co-owner will be responsible for obtaining fire and extended coverage and vandalism and malicious mischief insurance with respect to his or her residence and all other improvements constructed or to be constructed within the boundaries of his or her Condominium Unit, together with all Limited Common Elements appurtenant to his or her Unit, whether located within or outside the boundaries of his or her Unit, and for his or her personal property located therein or elsewhere on the Condominium Project. All such insurance will be carried by each Co-owner in an amount equal to the maximum insurable replacement value, excluding foundation and excavation costs, and evidenced to the Association in a manner acceptable to the Association. In the event of the failure of a Co-owner to obtain such insurance, the Association may obtain such insurance on behalf of such Co-owner and the premiums therefor will constitute a lien against the Co-owner's Unit which may be collected from the Co-owner in the same manner that Association assessments are collected in accordance with Article II. Each Co-owner also will be obligated to obtain insurance coverage for his or her personal liability for occurrences within the boundaries of his Condominium Unit or within the residence located thereon and on the Limited Common Elements appurtenant thereto (regardless of where located). The Association will under no circumstances have any obligation to obtain any of the insurance coverage described in this Section 4.3 or any liability to any person for failure to do so.

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

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

4.6 General Liability Insurance Policy. In accordance with the Sewer Agreement, the Association shall maintain a general liability insurance policy covering all claims arising out of the operation and maintenance of the Community Sewer System, with minimum coverage limits of \$1 million per occurrence with a \$2 million aggregate limit and naming the township as



an additional insured. Satisfactory evidence of such coverage shall be provided to Croton Township upon request.

ARTICLE V
RECONSTRUCTION OR REPAIR

5.1 Repair in Accordance with Plans and Specifications. Any reconstruction or repair will be substantially in accordance with the Master Deed and the plans and specifications for each residence in the Project to a condition as comparable as possible to the condition existing prior to damage unless a vote of two-thirds (2/3) of the Co-owners decides otherwise.

5.2 Co-owner Responsibility for Repair.

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

(b) Damage to Interior of Residence. Each Co-owner will be responsible for the reconstruction, repair and maintenance of the interior of the residence constructed within the boundaries of his or her Unit.

5.3 Association Responsibility for Repair. Except as otherwise provided in Section 5.2 above and in the Master Deed, the Association will be responsible for the reconstruction, repair and maintenance of the General Common Elements.

5.4 Timely Reconstruction and Repair. If damage to Common Elements or the residence or other improvements constructed within the boundaries of a Unit adversely affects the appearance of the Project, the Association or Co-owner responsible for the reconstruction, repair and maintenance thereof will proceed with replacement of the damaged property without delay.

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

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

5.7 Priority of Mortgagee Interests. Nothing contained in the Condominium Documents will be construed to give a Condominium Unit Owner, or any other party, priority over any rights of first mortgagees of Condominium Units pursuant to their mortgages in the



case of a distribution to Condominium Unit Owners of insurance proceeds or condemnation awards for losses to or a taking of Condominium Units and/or Common Elements.

ARTICLE VI RESTRICTIONS

By accepting a Deed or other instrument conveying any interest in any portion of Ottawa Pointe, each Unit Co-owner acknowledges that, as the Developer of Ottawa Pointe, and as an owner of portions of Ottawa Pointe, the Developer has a substantial interest in ensuring that the improvements within Ottawa Pointe enhance the Developer's reputation as a community developer and do not impair Developer's ability to market, sell or lease its property. Therefore, each Unit Co-owner agrees that no activity within the scope of this Article VI shall be commenced upon such Co-owner's Unit unless and until the Architectural Review Committee has given its prior written approval for such activity, which approval may be granted or withheld in the Architectural Review Committee's sole discretion.

All of the Units in Ottawa Pointe will be held, used and enjoyed subject to the following limitations and restrictions:

6.1 Residential Use. Units shall be used exclusively for residential occupancy, and no Unit or any common element appurtenant thereto shall be used for any purposes other than that of a single family residence or purposes customarily incidental thereto, except that professional and quasi-professional Co-owners may use their residence as an ancillary facility to an office established elsewhere, so long as such use does not generate traffic by members of the general public and there is no sign or display that indicates that the residence is being used in whole or in part for any purpose other than a dwelling. Furthermore, such uses are also subject to possible regulation and restrictions contained in the Croton Township Zoning Ordinance, the Brooks Township Zoning Ordinance and/or the Resolution, and other applicable ordinances.

6.2 Zoning. The standards contained herein are not the only applicable standards for the Project. In addition to the restrictions herein, the use of any Unit and any structure constructed on any Unit must satisfy the requirements of the PUD Resolution and zoning ordinances of the Township which such Unit is located within, which are in effect at the time of the contemplated use or construction of any structure unless approval is first obtained by the Architectural Review Committee and thereafter a variance is obtained from the Zoning Board of Appeals of the applicable Township. Units 1 through 42, inclusive, are located within Croton Township and shall be subject to applicable zoning ordinances of such Township, and Units of 43 through 60, inclusive, are located within Brooks Township and shall be subject to applicable zoning ordinances of such Township. Except with respect to subjects for which the Master Deed or Bylaws provide more stringent standards, the applicable Township's conditions of approval and all other applicable ordinances and laws shall prevail.

6.3 Architectural Review. An Architectural Review Committee ("Architectural Review Committee"), to be appointed from time to time by the Developer, shall review plans and specifications for all buildings, structures, modifications, landscaping, and improvements within the Project. No building, structure, landscaping, or other improvement shall be constructed within the perimeters of a Unit or elsewhere on the Project, nor shall any exterior



modification be made to any existing building, structure, landscaping, or improvement, unless plans and specifications therefore, containing such detail as the Architectural Review Committee may reasonably require, have first been approved in writing by the Architectural Review Committee. Construction of any building or other improvements must also receive any necessary approvals from the local public authority. ALONG WITH THE PLANS AND SPECIFICATIONS, THE CO-OWNER WILL SUBMIT THE NAME OF ITS PROPOSED BUILDER FOR APPROVAL BY THE DEVELOPER, IN ITS DISCRETION.

