

This Master Deed is being re-recorded to add Exhibit C, which was inadvertently omitted when originally recorded and to add additional information to Exhibit B, the Condominium Subdivision Plan. The additional information for Exhibit B is set forth on a new Exhibit D and all references in this Master Deed to Exhibits A, B, and C now shall include Exhibit D.

STATE OF MICHIGAN
COUNTY OF MUSKEGON
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2000 JAN 18 PM 3:54

Mark F. Fairchild
REGISTER OF DEEDS

LIBER 3006 PAGE 525

STATE OF MICHIGAN
COUNTY OF MUSKEGON
RECEIVED FOR RECORD

1998 JAN 19 AM 10:20

Carrie Carter
REGISTER OF DEEDS

MASTER DEED

FENNER GLEN, A SITE CONDOMINIUM

THIS MASTER DEED has been executed on October 28, 1997, on behalf of FENNER GLEN, A SITE CONDOMINIUM, by Fenner Glen, Inc., a Michigan corporation of 175 W. Apple Avenue, Muskegon, Michigan 49440 (the "Developer"), pursuant to the provisions of the Michigan Condominium Act, Act 59 of the Public Acts of 1978, as amended (the "Act").

Background

A. The Developer desires to establish the real property described in Article II, together with all improvements located and to be located thereon, and all appurtenances thereto, as a condominium project under the provisions of the Act.

B. The Developer has prepared and executed this Master Deed, together with the Condominium Bylaws attached as Exhibit A and the Condominium Subdivision Plan attached as Exhibit B, to accomplish these purposes.

ARTICLE I DEDICATION

By executing and recording this Master Deed, the Developer establishes Fenner Glen, a Site Condominium (the "Project") as a condominium project under the Act. Once established, the Project shall be held, conveyed, encumbered, leased, occupied, improved and in every manner utilized subject to the provisions, covenants, conditions, restrictions and obligations set forth in this Master Deed (including Exhibits A, B and C) and to the provisions of the Act. All of the provisions, covenants, conditions, restrictions and obligations set forth in this Master Deed (including Exhibits A, B and C) shall run with the real property included in the Project and shall burden and benefit the Developer and all persons acquiring or owning an interest in the Project, or in the real property dedicated to the Project, and their grantees, successors, assigns, heirs and personal representatives. The remainder of this Master Deed (including Exhibits A, B and C) has been set forth in furtherance of the establishment of the Project.

ARTICLE II LEGAL DESCRIPTION

The real property which is dedicated to the Project established is legally described as set forth on Exhibit C together with and subject to the restrictions, covenants and easements set forth in this Master Deed (including Exhibits A, B, and C) and all restrictions, covenants, easements of record and all governmental limitations ("Condominium Premises").

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Parcel #61-

09-011-010-00

Part Of 09-011-042-00

Part Of

Page 1

1-19-98
Muskegon, Mich.
I hereby certify that there are no tax liens or fees held by the state or any individual against the within description, and all taxes on same are paid for five years previous to the date of this instrument, as appears by the records in my office.
09-011-010-00
JAN 19 1998
REGISTER OF DEEDS

103.00
22.00

ARTICLE III
DEFINITIONS

When used in any of the Condominium Documents (as later defined), or in any contract, deed, mortgage, lien, easement or other instrument affecting the Project or the establishment or transfer of any interest therein, the following terms shall carry the definitions which follow them unless the context clearly indicates to the contrary:

- (a) "Act" means the Michigan Condominium Act, being Act 59 of the Public Acts of 1978, as amended.
- (b) "Association" means Fenner Glen Property Management, Inc., a non-profit corporation organized under the laws of the State of Michigan, of which all Co-owners shall be members and which shall administer, operate, manage and maintain the Project. Any action required of or permitted to the Association shall be exercisable by its Board of Directors unless explicitly reserved to the Members by the Condominium Documents or the laws of the State of Michigan, and any reference to the Association shall, where appropriate, also constitute a reference to its Board of Directors.
- (c) "Association Bylaws" means the corporate Bylaws of the Association.
- (d) "Common Elements", where used without modification, means both the general and limited common elements, as defined in Article V.
- (e) "Condominium Bylaws" means the Bylaws for the Project setting forth the rights and obligations of the Co-owners. The Condominium Bylaws are attached as Exhibit A.
- (f) "Condominium Documents" means and includes this Master Deed, Exhibits A, B and C, and the Articles of Incorporation, Association Bylaws and the Rules and Regulations, if any, of the Association.
- (g) "Condominium Premises" means and includes the land described in Article II and all restrictions, covenants, easements, rights and appurtenances belonging to the Project.
- (h) "Condominium Subdivision Plan" means the subdivision plan attached as Exhibit B.
- (i) "Condominium Unit" or "Unit" each mean that portion of the Project designed and intended for separate ownership and use, as described on Exhibit B.
- (j) "Co-owner," "Owner" or "Member" each mean a person, firm, corporation, partnership, trust or other legal entity or any combination thereof who or which owns legal or equitable title to a Condominium Unit within the Project and, therefore, is a Member of the Association.
- (k) "Developer" means Fenner Glen, Inc., a Michigan corporation, which has prepared and executed this Master Deed, and shall include its successors and assigns.
- (l) "Frontage Area" shall mean the area between the boundary of a Unit and the paved portion of the road right of way.

(m) "Master Deed" means this Master Deed, including Exhibits A, B, and C, all of which are incorporated by reference and made part of the Master Deed.

(n) "Project" means Fenner Glen, a Site Condominium, a condominium project established pursuant to the Act.

Terms not defined in the Master Deed, but defined in the Act, shall carry the meanings given them in the Act unless the context clearly indicates to the contrary. Whenever any reference in the Master Deed is made to one gender, the same shall include a reference to any and all genders where such a reference would be appropriate; similarly, whenever a reference is made to the singular, a reference shall also be included to the plural where such a reference would be appropriate, and vice versa.

ARTICLE IV TITLE AND NATURE

The Project shall be known as Fenner Glen, a Site Condominium, Muskegon County Subdivision Plan No. 57. The subdivision plan for the Project will be filed with and approved by the Township of Laketon, Muskegon County, Michigan. The improvements contained in the Project, including the number, boundaries, dimensions and area of each Unit, are set forth completely in the Condominium Subdivision Plan. The Project contains individual Units to be used as building sites for single family homes and each Unit has been designed and is intended for separate ownership and use, as evidenced by individual entrances from and exits to a common element of the Project. Each Co-owner in the Project shall have an exclusive right to occupy his or her Unit and shall have undivided and inseparable rights to share with other Co-owners the use and enjoyment of general common elements.

ARTICLE V COMMON ELEMENTS

The common elements of the Project and the respective responsibilities for maintenance, decoration, repair or replacement thereof are as follows:

Section 1. General Common Elements. The general common elements are:

(a) The real property described in Article II, excluding those portions within the boundaries of any Unit as described in Article VI(1) and shown on Exhibit B.

(b) All road and utility rights of way as indicated on the Condominium Subdivision Plan including the roads built within the right of way but excluding all portions of driveways built upon the Frontage Area by any Co-owners, provided however, that each Co-owner shall have the right to build a driveway and to place a mailbox upon the Frontage Area adjoining his or her Unit and when built, the portion of the driveway but not the ground beneath it built upon the Frontage Area shall be, as provided in subsection (2) below, a limited common element;

(c) The main electrical distribution system throughout the Project, excluding facilities which serve individual Units;

(d) The telephone wiring system throughout the Project, excluding facilities which serve individual Units;

- (e) The gas line network throughout the Project, excluding facilities which serve individual Units;
- (f) Any television cable network or facilities that may from time to time be installed in the Project, excluding facilities which serve individual Units;
- (g) All areas indicated as General Common Elements of the Project as depicted on the Condominium Subdivision Plan;
- (h) All water, sewer and storm drain systems, excluding facilities located within all individual Units of the Project;
- (i) Such other elements of the Project not explicitly designated as general or limited common elements which are not enclosed within the boundaries of any Unit, and which are intended for common use by all the Co-owners or are necessary to the existence, upkeep and safety of the Project.