Until such time as dwellings have been constructed within all of the Units, Developer shall designate the members of the Architectural Review Committee who shall not be required to be owners of units in the Project. Promptly after completion of construction of the final dwelling in the Project, Developer representatives shall resign from the Architectural Review Committee and the Board of Directors of the Association shall appoint three (3) new members to the Architectural Review Committee. Thereafter, each year, or at such other intervals as the Board of Directors may decide, the Board of Directors shall appoint or re-appoint three (3) members to serve on the Architectural Review Committee. Developer reserves the right to delegate the right to designate the members of the Architectural Review Committee to the Association prior to the completion of construction of the final dwelling in the Project, in its sole discretion.

Prior to commencement of construction and prior to any clearing or tree cutting, one (1) copy of site plans and architectural drawings must be furnished to the Architectural Review Committee for approval along with a Five Hundred Dollar (\$500) non-refundable review fee, plus a Five Hundred Dollar (\$500.00) deposit to be held in escrow by the Architectural Review Committee to secure timely and thorough cleaning of the private road of dirt and debris caused by construction traffic or activity by the submitting Unit Co-owner (the "Cleaning Deposit"). If the private road is cleaned of dirt and debris caused by construction traffic or activity by the submitting Unit Co-owner to the satisfaction of the Architectural Review Committee, the Cleaning Deposit shall be refunded to the submitting Unit Co-owner. If the private road is not cleaned of dirt and debris caused by construction traffic or activity of the submitting Unit Co-owner to the satisfaction of the Architectural Review Committee, the Cleaning Deposit shall be used by the Architectural Review Committee to perform such cleaning, with the balance thereof, if any, returned to the submitting Unit Co-owner. No construction of a building, wall, swimming pool, or other structure shall commence, nor any clearing, until the plans showing the nature, kind, shape, height, materials and location of the improvements have prior written approval from the Architectural Review Committee. The Developer encourages Unit Co-owners to schedule a preliminary design review with the Architectural Review Committee before completing detailed plans and specifications. The plans must be to scale and include a site plan with all improvements indicated, including a basement/foundation plan, floor plans, landscaping plans, storm sewer and roof drainage plans, and exterior elevations complete with a type of material list and color samples of all exterior building materials. The landscape plans shall include designs for front, sides, and rear yard of the building site, underground sprinkling and completion date. One set of all plans will be retained by the Architectural Review Committee regardless of approval or disapproval.

A written request for approval must be signed and dated and submitted to the Architectural Review Committee along with the one (1) set of plans. The Architectural Review Committee shall have ten (10) days from receipt to approve the plans or to refuse to approve any plans or specifications, color and/or material applications, grading or landscaping plans, storm



sewer and roof drainage plans, or building location plans which are not suitable or desirable in its opinion for aesthetic or other reasons; and in passing upon such plans and specifications it shall have the right to take into consideration the suitability of the proposed structure, improvement or modification, the general quality and external design, the site upon which it is proposed to be constructed, the proposed location within the Unit, the location and elevation of structures within adjoining Units and the degree of harmony thereof with the Project as a whole.

The Architectural Review Committee may require any contractor constructing a residence in the project to sign a Contractor's Agreement which requires the contractor to strictly comply with the requirements and restrictions of these Bylaws and which further requires the contractor to post a security deposit or security bond, with sureties acceptable to the Architectural Review Committee, which may be forfeited under such Agreement in the event of default by the contractor or failure to comply with the strict requirements and restrictions contained herein. Any contractor who fails to sign such Agreement and post the required security deposit or security bond will not be allowed to construct any residences in the Project. Upon completion of construction of the residence, the Architectural Review Committee will return any balance of the security deposit to the contractor without interest. The security deposit will not be maintained as a separate fund and may be commingled with the general funds of the Association.

In addition to the other remedies described in these Bylaws, the Association's Architectural Review Committee is authorized to impose a fine of up to one thousand dollars (\$1,000.00) on any contractor who commences construction or grading or clearing of any Unit without the prior written approval of the plans and specifications by the Architectural Review Committee.

No changes to the plans or the contractor involved may be made without the written consent of the Architectural Review Committee. Such approval may be granted or denied in each case at the Architectural Review Committee's sole and absolute discretion. The approval or disapproval by the Architectural Review Committee in one or more cases will not obligate the Architectural Review Committee to grant approval or disapproval in any other cases.

Approved plans may not be altered in any way so as to change the exterior appearance of a building or other structure. The Architectural Review Committee is not responsible for any defects in the plans submitted for approval or in the building or structure erected according to such plans and specifications.

Appeals from a decision of the Architectural Review Committee may be made to the Board of Directors in writing within ten (10) days following an adverse decision of the Architectural Review Committee. The Board of Directors shall hold a hearing on such appeal within ten (10) days following receipt of such written appeal. The Board of Directors may reverse the decision of the Architectural Review Committee only if it finds that such decision was clearly contrary to the standards for approval set forth in these Bylaws or was made for reasons not consistent with the duties and obligations of the Architectural Review Committee.

All approvals required by this section shall comply with the following:

- (a) Design Standards. The design standards for residences are intended to promote consistency of architecture and landscape design. In that regard,



the Architectural Review Committee may adopt such design standards as may be necessary and reasonable in order to promote a harmonious and consistent architectural theme or style throughout the project. The Developer encourages utilization of natural materials for exterior surfaces of residences, especially the front and rear elevations, but vinyl siding may be permitted in the sole discretion of the Architectural Review Committee. The Developer also encourages Unit Co-owners to schedule a preliminary design review with the Architectural Review Committee before completing detailed construction plans and specifications.

- (b) Construction Materials. All residences shall be constructed only with new exterior materials, consisting of brick, stucco stone, masonry materials, cedar, fiber cement, vinyl or any combination of these materials utilized on a uniform basis; subject to architectural review and approval by the Architectural Review Committee. Vinyl and aluminum siding, soffit is permitted. Any wall shingles (whether cedar or fiber cement) shall be machine cut with bottom edges aligned. All metal flues shall be covered with a decorative metal shroud or a clay chimney pot. No exterior shall use asbestos materials. All buildings, alterations, and improvements shall be of first-class quality of workmanship and materials, and shall be of first class and harmonious construction and design. The outside roof and walls of garage, accessory and storage buildings shall be constructed with similar material to the dwelling. Driveways must be of hard surface material between the garage and the paved private road. Children's play sets (which must be located in rear yards only) and all equipment framework shall be constructed of wood, unless otherwise approved by the Architectural Review Committee.
- (c) Single Family Dwelling and Setbacks. No residential building shall be erected, altered, placed or permitted to remain on any Unit other than one single-family dwelling. Building setback requirements for each Unit are stated on the Condominium Subdivision Plan attached as Exhibit B, and shall be complied with. No building or dwelling shall be located within the area between the proposed building setback envelope (as shown on Exhibit B) and the ordinary high watermark of Pettit Lake. Except for a small well house or shed not exceeding 144 square feet, no gazebo, shed or similar item shall be located within the area located between the proposed building setback envelopes in the ordinary high watermark of Pettit Lake.
- (d) Size of Residences. No residence shall be constructed on any Unit with less than the following size of finished living areas (as calculated on exterior dimensions), exclusive of decks, porches, patios, garages, basements (whether full or walkout) and terrace level construction:

one story home: 1200 square feet

one and one half story home: 1600 square feet

two story home: 1800 square feet



- (e) Garages and Outbuildings. All outbuildings must be approved before construction by the Architectural Review Committee, comply with the requirements of the applicable Township Zoning Ordinances, provided that they may not exceed 144 square feet in size, and must conform substantially in design, elevation, color and materials with the exterior design of the principal residence. Each residence must be equipped with an attached or detached garage of no less than two (2) stalls.
- (f) Fences. No fences shall be erected on a Unit except as may be required by the applicable Township for enclosure of a pool or with prior approval of the Architectural Review Committee. No fences to enclose or to define property lines of individual Units will be permitted. Fences or hedges of an approved design may be used, however, to enclose exterior play areas, storage areas, service and/or delivery areas, patios or other areas requiring privacy. If a wall, fence, hedge, screen or other addition is desired, appropriate plans, including plans for landscaping that will give the fence a more aesthetic appearance, must be submitted to the Architectural Review Committee for approval prior to construction.
- (g) Swimming Pools. No above-ground swimming pools will be permitted without prior approval of the Architectural Review Committee, in its absolute discretion. All pool locations must be approved by the Board or its Architectural Review Committee.
- (h) Signs. No sign or any advertising will be displayed on any Unit unless its size, form, and number are first approved in writing by the Developer or the Committee if constituted. A name and address sign, the design of which will be approved by the Developer or the Committee, if constituted, will be permitted. Nothing herein will be construed to prevent the Developer from erecting, placing, or maintaining signs or offices as may be deemed necessary by the Developer in connection with the sale of Units.
- (i) Satellite Dishes
- (i) All satellite dishes, whether permanent or temporary, shall be placed adjacent to, or be attached to the outdoor side wall of the house or garage.
- (ii) All satellite dishes shall be placed in an area approved by the Architectural Review Committee. The placement shall not exceed an envelope area of four (4) feet horizontally from the side of the house or garage and four (4) feet vertically from grade level.
- (iii) The size of all satellite dishes shall not exceed a diameter of thirty six (36) inches.
- (iv) There shall be no placement of any satellite dish in the front yard (i.e. between the road and the house) unless the criteria stated herein



cannot be met due to the required line-of-sight with the satellite.

(v) Satellite dishes may be located outside the criteria set forth above if the applicant can show that such placement would not permit a satellite dish to receive signals from the satellite due to obstructions or sight line interference. The exact location and height of the satellite dish rests with the discretion of the Architectural Review Committee and/or the Board of Directors.

(vi) The Architectural Review Committee and/or the Board of Directors may require landscaping or other conditions in addition to the stated criteria so as to hide or blend the satellite dish with the surrounding topography, landscape or other structure.

- (k) Construction Time, Occupancy, and Landscaping. Construction, when started, shall be completed within twelve (12) months. No residence shall be occupied prior to the time an Occupancy Permit is issued by the Building Inspector nor before all exterior work including painting and staining, the paving of driveways, and the removal of construction debris including brush and stumps, has been completed. Landscaping, including the seeding or sodding of lawn areas and the planting of shrubs and trees, shall be completed within forty five (45) days of the date of occupancy. If a residence is occupied after November 1, and the completion of the paving, exterior painting, staining, and landscaping requirements are not possible, the work shall be completed not later than June 30 of the following year.
- (l) Construction Damage. Any damage to the private drive or other common element or any Unit done during construction by a Unit owner or someone acting on a Unit Co-owner's behalf, shall be immediately repaired at the expense of the individual Co-owner, and the cost shall not be borne by the Association or the Developer.
- (m) Mailboxes. Mailbox size, style and design shall be specified by the Architectural Review Committee and installed by the Unit Co-owner, at the Co-owner's expense. If a mailbox needs to be replaced it must be of the same size, style and design as the original mailbox.

The purpose of this Section 6.3 is to assure the continued maintenance of the Project as a beautiful and harmonious residential development. During the Development Period, Developer may construct dwellings or other improvements upon the Project without the necessity of prior consent from the Association, the Architectural Review Committee or any other person or entity, subject only to the express limitations contained in the Condominium Documents; provided, however, that all such dwellings and improvements shall, in the reasonable judgment of Developer or its architect, be architecturally compatible with the structures and improvements elsewhere on the Project.

6.4 Specific Use and Occupancy Restrictions. Without limiting the generality of the



foregoing provisions, use of the Project and all Common Elements by any Co-owner shall be subject to the following restrictions:

- (a) No Co-owner shall make any additions, alterations, or modifications to any of the Common Elements, nor make changes or structural repairs to the exterior appearance of the residence or other improvements located within the perimeters of his or her Unit without prior approval of the Architectural Review Committee, including, without limitation, erection of lights, aerials, newspaper holders, radio antennae or other exterior attachments.
- (b) No Co-owner shall in any way restrict access to any utility line or other element that must be accessible to service the Common Elements or any element which affects an Association responsibility in any way. Any person designated by the Association of Co-owners shall have access to each Unit as necessary during reasonable hours, upon notice to the occupant thereof, for maintenance, repair, or replacement of any of the Common Elements therein or accessible therefrom, and shall have access to each Unit without notice for making emergency repairs necessary to prevent damage to other Units or the Common Elements, or both.
- (c) No trees which are six (6) inches or more in diameter shall be removed from the Project, unless such trees are diseased or pose a present endangerment to life or property, and except for construction of a residence, driveway, accessory building and yard area, without the prior written approval of the Architectural Review Committee. All stumps, trees, and brush, cut or cleared to provide for home, driveway construction and yard areas, must be removed from the Project, except that timber may be saved and cut for fireplace wood.
- (d) Any rental or sublease of a Unit shall be in the manner set forth in Section 6.12 hereof.
- (e) No improper, offensive or unlawful use shall be made of the Project or any part thereof, and nothing shall be done or kept in any Unit or on the Common Elements which will increase the rate of insurance for the Project without the prior written consent of the Board of Directors. All structures and uses within the Project must comply with the applicable Township zoning ordinance, as amended, and all other applicable ordinances. No Co-owner shall permit anything to be done or kept in the Unit or on the Common Elements which will result in the cancellation of insurance on any Condominium Site Unit, or any part of the Common Elements, or which would be in violation of any law.
- (f) No Co-owner shall display, hang or store any clothing, sheets, blankets, laundry or other articles in front or to the side of his or her principal residence or which may be visible from the private drive (other than draperies or curtains, blinds and/or shades of a customary nature and



appearance). The foregoing restriction shall not be construed to prohibit a Co-owner from placing and maintaining outdoor furniture and decorative foliage of a customary nature and appearance on a patio, deck or balcony appurtenant to a residence constructed within the Unit.

- (g) No Co-owner shall use, or permit the use by any occupant, agent, tenant, invitee, guest or member of his or her family of any firearms, illegal fireworks or other dangerous weapons, projectiles or devices anywhere on or about the Project: provided, however, archery and pellet guns may be permitted subject to Association Rules and Regulations.
- (h) No savage or dangerous animals, livestock, or poultry shall be raised, bred, or kept on the Premises except that dogs, birds, cats, and household pets may be kept, provided they are confined to a Unit owned by the owner of the pet, are not kept for any commercial purpose, and by reason of number, noise, or trespass on the lands of other owners, do not become an annoyance. Pets permitted by this section shall be kept only in compliance with all applicable Township ordinances and with the rules and regulations promulgated by the Association, and must at all times be kept under such care and restraint as not to be obnoxious on account of noise, odor or unsanitary conditions or a danger to other pet animals or persons. No animal shall be permitted to run loose upon the Common Elements, nor upon any Unit or Limited Common Element except those owned by the owner of such animal, and the owner of each pet shall be responsible for cleaning up after the pet.
- (i) No trailer, motor home, mobile home, camper trailer, snowmobile trailer, snowmobile, motorcycle, boat, boat trailer, or any kind or type of recreational vehicle or motor vehicle may be stored, parked, or placed on any parcel outside of buildings for more than four (4) days in any thirty (30) day period, without the prior written consent of the Developer during the Development Period and thereafter the Association. No recreational vehicles, boats or trailers shall be parked or stored in any garage if such storage would prevent full closure of the door thereto, or elsewhere on a Unit or the Project without the written approval of the Association. No snowmobile, all-terrain vehicle or other motorized recreational vehicle shall be operated in the Project, except for maintenance purposes, or except for equipment designed and used for emergencies, maintenance, marketing/sales, or assisting disabled individuals. No maintenance or repair shall be performed on any boat or vehicle except within a garage or residence where totally isolated from public view.
- (j) The number of automobiles or other vehicles customarily used for transportation purposes which may be kept in a Unit outside a closed garage or elsewhere on the Condominium Project by those persons residing in any Unit may be limited by rules and regulations adopted by the Association; provided, that no automobiles or other vehicles which are not in operating condition shall be permitted at any time. No vehicles



shall be parked for a prolonged period on any private road in the Project and shall be primarily parked inside a garage. No commercial vehicles, trucks, or semi-trucks, whether tractor or trailer or both, shall be parked in or about the Project except for the making of deliveries or pickups in the normal course of business.

- (k) No vehicles shall be parked on or along the private drive except for short time use which shall not include overnight parking at any time. In general, no activity shall be carried on nor condition maintained by any Co-owner either in his or her Unit or upon the Common Elements which despoil the appearance of the Project.
- (l) All utilities other than utilities existing as of the date of the PUD Resolution (including, but not limited to, sewer, natural gas, electric and telecommunications) shall be installed and maintained underground. There shall be no aboveground or buried propane, gasoline or other similar fuel tanks.
- (m) No oil or fuel storage tanks may be installed on any Unit.
- (n) No garbage, refuse, rubbish, or cuttings shall be deposited upon or left on a Unit or Common Element unless placed in an attractive container suitably located and screened from view. If the Association elects to contract with a single garbage and trash removal company to pick up all garbage and trash within the Project, all Co-owners shall be required to participate.
- (o) No owner of any Unit will do or permit to be done any act or condition upon his Unit which may be or is or may become a nuisance. No Unit will be used in whole or in part for the storage of rubbish of any character whatsoever, nor for the storage of any property or thing that will cause the Unit to appear in an unclean or untidy condition or that will be obnoxious to the eye; nor will any substance, thing, or material be kept upon any Unit that will emit foul or obnoxious odors, or that will cause any noise that will or might disturb the peace, quiet, comfort, or serenity of the occupants of surrounding Units. No refuse pile or unsightly objects will be allowed to be placed or suffered to remain anywhere on a Unit. In the event that any Co-owner of any Unit will fail or refuse to keep a Unit free from refuse piles or other unsightly growths or objects, then the Association may enter upon the Unit and remove the same and such entry will not be a trespass; the Co-owner of the Unit will reimburse the Association all costs of such removal.
- (p) Except as provided herein, no outdoor lighting shall be permitted. Reasonable and customary porch, garage, driveway and patio lights may be permitted, provided they are shielded or directed so as not to cause glare onto adjoining Units or rights-of-way. Mercury vapor, "dusk-to-dawn", and similar lighting is prohibited.