Some or all of the utility lines, systems (including mains and service leads) and equipment and the cable television system described above may be owned by the local public authority or by the company that is providing the pertinent service. Accordingly, such utility lines, systems and equipment and the cable television system shall be general common elements only to the extent of the Co-owners' interest therein, if any, and Developer makes no warranty whatsoever with respect to the nature or extent of such interest, if any. Each Co-owner will be responsible for connecting the utilities for his or her Unit to the distribution lines lying within the right of way at his or her sole expense.

Section 2. Limited Common Elements. The limited common elements are those common elements limited in use to the Co-owners of the Unit they abut or to which they appertain which may include certain well and septic systems which may or may not be installed from time to time by the Developer.

Section 3. Upkeep of Common Elements and Appliances; Payment of Utility Bills. The respective responsibilities for the maintenance, decoration, repair and replacement of the common elements are as follows:

- (a) The Association shall bear the cost of decorating, maintaining, repairing and replacing all general common elements, except (a) to the extent of maintenance, repair or replacement due to the act or neglect of a Co-owner, agent, guest or invitee, for which such Co-owner shall be responsible, unless, and to the extent such loss or damage is covered by insurance maintained by the Association; and (b) as provided in subsection (b) of this section;
- (b) Each Co-owner shall bear the cost of installing and maintaining landscaping within the Frontage Area adjoining his or her Unit, installing, maintaining, repairing and replacing the portion of the driveway built upon the Frontage Area and installing, decorating, maintaining, repairing and replacing the mailbox located within the Frontage Area. The Co-owner shall be responsible for complying with all restrictions set forth in this Master Deed, all rules and regulations of the Association and local governmental restrictions and requirements as from time to time relate to the Frontage Area adjoining his or her Unit.
- (c) Except to the extent of maintenance, repair or replacement due to the act or neglect of another Co-owner or his or her agent, guest, or invitee, for which such other Co-owner shall be responsible, the cost of decorating, maintaining, repairing and replacing all improvements, including landscaping, within the boundaries of the Unit and the cost of meeting the obligations set forth in subsection (b) of this section will be borne by the Co-owner of the Unit. The appearance of all buildings, garages,

patios, decks, porches (whether opened or screened), landscaping and all other improvements within a Unit or the Frontage Area appurtenant to it, will, at all times be subject to the approval of the Developer and shall at all times comply with the Master Deed and local governmental regulations and restrictions.

Any maintenance, repair or replacement obligation to be borne by a Co-owner, if not performed by the Co-owner, may be performed by or under the direction of the Association, with the cost assessed against the responsible Co-owner. The Association shall not, in such case, be responsible for incidental damage to the Unit or the Frontage Area, or any improvement or property located within the boundaries of a Unit or Frontage Area, of the Co-owner who failed to fulfill his or her obligations.

Section 4. **Residual Damage to Units.** Unless provided otherwise in this Master Deed or in the Condominium Bylaws, damage to a Unit or any improvement or property located within the boundaries of a Unit, caused by the repair, replacement or maintenance activities of the Association and those common elements which must be maintained by the Association shall be repaired at the expense of the Association.

Section 5. **Use of Units and Common Elements.**

(a) No Co-owner shall use his or her Unit or the common elements in any manner inconsistent with the purposes of the Project or in any manner which will interfere with or impair the rights of any other Co-owner in the use and enjoyment of his or her Unit or the common elements.

(b) No Co-owner shall be exempt from contributing toward expenses of administration (as defined in the Condominium Bylaws), or from the payment of assessments against his or her Unit by reason of non-use or waiver of use of the common elements or by abandonment of his or her Unit.

Section 6. **Environmental Control Committee.** As provided in the Condominium Bylaws, the decoration and maintenance of all common elements and Units are subject to such written standards as may be established by the Board of Directors or its Environmental Control Committee, if the Board determines to appoint such a Committee.

ARTICLE VI UNIT DESCRIPTION AND PERCENTAGE OF VALUE

Section 1. **Description.** A complete description of each Unit, with elevations referenced to an official benchmark of the United States Geological Survey sufficient to relocate accurately the space enclosed by the description without reference to the Unit itself, is set forth in the Condominium Subdivision Plan. Each Unit shall consist of all that space within the Unit boundaries as shown on the Condominium Subdivision Plan but not the common elements. The dimensions shown on the Condominium Subdivision Plan for each Unit have been delineated by Joiner Engineering, Inc., a Michigan Corporation of 113 W. Savidge, Twin Lake, Michigan 49457. In addition to the dimensions of each Unit as set forth on Exhibit B, each Unit is limited by both height and depth. Each Unit described on Exhibit B includes a depth of 50 feet below and 100 feet above the surface area of the Unit. All areas below 50 feet and above 100 feet shall be general common elements of the Project.

Section 2. **Percentages of Value.** The total value of the project is 100%. Because the Units in the first phase are substantially equal in area and are expected to have substantially equal allocable expenses of maintenance, the percentage of value initially assigned to each Unit is equal. If the Project is expanded or if convertible area is converted, and this expectation becomes untrue with respect to additional Units, or if a substantial disparity in size exists, the percentages of value may be readjusted by the Developer or its

successor in its discretion so long as reasonable recognition is given to the method of original determination of percentages of value for the Project. This percentage of value shall be determinative of the proportionate share of each Unit in the proceeds and expenses of administration, the value of such Unit's vote at meetings of the Association of Co-owners, and of such Unit's undivided interest in the common elements (which is allocated to each Unit).

All of the Co-owners and mortgagees of Units and other persons interested or to become interested in the Project from time to time shall be deemed to have unanimously consented to such amendment or amendments to this Master Deed to effectuate the foregoing and, subject to the limitations set forth in this Master Deed, proportionate reallocation of percentages of value of existing Units which Developer or its successor may determine necessary in conjunction with such amendment or amendments. All such interested persons irrevocably appoint Developer or its successors as agent and attorney for the purpose of execution of such amendment or amendments to this Master Deed and all other documents necessary to effectuate the foregoing.

ARTICLE VII EASEMENTS

Section 1. Easements for Maintenance and Related Matters.

(a) If all or any portion of a Unit or common element encroaches upon another Unit or common element due to survey errors, renovation or repair, reciprocal easements, respectively benefitting and burdening each such Unit or common element, shall exist for the maintenance of such encroachment for so long as such encroachment exists, and for maintenance thereof after rebuilding in the event of any destruction.

(b) Perpetual easements shall also exist to, through, over, under and across the Condominium Premises, including all Units (a) in favor of the Association and all Co-owners for the maintenance and repair (including replacement) of common elements and (b) in favor of the various utility companies providing service, as may be reasonable for the installation and continuing maintenance and repair (including replacement) of all utilities in the Project, including, but not necessarily limited to, light, heat, power, sewer, water, security system, cable TV system, storm water discharge and detention and communications, which utilities are sometimes collectively referred to as "Utilities" or "Utility Services." The Association may grant such easements, licenses and rights of way, over, under and across the Condominium Premises for Utility purposes, access purposes or other lawful purposes as may be necessary for connecting a Unit to a Utility or for the benefit of the Project subject, however, to the approval of the Developer so long as the Developer holds any Unit available for sale or so long as any additional Unit may be created in the Project. There shall be an easement over and across the Condominium Premises and expansion project, if any, for a perimeter fence if needed in the sole discretion of the Developer within a reasonable distance of the boundaries of the Condominium Premises and the expansion property if any.

Section 2. Easements Retained by Developer.

(a) Roadway Easements. In addition to all other rights reserved to it, the Developer reserves for the benefit of itself, its agents, employees, guests, invitees, independent contractors, successors and assigns, a perpetual easement for the unrestricted use of all rights of way, roads and walkways now or later located in the Project for the purpose of (a) ingress to and egress from all or any portion of the Condominium Premises, including any property later contracted out of the Project, the expansion property if any, whether or not it is added to the Condominium Premises and any other land in the vicinity of the Project now owned or later acquired by the Developer, (b) complying with any governmental regulation, or installing

and servicing the roads, utilities, drains, or perimeter fence, as shown on the Condominium Subdivision Plan and (c), or for any legitimate purpose.

(b) Use of Facilities. The Developer, and its duly authorized agents, representatives and employees, may maintain offices and other facilities on the Condominium Premises and engage in any acts reasonably necessary to facilitate the construction and sale of Units in the Project. In connection therewith, the Developer shall have full and free access to all common elements and unsold Units.

(c) Repair and Replacement. The Developer retains for the benefit of itself, its representatives and any utility company, and to the burden of the Condominium Premises, the right to enter the Project and do all the things necessary to install, maintain, repair, replace or inspect facilities within the purview of their responsibilities.

(d) Easements to Be Clear. No structures will be erected within any Unit and no fences shall be permitted without the express written consent of the Developer or the Association after completion of the Project. Paving or plantings which interfere with the rights of ingress and egress provided above are prohibited. Any paving or plantings which interfere with the rights of ingress and egress provided above may be removed as necessary when installing or servicing the roads, utilities, drains or perimeter fence and neither the Developer nor the Developer's agents will have any liability for such removal.

(e) Drainage. No changes will be made in the grading of any areas used as drainage swales which would alter surface runoff of drainage patterns without the prior written consent of the Developer.

(f) Hook-Up of Utilities. The Developer reserves for the benefit of itself, its agents, employees, independent contractors, successors and assigns, and for the benefit of any appropriate utility company, perpetual easements to enter upon and across the Condominium Premises and lay pipes and cables and do all other things reasonably necessary to utilize, tap and tie into, and to construct, extend and enlarge, all utility services or systems now or later located on the Condominium Premises to service all or any portion of the Project, including any property later contracted out of the Condominium, any expansion property, whether or not it is added to the Condominium Premises; or any other property in the vicinity of the Project now owned or later acquired by the Developer in furtherance of any lawful purpose.

(g) Utility Lines. All electrical service, cable television and telephone lines will be placed underground.

Section 3. Termination of Easements. Developer reserves the right to terminate and revoke any utility or other easement granted in this Master Deed at such time as the particular easement has become unnecessary. This may occur, by way of example but not limitation, when a water or sewer system or other utility easement is relocated to coordinate further and future development of the Project or other projects located in the vicinity of the Project. No easement for a Utility may be terminated or revoked unless and until all Units served by it are adequately served by an appropriate substitute or replacement Utility on a shared-maintenance basis. Any termination or revocation of any such easement shall be effected by the recordation of an appropriate amendment to this Master Deed in accordance with the requirements of the Act.

Section 4. Financial Support of Easements. The Association shall financially support all easements described in this article or otherwise pertaining to the Project regardless of the rights of others to utilize such easements.

ARTICLE VIII
ALTERATIONS

Section 1. **Boundary Relocations.**

(a) As long as the Developer holds any Unit available for sale in the Project, it may, in its discretion, modify the dimensions of any such Unit or Units, the general common elements, and any limited common elements appurtenant to such Unit or Units, by enlargement, combination, division or reduction in size or relocation of boundaries between Units, even if such action will result in the elimination of from a Unit of the Project. However, no such modifications may be performed which would unreasonably impair or diminish the appearance of the Project, or the view, privacy or other significant attribute or amenity of any Unit owned by a non-Developer Co-owner which adjoins or is proximate to the modified Unit. All space in the Project, since it could be affected by such a modification, is designated as "convertible area" whether or not so designated on the Condominium Subdivision Plan. Such space may be converted, in the Developer's sole discretion, into portions of a Unit, general common elements or limited common elements, or any combination of these and the responsibility for maintenance, repair and replacement therefore may be assigned by an amendment to this Master Deed effected solely by the Developer without the consent of any other person.

(b) If non-Developer Co-owners owning adjoining Units, or a non-Developer Co-owner and Developer owning adjoining Units desire to relocate the boundaries between those Units, then the Board of Directors of the Association shall, upon written application of the Co-owners, accompanied by written approval of all mortgagees of record of the adjoining Units, forthwith prepare or cause to be prepared an amendment to the Master Deed duly relocating the boundaries.

Section 2. **Convertible Area.** The Project contains convertible area. The number of additional Units that may be created within such convertible area is vested in the sole discretion of the Developer; provided, however, that any existing Units to which the convertible area is adjacent may be expanded into the convertible area at the sole option of the Developer. The convertible area may only be converted in connection with a change in layout of existing Units. Improvements to be located in the convertible area will be either residential Units or general or limited common elements. In connection with a change in the layout of any Unit, the Developer reserves the right to create limited common elements within any convertible area and to designate limited and general common elements therein, which may subsequently be assigned as limited common elements. The conversion of any convertible area must occur, if ever, not later than six years from the date of this Master Deed.

Section 3. **Master Deed Amendment.** No Unit modified and no land removed in accordance with the provisions of this Section shall be conveyed until an amendment to this Master Deed effectuating such modification or removal is recorded. The Developer or Association may, in connection with any such amendment, adjust the percentages of value for all Units in a manner which gives recognition to such Unit or common element modifications and employs method for the determination of percentages of value described in this Master Deed. All of the Co-owners and mortgagees of Units and other persons interested or to become interested in the Project from time to time shall be deemed to have unanimously consented to an amendment or amendments to this Master Deed to effectuate the foregoing, including, subject to the limitations set forth in the Master Deed, the proportionate reallocation of the percentages of value assigned to each Unit if there is a change in the number of Units. All such interested persons irrevocably appoint the Developer and Association as their agent and attorney for the purpose of executing such amendment or amendments to the Condominium Documents necessary to effectuate the foregoing.

ARTICLE IX
CONTRACTION OF CONDOMINIUM

Section 1. **Right To Contract.** The Project is a contractible condominium project, as that term is defined in the Act. While the Project, as established by this Master Deed, is expected to contain 134 Units, the Developer may find it necessary or appropriate to contract out of the Project the land on which are located Units, the road right of way between them, and any contiguous Frontage Area as set forth on the Condominium Subdivision Plan.

The Developer, for itself and its successors and assigns, explicitly reserves the right to contract the Project without the consent of any Co-owners. This right may be exercised without any limitations whatsoever, except as expressly provided in this Article. The land, all or any portion of which may be removed from the Project, is specifically described on Exhibit C and referred to as the "Contraction Property."

Section 2. **Restriction Upon Contraction.** Contraction of the Project shall occur without restriction under the following conditions:

- (a) The right to elect to contract the Project shall expire six years from the date the Master Deed is executed.
- (b) All or any portion of the Contraction Property may be removed, but none of it must be removed.
- (c) There is no limitation as to what portion of the Contraction Property may be removed, and any portions removed may or may not be contiguous to each other or to the Project as it exists immediately following their removal.
- (d) Portions of the Contraction Property may be removed from the Project at different times.
- (e) The order in which portions of the Contraction Property may be removed is not restricted, nor are there any restrictions fixing the boundaries of those portions of the Contraction Property that may be removed.
- (f) There are no restrictions on the disposition of any portion of the Contraction Property that is removed from the Project other than applicable land use laws.
- (g) The Project may be contracted by a series of successive amendments to this initial Master Deed, each removing a portion of the Contraction Property from the Project as then constituted.
- (h) All contraction must be carried out in accordance with the provisions of the Act.
- (i) By this Master Deed, the Developer has also reserved the right to create easements within any portion of the Condominium Premises (including the Contraction Property) for the benefit of the Contraction Property, if any of it is ever removed from the Condominium Premises.

Section 3. **Procedure for Contraction.** Pursuant to this Article, and any other provisions of this Master Deed to the contrary notwithstanding, the number of Units and the amount of real property in the Project may, at the sole option of the Developer or its successors and assigns, from time to time, within a

period ending no later than six years from the date the Master Deed is executed, be reduced by the removal from this Project of all or any portion of the Contraction Property. Such decrease in the size of this Project shall be given effect by an appropriate amendment or amendments to this Master Deed in the manner provided by law, which amendment or amendments shall be prepared by and at the discretion of the Developer or its successors and assigns.