- (q) No Unit owner shall grant any right-of-way or easement across his or her Unit to any person(s) or entities without prior written approval of the Developer during the Development Period and thereafter the Committee.
- (r) All soil removed from any Unit shall remain the property of the Developer. When said soil is removed, it shall be placed by the Unit owner, at the Unit owner's expense, in such place or places within the Project that the Developer shall designate.
- (s) Absent an election to arbitrate pursuant to Article III of these Bylaws, a dispute or question as to whether a violation of any specific regulation or restriction contained in this Article has occurred shall be submitted to the Board of Directors of the Association which shall conduct a hearing and render a decision thereon in writing, which decision shall be binding upon all owners and other parties having an interest in the Project.
- (t) The northern ten (10) feet of Units 25 and 37, as depicted on the Condominium Subdivision Plan attached as Exhibit B, shall constitute preservation areas, the purpose of which is to protect the natural features of such areas to assure that they will be perpetually preserved in a natural condition. Such preservation area shall be maintained by the Co-owners of such Units in their natural states in perpetuity.
- (v) That portion of the General Common Element within the Project depicted as a "Open Space" on the Condominium Subdivision Plan attached as Exhibit B to the Master Deed may be utilized for the pedestrian recreational enjoyment of Co-owners, their immediate family, and guests. Except for the gazebo and other improvements, if any, depicted on the Project's Final Development Plan, no buildings, structures, or other improvements shall be constructed within the Open Space, unless approved by the Architectural Review Committee. No motorized vehicles shall be permitted within the Open Space. The Open Space shall not be used for the storage of supplies or personal property. Golf carts are permissible on the Open Space areas, subject to the Association's Rules and Regulations and the PUD Resolution..

6.5 General Common Element Open Space Areas. The open space General Common Element areas located within the Project may be utilized for the recreational enjoyment of Co-owners, their immediate family, and guests. Except as otherwise depicted on the Project's Final Development Plan approved by Croton Township and Brooks Township in accordance with the PUD Resolution, those portions of the Project which are designated as open space General Common Element areas on the Condominium Subdivision Plan attached hereto as Exhibit B shall remain permanently undeveloped (except as otherwise expressly provided in the PUD Resolution). No residences or buildings shall be built upon such open space areas.

The following shall also be applicable to the open space areas:

- (a) Except for equipment designed and used for emergencies, maintenance,



marketing and/or sales, or assisting disabled individuals, motorized off-road vehicle use is prohibited.

- (b) Installation and use of outdoor lighting is prohibited unless approved before hand by Croton Township Planning Commission and the Brooks Township Board.
- (c) Telecommunication towers and equipment may be installed and utilized upon approval of the Croton Township Planning Commission and the Brooks Township Board.
- (d) Storage buildings, amenities and structures may be constructed by the Developer and used in the Limited Common Elements storage areas (non-waterfront) shown on the Approved Site Plan for the open space. No more than sixty (60) storage units are permitted and the storage units shall be limited to use by Co-owners of Units in the Project.
- (e) Any walking trails on the open space shall be private and for the use only of Co-owners of Units in the Project or owners of lots within the property which is the subject of the PUD Resolution (as well as their families and invitees).
- (f) Except for uses approved by the PUD Resolution and the Approved Site Plan, no activities or uses of land other than those related to open space maintenance, conservation of the natural environment or low-impact recreation shall take place within such open space areas.

6.6 Community Docks. As shown on the Condominium Subdivision Plan attached Exhibit B, the Project has been approved for two proposed community docks. Community Dock No. 1 is located between Units 46 and 47 and proposed Community Dock No. 2 is located on the General Common Element peninsula located southeast of units 17 and 18. These improvements are "Need Not Be Built" improvements under the Act. The following provisions are applicable to these proposed community docks:

- (a) Community Dock No. 1 shall have no more than six (6) mooring spots. Furthermore, no more than six boats, watercraft or vessel shall be stored, kept, moored, or anchored at that dock (or on the common area where the dock is located) overnight.
- (b) Community Dock No. 2 shall have no more than thirteen (13) mooring spots. Furthermore, no more than thirteen (13) boats, watercraft or vessel shall be stored, kept, moored, anchored at that dock (or on the common area where the dock is located) overnight.
- (c) Each boat slip at the two proposed community docks shall be assigned by the Developer, in its sole discretion, to a specific Unit within the Project that does not have frontage on Pettit Lake. Each Unit Co-owner shall be responsible for purchasing, installation and removal of its dock lateral in accordance with rules and regulations established by the Developer during



the Development Period, and thereafter the Association.

- (d) No boat slip shall be sold, leased or used apart from the unit (and the owners of the unit) to which the boat slip is assigned.

6.7 Community Boat Ramp. A boat ramp is located within the Project upon General Common Element located between Units 10 and 12, as shown on the Condominium Subdivision Plan attached as Exhibit B. No other boat ramps shall be installed or used on or from the Project. The boat ramp shall be used only by the following property owners and in compliance with the Association's rules and regulations adopted from time to time;

- (a) The Co-owners of any Unit within the Project; and
- (b) The owner of any lakefront property on Pettit Lake who is in good standing with the Pettit Lake Association.

6.8 Island Restrictions. The following provisions apply to the "Island" which is located within Pettit Lake off shore from Units 50 and 51, as depicted on the Condominium Subdivision Plan:

- (a) a dock, boardwalk or walkway for pedestrian access to the Island may be installed by the Developer, in its discretion, and utilized exclusively by the Co-owners of Units 50 and 51 (unless otherwise agreed in writing by Developer in its discretion) between the mainland and the Island.
- (b) There shall be no overnight boat mooring, anchoring or storage on or at the Island or the dock, walkway or boardwalk attaching the Island to the mainland. No other dock or mortgage shall occur in these areas.

6.9 Rules of Conduct. Reasonable rules and regulations concerning the use of Units and Common Elements, Limited and General, may be promulgated and amended by the Board of Directors. Copies of such rules and regulations shall be furnished by the Board of Directors to each Co-owner at least ten (10) days prior to their effective date, and may be revoked at any time by the affirmative vote of a majority of all Co-owners.

6.10 Developer's Reserved Rights. Notwithstanding anything to the contrary elsewhere herein contained, Developer shall have the right to maintain a sales office, advertising display signs, storage areas and reasonable parking incident to the foregoing and such access to, from and over the Project as may be reasonable to enable marketing, development and sale of the entire Project by Developer.