(a) The percentages of value set forth in Article VI shall be adjusted proportionately in the event of such contraction in order to preserve a total value of 100% for the entire Project resulting from such amendment or amendments to this Master Deed. The precise determination of the adjustments in percentages of value shall be made within the sole judgment of the Developer. Such adjustments, however, shall reflect a continuing reasonable relationship among the percentages of value and each Unit's anticipated allocable expenses of administration.

(b) Such amendment or amendments to the Master Deed shall also contain such further definitions or modifications of general or limited common elements as may be necessary to adequately describe such items following the removal of property from the Project by such amendment.

(c) All of the Co-owners and mortgagees of Units and other persons interested or to become interested in the Project from time to time shall be deemed to have irrevocably and unanimously consented to such amendment or amendments of this Master Deed to effectuate the foregoing and, subject to the limitations of this Master Deed, to any proportionate reallocation of percentages of value of existing Units which Developer may determine to be necessary in conjunction with such amendment or amendments. All such interested persons irrevocably appoint Developer as agent and attorney for the purpose of execution of such amendment or amendments to the Master Deed and all other documents necessary to effectuate the foregoing.

Such amendments may be effected without the necessity of rerecording an entire Master Deed or the Exhibits and may incorporate by reference all or any pertinent portions of this Master Deed and the Exhibits; PROVIDED, HOWEVER, that a Consolidating Master Deed, when recorded, shall supersede the previously recorded Master Deed and all amendments. Nothing contained in this Master Deed, however, shall in any way obligate Developer to contract the Project. Developer may, in its discretion, remove all or a portion of said Contraction Property and establish all or any portion of said Contraction Property as a rental development, a separate condominium project (or projects), or any other form of development.

ARTICLE X ENLARGEMENT OF CONDOMINIUM

Section 1. **Right to Expand.** The Project is an expandable condominium project, as that term is defined in the Act. The Project established pursuant to this initial Master Deed, consisting of 134 Units, may be the first phase of a multi phase project. Other phases may be added later.

The Developer, for itself and its successors and assigns, explicitly reserves the right to expand the Project without the consent of any of the Co-owners. This right may be exercised without any limitations whatsoever, except as expressly provided in this Article. For the purpose of this Article, "Expansion Property" means any land added to the Condominium Premises for the purpose of expanding the project.

Section 2. **Restriction upon Expansion.** Expansion of the Project shall occur without restriction under the following conditions:

(a) The Developer's right to elect to expand the Project shall expire six years from the date this Master Deed is executed.

(b) There is no limitation as to the size of Expansion Property that may be added, but no Expansion Property must be added.

(c) Portions of Expansion Property added to the Project may or may not be contiguous to each other or to the Project as it exists at the time of any expansion.

(d) There is no restriction as to the location of any improvements that may be made on any portions of Expansion Property.

(e) There is no restriction upon the number of Units that may be placed on any portion of Expansion Property.

(f) The nature, size, appearance and location of all additional Units, if any, placed upon Expansion Property will be as may be determined by the Developer in its sole judgment without any restrictions whatsoever.

(g) There are no restrictions as to what improvements may be made on Expansion Property.

(h) There are no restrictions as to the types of Units that may be created on Expansion Property except that all Units in the Project must be residential Units.

(i) The Developer reserves the right in its sole discretion to create convertible and Contractible Area and limited common elements within any portion of Expansion Property added to the Project and to designate general common elements which may subsequently be assigned as limited common elements.

(j) The Project shall be expanded if it is expanded by a series of successive amendments to this initial Master Deed, each adding additional land to the Project as then constituted.

(k) By this Master Deed, the Developer also reserves the right to create easements within any portion of the general common elements of the original Project for the benefit of Expansion Property, whether or not any Expansion Property is ever added to the Project.

(l) All expansion must be carried out in accordance with the provisions of the Act.

Section 3. Procedure for Expansion. Pursuant to the foregoing, and any other provisions of this Master Deed to the contrary notwithstanding, the number of Units and the amount of real property in the Project may, at the sole option of the Developer or its successors or assigns, from time to time, within a period of six years from the date the Master Deed is executed, be increased by the addition to this Project of Expansion Property and the construction of residential Units. Such increase in size of this Project shall be given effect by an appropriate amendment or amendments to this Master Deed in the manner provided by law, which amendment or amendments shall be prepared by and at the discretion of the Developer or its successors or assigns.

(a) The percentage of value of each Unit shall be adjusted proportionately in the event of such expansion in order to preserve a total value of 100% for the entire Project resulting from such

amendment or amendments to this Master Deed. The precise determination of the adjustments in percentages of value shall be made within the sole judgment of Developer. Such adjustments, however, shall reflect a continuing reasonable relationship among percentages of value based upon the relative size of the various Units and their anticipated allocable expenses of maintenance.

(b) Such amendment or amendments to the Master Deed shall also contain such further definitions or modifications of general or limited common elements as may be necessary to adequately describe the additional property being added to the Project by such amendment. Such amendment or amendments to the Master Deed shall also contain such further definitions and redefinitions of general or limited common elements as may be necessary to adequately describe and service the additional Units being added to the Project by such amendment.

(c) All of the Co-owners and mortgagees of Units and other persons interested or to become interested in the Project from time to time shall be deemed to have irrevocably and unanimously consented to such amendment or amendments of this Master Deed to effectuate the foregoing and, subject to the limitations set forth in this Master Deed, to any proportionate reallocation of percentages of value of existing Units which Developer or its successors or assigns may determine to be necessary in conjunction with such amendment or amendments. All such interested persons irrevocably appoint Developer or its successors or assigns as agent and attorney for the purpose of execution of such amendment or amendments to this Master Deed and all other documents necessary to effectuate the foregoing.

Such amendments may be effected without rerecording the entire Master Deed or the Exhibits and may incorporate by reference all or any pertinent portions of this Master Deed and the Exhibits; PROVIDED, HOWEVER, that a Consolidating Master Deed, when recorded, shall supersede the previously recorded Master Deed and all amendments. Nothing contained in this Master Deed, however, shall in any way obligate Developer to enlarge the Project beyond the boundaries established by this Master Deed, and Developer or its successors or assigns may, in its discretion, establish all or a portion of said Expansion Property as a rental development, a separate condominium project (or projects), or any other form of development.

ARTICLE XI AMENDMENT

Except as otherwise expressly provided in this Master Deed or in the Act, the Project shall not be terminated, vacated, revoked or abandoned except as provided in the Act, nor may any of the provisions of this Master Deed or any of its Exhibits be amended except as provided in the Condominium Documents sought to be amended or as follows:

Section 1. Amendments.

(a) The Condominium Documents may be amended without the consent of Co-owners or mortgagees of any Unit for any purpose if the amendment does not materially alter or change the rights of a Co-owner or mortgagee. The Developer and the Association expressly reserve the right to amend the Condominium Documents for such a purpose. Amendments which do not materially affect the rights of Co-owners or mortgagees include but are not limited to the following: amendments modifying the types and sizes of unsold Units and their appurtenant common elements, showing minor architectural variances and modifications to a Unit, correcting survey or other errors made in the Condominium Documents, or for the purpose of facilitating mortgage loan financing for existing or prospective Co-owners and to enable the purchase or insurance of such mortgage loans by the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association, the Veterans

Administration, the Department of Housing and Urban Development, or by any other institutional participant in the secondary mortgage market which purchases or insures mortgages.

(b) All other amendments (those amendments which do materially alter or change the rights of a Co-owner or mortgagee of a Unit) shall be made by the Developer pursuant to Subsection (g) below or by an affirmative vote of two-thirds of the votes of the Co-owners and two-thirds of the first mortgagees. A Co-owner, including the Developer as a Co-owner for all Units created by the Master Deed but not yet conveyed, will have one vote for each Unit owned. A mortgagee shall have one vote for each first mortgage held. The required votes may be achieved by written consents or by votes at any regular annual meeting or special meeting called for such purpose, or a combination of votes and consents. This Master Deed, the Condominium Bylaws, and the Condominium Subdivision Plan may be amended even if the amendment will materially alter or change the rights of the Co-owners or mortgagees.

(c) The method or formula used to determine the percentages of value of Units in the Project for purposes other than voting, and any provisions relating to the ability or terms under which a Co-owner may rent a Unit, may not be modified without the consent of each affected Co-owner and mortgagee. A Co-owner's Unit dimensions or appurtenant limited common elements may not be modified without the Co-owner's consent.

(d) In no case, unless (a) all of the first mortgagees, (b) all Co-owners (other than the Developer) of the individual Units, and (c) the Developer (if at that time it owns any Units or any Unit remains to be created) have given their prior written approval, shall the Association be entitled by any act or omission to seek to abandon or terminate the Project;

(e) The restrictions contained in this Article on Amendments shall not in any way affect the rights of the Developer as set forth elsewhere in this Master Deed.

(f) Co-owners and mortgagees of record shall be notified in writing of proposed amendments not less than ten days before the amendment is recorded at their addresses reflected on the Project records.

(g) Notwithstanding any contrary provision of the Condominium Documents, the Developer reserves the right to amend materially this Master Deed or any of its exhibits without the consent of the other Co-owners or mortgagees of a Unit within the Project for any of the following purposes:

(i) To amend the Condominium Bylaws, subject to any restrictions on amendments stated in the Condominium Bylaws;

(ii) To correct arithmetic errors, typographical errors, surveyor plan errors, deviation in construction or similar errors in the Master Deed, Condominium Subdivision Plan or Condominium Bylaws, or to correct errors in the boundaries or locations of improvements;

(iii) To clarify or explain the provisions of this Master Deed or its exhibits;

(iv) To comply with the Act or rules promulgated thereunder or any requirements of any governmental or quasi-governmental agency or any financing institution providing mortgages on Units in the Condominium Premises;

(v) To create, grant, make, define or limit easements affecting the Condominium Premises;

(vi) To record an "as built" Condominium Subdivision Plan and/or consolidating Master Deed and/or to designate any improvements shown on the plan as "Must Be Built" subject to any limitations or obligations imposed by the Act;

(vii) To terminate or eliminate reference to any right which the Developer has reserved to itself; and,

(viii) To make alterations even if the number of Units in the Project would be reduced.

Amendments of the type described in this Subsection (g) may be made by the Developer without the consent of the Co-owners or mortgagees, and any Co-owner or mortgagee having an interest in a Unit affected by such amendment shall join with the Developer in amending this Master Deed.

(h) The rights reserved to the Developer in this Master Deed or in the Condominium Bylaws may not be amended except by or with the consent of the Developer.

Section 2. Recording.

(a) An amendment to this Master Deed shall not be effective until the amendment is recorded.

(b) A copy of the recorded amendment shall be delivered to each Co-owner.

Section 3. Costs. A person causing or requesting an amendment to the Condominium Documents shall be responsible for costs and expenses of the amendment, except for amendments based upon a vote of a prescribed majority of Co-owners or based upon the Advisory Committee's decision, the costs of which shall be deemed expenses of administration and the responsibility of the Association.

ARTICLE XII CONTROLLING LAW

The provisions of the Act, and of the other laws of the State of Michigan, shall be applicable to and govern this Master Deed and all activities related to this Master Deed.

The undersigned has executed this Master Deed as of the date first written above.

Witnesses:

William J. Meyer
William J. Meyer

Judy E. Yonker
Judy E. Yonker

Developer: Fenner Glen, Inc., a Michigan corporation

By Christopher L. Kelly
Christopher L. Kelly, President

STATE OF MICHIGAN)
COUNTY OF MUSKEGON)

The foregoing instrument was acknowledged before me on October 24, 1997 by Christopher L. Kelly, President of Fenner Glen, Inc., a Michigan corporation.

Judy E. Yonker
Judy E. Yonker, Notary Public
Muskegon County, Michigan
My Comm. Expires: 05-26-01

Prepared By and When Recorded Return To:
Christopher L. Kelly
Parmenter O'Toole
P.O. Box 786
Muskegon, MI 49443-0786

**CONDOMINIUM
ASSOCIATION BYLAWS
FENNER GLEN PROPERTY MANAGEMENT, INC.**

**ARTICLE I
ADOPTION OF CONDOMINIUM BYLAWS**

The Condominium Bylaws of Fenner Glen, a Site Condominium ("Condominium Bylaws"), as attached to the Master Deed, which Master Deed is recorded in Liber 2056, Pages 353 through 394, and re-recorded in Liber 3006, Pages 525 through 573, Muskegon County, Michigan Records, are incorporated by reference and adopted in their entirety as a part of the bylaws of Fenner Glen Property Management, Inc., a Michigan Non-Profit Corporation (the "Association").

**ARTICLE II
MEETINGS**

Section 1. **Procedure.** Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the members as may be designated by the Board of Directors. Voting shall be as provided in the Condominium Bylaws. Meetings of the Association shall be conducted in accordance with Roberts Rules of Order or some other generally recognized manual of parliamentary procedure, when not otherwise in conflict with the Articles of Incorporation, these Bylaws, the Condominium Bylaws, the Master Deed or the laws of the State of Michigan.

Section 2. **Meetings.** The first meeting of members of the Association shall be held in accordance with the Condominium Bylaws. The date, time and place of the first meeting shall be set by the Board of Directors and at least 10 days' written notice thereof shall be given to each member. Thereafter, annual meetings of members of the Association shall be held each succeeding year at such time and place as shall be determined by the Board of Directors. At such meetings there shall be elected by ballot of the members a Board of Directors in accordance with the requirements of these Bylaws and of the Condominium Bylaws. The members may also transact at annual meetings such other business of the Association as may properly come before them.

Section 3. **Special Meetings.** Special meetings of the members of the Association shall be held in accordance with the provisions of the Condominium Bylaws.

Section 4. **Notice.** It shall be the duty of the Secretary (or other Association officer designated by the President in the Secretary's absence) to serve notice of each annual, special or other meeting, stating the purpose thereof as well as the time and place where it is to be held, upon each member of record, at least 10 days but not more than 60 days prior to such meeting. The mailing, postage prepaid, of a notice to the representative of each member at the address shown in the notice required to be filed with the Association by the Condominium Bylaws shall be deemed notice served. Any member may, by written waiver of notice signed by such member, waive such notice, and such waiver, when filed in the records of the Association, shall be deemed due notice.

Section 5. **Adjournment.** If any meeting of members cannot be held because a quorum, as defined in the Condominium Bylaws, is not in attendance, the members who are present may adjourn the meeting for not more than 30 days.

Section 6. **Attendance via Conference Telephone or Similar Communications Equipment.** A member may attend and participate in a meeting of members via a conference telephone or similar communications equipment by which all persons participating in the meeting may hear each other; provided that all participants are advised of the communications equipment and the names of the participants in the conference are divulged to all participants. Such participation by a member in a meeting shall constitute presence in person at the meeting.

ARTICLE III BOARD OF DIRECTORS

Section 1. **Number.** As provided in the Condominium Bylaws, the affairs of the Association shall initially be governed by a board of three directors, all of whom, except for the first Board of Directors designated by the developer of Fenner Glen, a Site Condominium ("Developer") and their appointed successors, must be members of (or directors or officers of members of) the Association. Directors shall serve without compensation.

Section 2. **Election; Terms.** The first Board of Directors designated by the Developer and their appointed successors shall manage the affairs of the Association until a successor Board of Directors is elected at the first meeting of members of the Association convened at the time required by these Bylaws. Such successor Board of Directors shall be elected by the Developer and by the non-Developer members, as provided by the Condominium Bylaws. The Directors shall serve one year terms, unless they sooner resign, are removed pursuant these Condominium Bylaws or are replaced in accordance with the provisions of the Condominium Bylaws. The Directors shall hold office until their successors have been elected and hold their first meeting.

Section 3. **Powers.** The Board of Directors shall have the powers and duties set forth in the Condominium Bylaws.

Section 4. **Vacancies.** Vacancies in the Board of Directors caused by any reason other than the removal of a Director by a vote of the members of the Association shall be filled by vote of the majority of the remaining Directors. Each person so elected shall be a Director until a successor is elected to fill the remainder of the term at the next meeting of the Association.