6.11 Soil Erosion Control Construction Requirements. Soil erosion protection and stabilization techniques and procedures shall be provided continuously during all phases of construction so as to prevent any adverse effects resulting or arising from erosion of soil (except adverse effects that are only minimal or inconsequential). The providing of sufficient measures for such purposes, and specific requirements relating thereto, may be included as conditions in any building permits issued for any construction within the Project. Prior to the issuance of a building permit for a dwelling upon any of the Units within the Project, a site grading plan shall be prepared and submitted along with plans and measures for control of soil erosion during construction, and



shall be reviewed and approved by the Architectural Control Committee. The site grading plan shall accurately show the drainage and flow of storm water on each Unit in sufficient detail for appropriate evaluation by the Architectural Control Committee. All Units shall be developed only in accordance with the site grading plan as approved by the Architectural Control Committee. A request for modification of a grading plan for a Unit may be made with an application for building permit, and shall be subject to review and approval by the Architectural Control Committee. All residences shall be equipped with eaves troughs, downspouts and dispersion devices positioned to drain in accordance with the Project's storm water management systems, as depicted on Exhibit B.

The Condominium Project shall at all times be maintained in a manner consistent with the highest standards of a beautiful, serene, private and residential community for the benefit of the Co-owners and all other persons interested in the Condominium Project. If at any time the Association fails or refuses to carry out its obligations to maintain, repair, replace and landscape in a manner consistent with the maintenance of such high standards, then Developer, or any person to whom it may assign this right, at its option, may elect to maintain, repair and/or replace any Common Elements and/or to do any landscaping required by these Bylaws and to charge the cost thereof to the Association as an expense of administration. Developer shall have the right to enforce these Bylaws throughout the Development Period, which right of enforcement shall include (without limitation) an action to restrain the Association or any Co-owner from any activity prohibited thereby.

6.12 Leasing and Rental.

(a) Right to Lease. A Co-owner may lease his Unit for the same purposes set forth in Section 6.1; provided that written disclosure of such lease transaction is submitted to the Association in the manner specified in subsection (b) below. With the exception of a lender in possession of a Unit following default of a first mortgage, foreclosure or deed or other arrangement in lieu of foreclosure, NO CO-OWNER WILL LEASE LESS THAN AN ENTIRE UNIT IN THE CONDOMINIUM AND NO TENANT WILL BE PERMITTED TO OCCUPY EXCEPT UNDER A LEASE THE INITIAL TERM OF WHICH IS AT LEAST NINETY (90) DAYS, UNLESS SPECIFICALLY APPROVED IN WRITING BY THE ASSOCIATION. THE TERMS OF ALL LEASES, OCCUPANCY AGREEMENTS AND OCCUPANCY ARRANGEMENTS WILL INCORPORATE, OR BE DEEMED TO INCORPORATE, ALL OF THE PROVISIONS OF THE CONDOMINIUM DOCUMENTS. After the transitional control date, the Association may amend the Condominium Documents as to the rental of units or terms of occupancy as provided in section 90(4) of the Act. The amendment shall not affect the rights of any lessors or lessees under a written lease otherwise in compliance with this section and executed before the effective date of the amendment, or units as long as they are owned or leased by the Developer.

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

(1) A Co-owner desiring to rent or lease a Unit, will disclose that fact in writing to the Association at least ten (10) days before presenting a lease form to a potential lessees or occupants and, at the same time, will supply the Association with a copy of the exact lease form for its review for its compliance



with the Condominium Documents. The Co-owner or Developer shall also provide the Association with a copy of the executed lease. If no lease is to be used, then the co-owner or Developer shall supply the Association with the names and addresses of the lessees or occupants, along with the rental amount and due dates of any rental of compensation payable to a Co-owner or Developer, the due dates of such compensation and the term of the proposed arrangement.

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

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

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

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

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

(4) When a Co-owner is in arrears to the Association for assessments, the Association may give written notice of the arrearage to a tenant occupying a Co-owner's Unit under a lease or rental agreement and the tenant, after receiving the notice, will deduct from rental payments due the Co-owner the arrearage and future assessments as they fall due and pay them to the Association. The deductions will not constitute a breach of the rental agreement or lease by the tenant. If the tenant, after being notified, fails or refuses to remit rent otherwise due the Association, then the Association may do the following: (a) Issue a statutory notice to quit for non-payment of rent to the tenant and shall have the right to enforce that notice by summary proceeding, (b) Initiate proceedings pursuant to subsection (3) above.

6.13 Changes in Common Elements. Except as provided in Section 6.2.5 above with respect to the Developer, no Co-owner will make changes in any of the Common Elements,



Limited or General, without the express written approval of the Association.

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

6.15 Reserved Rights of Developer.

(a) Developer's Rights in Furtherance of Development of Sales. None of the restrictions contained in this Article VI will apply to the commercial activities or signs or billboards, if any, of the Developer during the Development Period or of the Association in furtherance of its powers and purposes set forth herein and in its Articles of Incorporation, as the same may be amended from time to time.

(b) Enforcement of Bylaws. The Condominium Project will at all times be maintained in a manner consistent with the highest standards of a private residential community for the benefit of the Co-owners and all persons interested in the Condominium. If at any time the Association fails or refuses to carry out its obligations in a manner consistent with the maintenance of such high standards, then Developer, or any entity to which Developer may assign this right, at its option, may elect to carry out such obligations and to charge the cost thereof to the Association as an expense of administration. The Developer will have the right to enforce these Bylaws throughout the Development Period notwithstanding that it may no longer own a Unit in the Condominium, which right of enforcement may include (without limitation) an action to restrain the Association or any Co-owner from any activity prohibited by these Bylaws.

ARTICLE VII MORTGAGES

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

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

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



ARTICLE VIII
VOTING

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

8.2 Eligibility to Vote. No Co-owner, other than the Developer, will be entitled to vote at any meeting of the Association until he has presented evidence of ownership of a Unit in the Condominium Project to the Association. Except as provided in Sections 8.5 and 9.9 of these Bylaws, no Co-owner, other than the Developer, will be entitled to vote prior to the date of the First Annual Meeting held in accordance with Section 9.2. The Vote of each Co-owner may be cast only by the individual representative designated by such Co-owner in the notice required in Section 8.3 or by a proxy given by such individual representative. The Developer will be the only person entitled to vote at a meeting of the Association until the First Annual Meeting and will be entitled to vote during such period notwithstanding the fact that the Developer may own no Units at some time or from time to time during such period. At and after the First Annual Meeting the Developer will be entitled to vote for each Unit which the Developer owns.