Section 5. **Removal.** At any regular meeting of the Association duly called, and at any special meeting of the Association called in whole or in part for such purpose, and subject to the requirements of Article II, any one or more than one of the Directors may be removed with or without cause by a vote of those members entitled to vote in an election of such Director's replacement, unless the votes cast against the Director's removal would be sufficient to elect the Director if then cumulatively voted in an election in which that Director would be standing for election. At that time, a successor shall then and there be elected to fill the vacancy thus created. A successor director so elected shall serve until the end of the term of the person he or she was elected to replace. Any Director whose removal has been proposed by the members shall be given an opportunity to be heard at the meeting.

Section 6. **Initial Meeting.** The first meeting of a newly elected Board of Directors shall be held within 10 days after its election at such place as shall be fixed by the Directors at the meeting at which such Directors were elected, and no notice shall be necessary to the newly elected Directors in order legally to constitute such meeting, providing a majority of the whole Board shall be present.

Section 7. **Regular Meetings.** Regular meetings of the Board of Directors may be held at such times and places as shall be determined from time to time by a majority of the Directors, but at least three such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each Director, personally or by mail, telephone or telegraph, at least 10 days prior to the date named for such meeting.

Section 8. **Special Meetings.** Special meetings of the Board of Directors may be called by the President on three days' notice to each Director, given personally or by mail, telephone or facsimile, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of one Director.

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

Section 10. **Quorum.** At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice. The joinder of a Director in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such Director for purposes of determining a quorum, but no proxies shall be permitted.

Section 11. **Bonding.** The Board of Directors shall require that all officers and employees of the Association handling or responsible for Association funds furnish adequate fidelity bonds. The premiums on such bonds shall be expenses of administration.

ARTICLE IV OFFICERS

Section 1. **Designation.** The officers of the Association shall be a President, Secretary and a Treasurer, who shall all be members of the Board of Directors.

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

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

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

Section 5. **Secretary.** The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the members of the Association; he or she shall have charge of the corporate seal and of such books and papers as the Board of Directors may direct; and he or she shall, in general, perform all duties incident to the office of the Secretary.

Section 6. **Treasurer.** The Treasurer shall have responsibility for the Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements, specifying the operating expenses clearly, in books belonging to the Association. He or she shall be responsible for the deposit of all moneys and other valuable effects in the name and to the credit of the Association, in such depositories as may, from time to time, be designated by the Board of Directors. He or she shall ensure that expenditures for the maintenance and repair of common elements and any other expenses incurred by or on behalf of the Condominium are properly recorded. In accordance with the Condominium Bylaws the Treasurer shall prepare and distribute to each member at least once per year the Association financial statement.

Section 7. **Other Duties.** The officers shall have such other duties, powers and responsibilities as shall, from time to time, be authorized by the Board of Directors.

ARTICLE V SEAL

Section 1. **Description.** If so determined by the Board of Directors, the Association shall have a seal, which shall have inscribed thereon the name of the Corporation, and the words "Corporate Seal" and "Michigan."

ARTICLE VI FINANCE

Section 1. **Handling.** The finances of the Association shall be handled in accordance with the Condominium Bylaws.

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

Section 3. **Depository.** The funds of the Association shall be deposited in such bank as may be designated by the Directors and shall than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice. The joinder of a Director in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such Director for purposes of determining a quorum, but no proxies shall be permitted.

Section 4. **Bonding.** The Board of Directors may require that all officers and employees of the Association handling or responsible for Association funds furnish adequate fidelity bonds. The premiums on such bonds shall be expenses of administration.

ARTICLE VII INDEMNIFICATION OF OFFICERS AND DIRECTORS

The Association shall indemnify every Association Director and officer as provided in the Condominium Bylaws.

ARTICLE VIII AMENDMENTS

Section 1. **Method.** These Bylaws (but not the Condominium Bylaws) may be amended by the Association, at a duly constituted meeting for such purpose, by an affirmative vote of a two-thirds majority of the members present in person or by proxy, as provided in the Condominium Bylaws.

Section 2. **Proposed.** Amendments to these Bylaws may be proposed by the Board of Directors of the Association acting upon the vote of the majority of the Directors or by one-third or more in number of the members of the Association, whether meeting as members or by instrument in writing signed by them.

Section 3. **Meeting.** Upon any such amendment being proposed, a meeting for consideration of the same shall be duly called in accordance with the provisions of Article II, Section 3, of these Bylaws.

Section 4. **Amendments Prior to Initial Meeting.** Prior to the first meeting of members, these Bylaws may be amended only by the Board of Directors of the Association upon the motion of a Director, so long as such amendments shall not increase or decrease the benefits or obligations, or materially affect the rights, of any member of the Association.

Section 5. **Effective Date.** Any amendment to these Bylaws shall become effective upon adoption of the same in accordance with Section 1 or 4 of this Article VIII without approval by the State of Michigan and without recording in the office of the Register of Deeds.

Section 6. **Distribution.** A copy of each amendment to these Bylaws shall be furnished to every member of the Association after adoption, but failure to make such distribution shall not affect the validity of any amendment otherwise duly adopted.

ARTICLE IX COMPLIANCE

These Bylaws are set forth to comply with the requirements of the Act, and with the duly recorded Master Deed of the Condominium and Exhibits A and B attached thereto. In case any of these Bylaws conflict with the provisions of the Act, or any other applicable law, or with the provisions of the Master Deed or the attached Exhibits, the provisions of the Act, law and said Master Deed shall be controlling, as set forth in the Condominium Bylaws.

EXHIBIT A

CONDOMINIUM BYLAWS

OF

FENNER GLEN, A SITE CONDOMINIUM

ARTICLE I
THE CONDOMINIUM

Section 1. **Organization.** Fenner Glen, a Site Condominium Development, is a residential condominium located in the Township of Laketon, Muskegon County, Michigan (the "Condominium"), and shall be administered by an association of co-owners (the "Association"), which shall be organized as a nonprofit corporation under the laws of the State of Michigan. The Association will be responsible for the management, maintenance, operation and administration of the common elements, easements and, generally, the affairs of the Condominium in accordance with the Master Deed, these Bylaws, the Articles of Incorporation, Bylaws, Rules and Regulations of the Association and the laws of the State of Michigan.

Section 2. **Compliance.** All present and future co-owners (who shall be "Members" of the Association as provided in Article II, Section 1, below; the terms "Member" and "Co-owner" are used interchangeably in these Bylaws), mortgagees, tenants and all other persons who may in any manner use, enter upon or acquire any interest in the Condominium Premises, or any Condominium Unit ("Unit"), shall be subject to and comply with the provisions of the Act, the Master Deed, these Condominium Bylaws, and the Articles of Incorporation, Bylaws, Rules and Regulations of the Association including, without limitation, any provision thereof pertaining to the use and operation of the Condominium Premises and the Condominium. The acceptance of a deed or conveyance, the taking of a mortgage, the execution of a lease, the act of occupying a Unit, or presence in the Condominium shall constitute an acceptance of the provisions of these documents and an agreement to comply therewith.

Section 3. **Purpose of Bylaws.** These Bylaws govern the general operation, maintenance, administration, use and occupancy of the Condominium, and all such activities shall be performed in accordance with the provisions of these Bylaws.

ARTICLE II
MEMBERSHIP AND VOTING

Section 1. **Membership.** Each Co-owner of a Unit, present and future, shall be a Member of the Association during the term of such ownership, and no other person or entity shall be entitled to membership. Neither Association membership nor the share of a Member in the Association funds and assets shall be assigned, pledged or transferred in any manner, except as an appurtenance to a Unit, and any attempted assignment, pledge or transfer in violation of this provision shall be wholly void.

Section 2. **Voting Rights.** Except as limited in the Master Deed and in these Bylaws, the Members owning each Unit shall collectively be entitled to one vote when voting by number and one vote, the value of which shall equal the total percentage of value assigned to the Unit or Units owned by them in the Master Deed, when voting by value. Voting, when required or permitted by these Bylaws or elsewhere in the Condominium Documents, shall be by number, except in those instances where voting is specifically required to be by value, or both by value and by number, and shall be conducted on a cumulative basis.