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

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

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

8.6 Majority. A majority, except where otherwise provided herein, will consist of more than fifty-one percent (51%) of those qualified to vote and present in person or by proxy (or written vote, if applicable) at a given meeting of the members of the Association. Whenever



provided specifically herein, a majority may be required to exceed the simple majority hereinabove set forth of designated voting representatives present in person or by proxy, or by written vote, if applicable, at a given meeting of the members of the Association.

ARTICLE IX MEETINGS

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

9.2 First Annual Meeting. The First Annual Meeting may be convened within one hundred twenty (120) days after twenty-five percent (25%) of the Units are sold and the purchasers thereof qualified as members of the Association. In no event, however, will such meeting be called later than fifty-four (54) months after the first conveyance of legal or equitable title to a non-developer Co-owner of a Unit in the project. The Developer may call meetings of members for information or other appropriate purposes prior to the First Annual Meeting and no such meeting will be construed as the First Annual Meeting. The date, time and place of such meeting will be set by the Board of Directors, and at least ten (10) days, written notice thereof will be given to each Co-owner.

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

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

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

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

9.7 Order of Business. The order of business at all meetings of the members will be



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

9.8 Action without Meeting. Any action which may be taken at a meeting of the members (except for the election or removal of Directors) may be taken without a meeting by written ballot of the members. Ballots will be solicited in the same manner as provided in Section 9.5 for the giving of notice of meetings of members. Such solicitations will specify (a) the number of responses needed to meet the quorum requirements; (b) the percentage of approvals necessary to approve the action; and (c) the time by which ballots must be received in order to be counted. The form of written ballot will afford an opportunity to specify a choice between approval and disapproval of each matter and will provide that, where the member specifies a choice, the vote will be cast in accordance therewith. Approval by written ballot will be constituted by receipt within the time period specified in the solicitation of (i) a number of ballots which equals or exceeds the quorum which would be required if the action were taken at a meeting; and (ii) a number of approvals which equals or exceeds the number of votes which would be required for approval if the action were taken at a meeting at which the total number of votes cast was the same as the total number of ballots cast.

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

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

ARTICLE X
ADVISORY COMMITTEE

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



will be to facilitate communications between the temporary Board of Directors and the non-developer Co-owners and to aid the transition of control of the Association from the Developer to purchaser Co-owners. The Advisory Committee will cease to exist automatically when the non-developer Co-owners have the voting strength to elect a majority of the Board of Directors of the Association. The Developer may remove and replace at its discretion at any time any member of the Advisory Committee who has not been elected thereto by the Co-owners.

ARTICLE XI BOARD OF DIRECTORS

11.1 Number and Qualification of Directors. The Board of Directors will be comprised of not less than three (3) and not more than seven (7) members all of whom must be members of the Association or officers, partners, trustees, employees or agents of members of the Association. Directors will serve without compensation.

11.2 Election of Directors.

(a) First Board of Directors. The first Board of Directors or its successors as selected by the Developer will manage the affairs of the Association until the appointment of the first non-developer Co-owners to the Board. Elections for non-developer Co-owner Directors will be held as provided in subsection (b) below.

(b) Appointment of Non-developer Co-owners to Board Prior to First Annual Meeting. Not later than one hundred twenty (120) days after conveyance of legal or equitable title to non-developer Co-owners of twenty-five percent (25%) of the Units that may be created, at least 1 director, and not less than 25% of the board of directors of the Association shall be elected by non-developer Co-owners. When the required percentage level of conveyance has been reached, the Developer will notify the non-developer Co-owners and request that they hold a meeting and elect the required Director. Upon certification to the Developer by the Co-owners of the Director so elected, the Developer will then immediately appoint such Director to the Board to serve until the First Annual Meeting unless he is removed pursuant to Section 11.5 or he resigns or becomes incapacitated.

(i) Not later than one hundred twenty (120) days after conveyance of legal or equitable title to non-developer Co-owners of 50% of the units that may be created, not less than 33-1/3% of the board of directors shall be elected by non-developer Co-owners. Not later than one hundred twenty (120) days after conveyance of legal or equitable title to non-developer Co-owners of 75% of the Units that may be created, and before conveyance of ninety percent (90%) of such Units, the non-developer Co-owners will elect all Directors on the Board, except that the Developer will have the right to designate at least 1 Director as long as the Developer owns and offers for sale at least 10% of all Units in the Project or as long as 10% of the Units remain that may be created. Whenever the seventy-five percent (75%) conveyance level is achieved, a meeting of Co-owners will be promptly convened to effectuate this provision, even if the First Meeting has already occurred.

(ii) Regardless of the percentage of Units which have been conveyed,



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upon the expiration of fifty-four (54) months after the first conveyance of legal or equitable title to a non-developer Co-owner of a Unit in the Project, the non-developer Co-owners have the right to elect a number of members of the Board of Directors equal to the percentage of Units they own, and the Developer has the right to elect a number of members of the Board of Directors equal to the percentage of Units which are owned by the Developer and for which all assessments are payable by the Developer. This election may increase, but will not reduce, the minimum election and designation rights otherwise established in subsection (i). Application of this subsection does not require a change in the size of the Board of Directors.

(iii) If the calculation of the percentage of members of the Board of Directors that the non-developer Co-owners have the right to elect under subsection (ii), or if the product of the number of members of the Board of Directors multiplied by the percentage of Units held by the non-developer Co-owners under subsection (b) results in a right of non-developer Co-owners to elect a fractional number of members of the Board of Directors, then a fractional election right of 0.5 or greater will be rounded up to the nearest whole number, which number will be the number of members of the Board of Directors that the non-developer Co-owners have the right to elect. After application of this formula the Developer will have the right to elect the remaining members of the Board of Directors. Application of this subsection will not eliminate the right of the Developer to designate 1 member as provided in subsection (i).

(iv) Each Director shall serve for one (1) year or until his/her successor is elected.

(v) Once the Co-owners have acquired the right hereunder to elect a majority of the Board of Directors, annual meetings of Co-owners to elect Directors and conduct other business will be held in accordance with the provisions of Section 9.3 hereof.