Section 3. **Persons Entitled to Vote.** If one person owns a Unit, he or she shall establish his or her membership in the Association and his or her right to vote by presenting evidence of his or her ownership. If more than one person owns a Unit, or the Unit is leased, all of the record owners of the Unit shall sign and file with the Secretary of the Association a certificate designating the person entitled to exercise the Unit's membership in the Association, to cast the vote for the Unit and to receive all notices and other communications from the Association. Such certificate shall state the name and address of the individual representative designated, the number or numbers of the Unit or Units owned, the name and address of the person or persons, firm, corporation, partnership, association, trust or other legal entity who is the Co-owner thereof, and shall be signed and dated by all Co-owners of record and all tenants. All certificates shall be valid until revoked, superseded by a subsequent certificate, or until a change occurs in the record ownership of the Unit concerned. The Developer shall, at any meeting, be entitled to cast a vote on behalf of each Unit it owns without submitting any proof of ownership.

Section 4. **Method of Voting.** Votes on a specific issue may be cast in person. In addition, any person entitled to vote at any meeting may also appear and vote via telecommunications equipment, as provided by the Association Bylaws, or appear and vote (either specifically on an issue or by the general designation of a person to cast a vote) by written proxy. Proxies may be made by any person entitled to vote. They shall be valid only for the particular meeting designated, and any adjournment thereof, and must be filed with the Association before the appointed time of the meeting.

Section 5. **Majority.** At any meeting of the Members at which a quorum is present, all matters shall be resolved by a majority vote. For purposes of these bylaws, 51% in number of the Members voting on any particular matter, whether in person, by telecommunications or by proxy, shall constitute a majority for the approval of such matter, except as otherwise required by these Bylaws, by the Master Deed or by law.

ARTICLE III MEETINGS AND QUORUM

Section 1. **First Meeting of Members.** The first meeting of the Members of the Association may be convened only by the Board of Directors and may be called at any time upon 10 days' written notice to all Members. In no event, however, shall the first meeting be held later than: (a) 120 days after legal or equitable title to 34 Units has been conveyed to non-Developer Co-owners; or (b) 54 months after the first conveyance of legal or equitable title to a Unit to a non-Developer Co-owner, whichever first occurs. The Board of Directors may call meetings of Members of the Association for informational or other appropriate purposes prior to the first meeting of Members, but no such meeting shall be construed as the first meeting of Members.

Section 2. **Advisory Committee.** The Developer shall establish an Advisory Committee of non-Developer Members upon the passage of: (a) 120 days after legal or equitable title to 45 Units has been conveyed to non-Developer Co-owners; or (b) one year after the initial conveyance of legal or equitable title to a Unit to a non-Developer Co-owner, whichever occurs first. The Advisory Committee shall meet with the Board of Directors to facilitate communication with the non-Developer Members and to aid in transferring control from the Developer to non-Developer Members. The Advisory Committee shall be composed of not less than one nor more than three non-Developer Members, who shall be appointed by the Developer in any manner it selects, and who shall serve at the pleasure of the Developer. The Advisory Committee shall meet at least semiannually with the Developer. Reasonable notice of such meetings shall be provided to all Members of the Advisory Committee, and such meetings may be open or closed, in the discretion of the Board of Directors.

Section 3. **Annual Meetings of Members.** Following the first meeting of Members, and in addition to subsequent meetings called for the purpose of electing directors, as provided below, an annual meeting of the Members shall be held each year at the time and place specified in the Association Bylaws. At least 10 days prior to the date of an annual meeting, written notice of the time, place and purpose of such meeting shall be sent by first-class mail, postage prepaid, to each person entitled to vote at the meeting.

Section 4. **Special Meetings of Members.** It shall be the duty of the President to call a special meeting of the Members upon a petition signed by one-third of the Members in number and presented to the Secretary of the Association or upon the direction of a majority of the Board of Directors. Notice of any special meeting shall state the time and place of such meeting and the purposes thereof and shall be given at least 10 days prior to the date of such meeting. No business shall be transacted at a special meeting except as stated in the notice.

Section 5. **Quorum of Members.** Unless otherwise provided in these Bylaws, the presence, in person or by proxy, of 51% in number of the Members entitled to vote shall constitute a quorum of Members. If a quorum shall not be present at any meeting, the Members present may adjourn the meeting for not more than 30 days.

ARTICLE IV ADMINISTRATION

Section 1. **Board of Directors.** The business, property and affairs of the Association shall be managed by a Board of Directors consisting of three persons; provided, that until new directors are elected at the first meeting of Members provided for in Article III, Section 1 of these Bylaws, the Directors designated by the Incorporator, or their successors, appointed as provided in the Association Bylaws, shall serve. The entire Board of Directors shall be elected at the first meeting of the Association, each annual meeting of the Association and at any meeting of the Association called by the Board of Directors for the particular purpose of electing directors, in the following manner:

(a) Not later than 120 days after conveyance of legal or equitable title to nondeveloper Co-owners of 25% of the Units that may be created, at least one director and not less than 25% of the Board of Directors of the Association of Co-owners shall be elected by nondeveloper Co-owners. Not later than 120 days after conveyance of legal or equitable title to nondeveloper 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 nondeveloper Co-owners. Not later than 120 days after conveyance of legal or equitable title to nondeveloper Co-owners of 75% of the Units that may be created, and before conveyance of 90% of such Units, the nondeveloper co-owners shall elect all directors on the board, except that the Developer shall have the right to designate at least one director as long as the Developer owns and offers for sale at least 10% of the units in the Project or as long as 10% of the Units remain that may be created.

(b) If 54 months have passed since the first conveyance of legal or equitable title to a Unit to a non-Developer Co-owner and title to not less than 75% of the Units that may be created has not been conveyed, the non-Developer Co-owners shall then have the right to elect, as provided in the Condominium Documents, a number of Members of the Board of Directors of the Association of Co-owners equal to the aggregate percentage of units they own, and the Developer has the right to elect, as provided in the Condominium Documents, a number of Members of the Board 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 shall not reduce, the minimum election and designation rights otherwise established. Application of this subsection does not require a change in the size of the Board of Directors.

(c) All the directors not designated by the Developer pursuant to subsections (a) and (b) of this Section shall be elected by the non-Developer Members.

Whenever the non-Developer Members become entitled to elect one or more additional directors pursuant to the above formula, the Board of Directors shall provide due notice of a meeting at which an election of all the directors shall take place. The Board of Directors shall schedule such meeting to occur no later than 120 days after the non-Developer Members become so entitled or, if such meeting would be the first meeting of the Association, as provided in Article III, Section 1. A Board of Directors elected pursuant to these provisions shall serve until the earlier of the next annual meeting of the Association or such time as it has been replaced in accordance with the provisions of these Condominium Bylaws and the Association Bylaws.

Section 2. Powers and Duties. The Board of Directors shall have all powers and duties necessary for the administration of the affairs of the Condominium and may do all things which are not prohibited by law or the Condominium Documents or required thereby to be done by the Members. The powers and duties to be exercised by the Board shall include, but shall not be limited to, the power and duty:

(a) To manage and administer the affairs of and to maintain the Condominium, all appurtenances thereto and the common elements, property and easements thereof;

(b) To levy and collect assessments against and from the Members of the Association and to use the proceeds therefrom for the purposes of the Association, and to enforce assessments through liens and foreclosure proceedings where appropriate;

(c) To carry insurance and to collect and allocate the premiums therefor and the proceeds thereof;

(d) To restore, repair or rebuild the common elements of the Condominium, or any portion thereof, and any improvements thereon after occurrence of casualty and to negotiate on behalf of all of the Members in connection with the taking of the common elements of the Condominium, or any portion thereof, by eminent domain;

(e) To contract for and employ, and to discharge, persons or business entities to assist in the management, operation, maintenance and administration of the Condominium;

(f) To make reasonable rules and regulations governing the use and enjoyment of the Condominium by Members and their tenants, guests, employees, invitees, families and pets and to enforce such rules and regulations by all legal methods, including, without limitation, imposing fines and late payment charges, or instituting eviction or legal proceedings;