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

11.3 Power and Duties. The Board of Directors will have the powers and duties necessary for the administration of the affairs of the Association, may do all acts and things as are not prohibited by the Condominium Documents or required thereby to be exercised and done by Co-owners, shall have all powers described in the Articles of Incorporation, shall have the power to enforce the provisions of the Condominium Documents, and shall have the power to do anything required of or permitted to it, as administrator of this Condominium project by the Condominium Master Deed or Condominium Bylaws or by Act No. 59 of Public Acts of 1978, as amended.

11.4 Vacancies. Vacancies in the Board of Directors which occur after the



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

11.5 Removal. At any regular or special meeting of the Association duly called with due notice of the removal action proposed to be taken, any one or more of the Directors may be removed with or without cause by the affirmative vote of more than fifty-one percent (51%) of all of the Co-owners and a successor may then and there be elected to fill any vacancy thus created. The quorum requirement for the purpose of filling such vacancy will be the normal fifty-one percent (51%). Any Director whose removal has been proposed by the Co-owners will be given an opportunity to be heard at the meeting. The Developer may remove and replace any or all of the Directors selected by it at any time or from time to time in its sole discretion. Likewise, any Director selected by the non-developer Co-owners to serve before the First Annual Meeting may be removed before the First Annual Meeting in the same manner set forth in this paragraph for removal of Directors generally.

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

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

11.8 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 will state the time, place and purpose of the meeting. Special meetings of the Board of Directors will be called by the President or Secretary in like manner and on like notice on the written request of two Directors.

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

11.10 Adjournment. At all meetings of the Board of Directors, a majority of the Directors will constitute a quorum for the transaction of business, and the acts of the majority of



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

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

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

ARTICLE XII OFFICERS

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

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

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

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



office of the Secretary.

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

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

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

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

ARTICLE XIII FINANCE

13.1 Records/Assessment of Tangible Personal Property. The Developer, or the project manager which has been appointed by the Developer, if any, will administer the affairs of the project and will keep books and records with a detailed account of the expenditures and receipts affecting the Project and its administration, and which specify the operating expenses of the project, until such time as the Board of Directors of the Association is transferred to non-developer co-owners. After the Association is controlled by non-developer Board of Directors, the Treasurer of the Association shall have such responsibility, unless the Board has engaged the services of a project manager for such purposes. Such accounts and all other Association records will be open for inspection by the Co-owners and their mortgagees during reasonable working hours. The Association will prepare and distribute to each Co-owner at least once a year a financial statement, the contents of which will be defined by the Association. The books of account will be audited at least annually by qualified independent auditors; provided, however, that such auditors need not be certified public accountants nor does such audit need to be a certified audit. Any institutional holder of a first mortgage lien on any Unit in the Condominium will be entitled to receive a copy of such annual audited financial statement within ninety (90) days following the end of the Association's fiscal year upon request therefor. The costs of any such audit and any accounting expenses will be expenses of administration. The person designated to administer the affairs of the project shall be assessed as the person in possession for any tangible personal property of the project owned or possessed in common by the co-owners. Personal property taxes based on that tangible personal property shall be treated as expenses of administration.



Furthermore, the Association shall provide Croton Township with a yearly financial statement setting forth the estimated cost to operate, repair, replace and maintain the Sewer System. Not less than annually the Developer or its successors and assigns, shall submit to Croton Township written confirmation that the Sewer Escrow Fund is in existence consistent with the terms of the Sewer Agreement, identifying the amount of funds in the Sewer Escrow Fund and identifying the bank or depository at which the funds are held, and any other information necessary requested by Croton Township or its agents.

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

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

ARTICLE XIV
INDEMNIFICATION OF OFFICERS AND DIRECTORS

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

ARTICLE XV
SEAL

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



ARTICLE XVI
COMPLIANCE

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

ARTICLE XVII
REMEDIES FOR DEFAULT

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

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

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

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

17.4 Assessment of Fines. The violation of any of the provisions of the Condominium Documents by any Co-owner will be grounds for assessment by the Association, acting through its duly constituted Board of Directors, of monetary fines for such violations. No fine may be assessed unless rules and regulations establishing such fine have first been duly adopted by the Board of Directors of the Association and notice thereof given to all Co-owners in the same manner as prescribed in Article IX, Section 5 of these Bylaws. Thereafter, fines may be assessed only upon notice to the offending Co-owners as prescribed in said Article IX, Section 5, and an opportunity for such Co-owner to appear before the Board no less than seven (7) days from the date of the notice and offer evidence in defense of the alleged violation. All fines duly assessed may be collected in the same manner as provided in Article II of these Bylaws. No fine will be levied for the first violation. Fine amounts will be determined by the Board of Directors.



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

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 Condominium Documents will be deemed to be cumulative and the exercise of any one or more will not be deemed to constitute an election of remedies, nor will it preclude the party thus exercising the same from exercising such other and additional rights, remedies or privileges as may be available to such party at law or in equity.

17.7 Enforcement of Provisions of Condominium Documents. A Co-owner may maintain an action against the Association and its officers and Directors to compel such persons to enforce the terms and provisions of the Condominium Documents. In such a proceeding, the Association shall recover the costs of the proceeding and reasonable attorney fees, as determined by the court. In no event will any co-owner be entitled to recover such attorney fees. A Co-owner may maintain an action against any other Co-owner for injunctive relief or for damages or any combination thereof for noncompliance with the terms and provisions of the Condominium Documents or the Act.

ARTICLE XVIII
RIGHTS RESERVED TO DEVELOPER

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

ARTICLE XIX
MISCELLANEOUS PROVISIONS

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



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

19.3 Notices. Notices provided for in the Act, Master Deed or Bylaws must be in writing, and are to be addressed to the Association at 27 Main, Rockford, Michigan 49341, or to any Co-owner at the address set forth in the deed of conveyance, or at such other address as may hereinafter be provided.

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

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

19.5 Conflicting Provisions. In the event of a conflict between the provisions of the Act (or other laws of the State of Michigan) and any Condominium Document, the Act (or other laws of the State of Michigan) shall govern; in the event of any conflict between the provisions of the PUD Resolution or any other applicable ordinance of Croton Township or Brooks Township with respect to a Unit in its jurisdiction (collectively "Township Ordinance") and any one or more of the Condominium Documents, the Township Ordinance shall govern; in the event of any conflict between the provisions of any one or more Condominium Documents, the following order of priority shall prevail and the provisions of the Condominium Document having the highest priority shall govern:

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