(g) To own, maintain and improve, and to buy, sell, convey, grant, assign, transfer, mortgage or lease (as landlord or tenant), or otherwise deal in any real or personal property, including, but not limited to, any common elements or Unit, easements, rights-of-way, licenses or any other real property, whether or not contiguous to the Condominium, to benefit the Members of the Association and to further any of the purposes of the Association;

(h) To borrow money and issue evidences of indebtedness in furtherance of any and all of the purposes of the business of the Association, and to secure the same by mortgage, pledge or other lien on Association property; provided, however, that any such action shall first be approved by the affirmative vote of more than two-thirds of the Association Members in number and in value at a meeting of the Members duly called;

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

(j) To make rules and regulations or to enter into agreements with institutional lenders, or both, for the purpose of obtaining mortgage financing for Members which is acceptable for purchase by the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association or any other agency of the federal government, the State of Michigan, the County of Muskegon, the Township of Laketon, or any other agency or unit of government;

(k) To enforce the provisions of the Master Deed, of these Condominium Bylaws, and of the Articles of Incorporation, Bylaws, Rules and Regulations of the Association, and to sue on behalf of the Condominium or the Members and to assert, defend or settle claims on behalf of the Members with respect to the Condominium;

(l) To do anything required of or permitted to it as administrator of said Condominium by the Condominium Master Deed or Condominium Bylaws or by Act No. 59 of the Public Acts of 1978, as amended, including, but not limited to, these amendments contained in Act No. 538 of the Public Acts of 1982, and in Act No. 113 of the Public Acts of 1983;

(m) To provide services to the Co-owners;

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

Provided, however, that neither the Board nor the Association shall, by act or omission, abandon, partition, subdivide, encumber, sell or transfer the common elements, or any of them, unless at least two-thirds of the mortgagees (based upon one vote for each mortgage owned) and two-thirds of the Members in number and value have consented thereto. The granting of easements for public utilities or for other public purposes consistent with the intended use of the common elements by the Condominium shall not be deemed a transfer for these purposes.

Section 3. Managing Agent. The Board of Directors may employ, at a compensation level established by it, a Managing Agent for the Condominium to perform such duties and services as the Board shall authorize, including, but not limited to, the powers and duties set forth in Section 2 of this Article. The Developer, or any related person or entity, may serve as Managing Agent if so appointed. If the Board employs a professional management agent for the Association, the Board shall notify each holder of a mortgage lien on any Unit prior to terminating the employment of such professional management agent (or any successor thereto) and assuming self-management. In no event shall the Board be authorized to enter into a contract with a professional management agent, or a contract providing for services by the Developer or its affiliates, under which the maximum term is greater than three years or which is not terminable by the

Association upon the transitional control date or within 90 days thereafter and upon 30 days' written notice for cause. On the transitional control date, or within 90 days thereafter, the Board of Directors may terminate a service or management contract with the Developer or its affiliates. In addition, the Board of Directors may terminate any management contract which extends beyond one year after the transitional control date by providing notice of termination to the management agent at least 30 days before the expiration of the one year.

Section 4. Officers. The Association Bylaws shall provide for the designation, number, term of office, qualifications, manner of election, duties, removal and replacement of the officers of the Association and may contain any other provisions pertinent to the Association officers not inconsistent with these Bylaws. Officers may be compensated, but only upon the prior affirmative vote of two-thirds of the Members.

Section 5. Actions Prior to First Meeting. Subject to the provisions of Section 3 of this Article, all of the actions (including, without limitation, the adoption of these Bylaws, the Association Bylaws, any Rules and Regulations of the Association, and any undertakings or contracts entered into with others on behalf of the Association) of the Board of Directors of the Association named in its Articles of Incorporation, or their appointed successors, before the first meeting of Members, shall be made by the Developer and shall binding upon the Association in the same manner as though such actions had been authorized by a Board of Directors duly elected by the Association Members at the first or any subsequent meeting of Members so long as such actions are within the scope of the powers and duties which any Board of Directors may exercise, as provided in the Condominium Documents.

Section 6. Indemnification of Officers and Directors. The Association shall indemnify every Association director and officer against all expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him as a consequence of his or her being made a party to or being threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of his or her being or having been a director or officer of the Association, except in such cases wherein he or she is adjudged guilty of willful and wanton misconduct or gross negligence in the performance of his or her duties or adjudged to have not acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Association and its Members, and with respect to any criminal action or proceeding, he or she is adjudged to have had no reasonable cause to believe that his or her conduct was lawful; provided that, if a director or officer claims reimbursement or indemnification under this section based upon his or her settlement of a matter, he or she shall be indemnified only if the Board of Directors (with any director seeking reimbursement abstaining) approves such settlement and reimbursement as being in the best interests of the Association and, if a director or officer claims reimbursement or indemnification under these Bylaws based upon his or her settlement of a matter, he or she shall be indemnified only if the Board of Directors (with any director seeking reimbursement abstaining) approves such settlement and reimbursement as being in the best interests of the Association and, if a majority of the Members requests it, such approval is based on an opinion of independent counsel supporting the propriety of such indemnification and reimbursement. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights such director or officer may have. The Board of Directors shall notify all Members that it has approved an indemnification payment at least ten days prior to making such payment.

ARTICLE V OPERATION OF THE PROPERTY

Section 1. Personal Property. The Association shall be assessed as the person or entity in possession for any tangible personal property of the Condominium owned or possessed in common by the Co-owners, and personal property taxes based thereon shall be treated as expenses of administration.

Section 2. **Costs and Receipts to Be Common.** All costs incurred by the Association to satisfy any liability arising within, or caused by or in connection with, the common elements, or caused by or in connection with the administration of the Condominium, shall be expenses of administration, and all sums received as proceeds of, or pursuant to, any insurance policy carried by the Association securing the interests of the Members against liabilities or losses arising within, caused by or connected with, the common elements or the administration of the Condominium shall be receipts of administration.

Section 3. **Books of Account.** The Association shall keep or cause to be kept detailed books of account showing all expenditures and receipts (including both general and special expenses or receipts of administration) concerning the administration of the Condominium. Such books of account shall specify the maintenance and repair expenses of the common elements and any other expenses incurred on behalf of the Association and Members. The Members and their mortgagees may inspect the books of account during reasonable working hours on normal working days at a place the Association designates. The books of account shall be audited at least annually by qualified independent auditors, but such audit need not be a certified audit nor must the auditors be certified public accountants. The cost of such audit, and all accounting expenses, shall be an expense of administration. Any institutional holder of a mortgage lien on any Unit who so requests shall be given a copy of the audit report within 90 days following the end of the Association's fiscal year. At least once a year, the Association shall prepare and distribute to each Member a statement of its financial condition, the contents of which shall be defined by the Association.

Section 4. **Regular Quarterly Assessment.** The Board of Directors shall establish an annual budget in advance for each fiscal year for the Condominium, and such budget shall contain the Board's estimate of the funds required to defray the expenses of administration for the forthcoming year, as those items are defined by these Bylaws, and all other common expenses. The budget also shall allocate and assess all such common charges against all Members in accordance with the number of Units of the Master Deed, without increase or decrease for the existence of any rights to the use of limited common elements appurtenant thereto. The general common expenses shall consist, among other things, of such amounts as the Board may deem proper for the operation, management and maintenance of the Condominium property under the powers and duties delegated to it by these Bylaws, and may include, without limitation, amounts to be set aside for working capital of the Condominium, for a general operating fund, for a reserve fund and for meeting any deficit in the common expense budget for any prior year. The common expenses shall consist among other things of such amounts as the Board may deem proper for the operation, management, and maintenance of the Condominium to the extent of the powers and duties delegated to it by these Bylaws and in the Master Deed and shall include without limitation, amounts to be set aside for working capital of the Condominium, the cost of fulfilling the association's maintenance, repair and replacement responsibilities, management wages, fees and salaries, common area utilities, common area landscaping, maintenance and replacements, common area cleaning, supplies, snow removal, licenses and permits, banking, legal and accounting fees, insurance, and creation and maintenance of an appropriate reserve fund. The budget shall establish an adequate reserve fund for maintenance, repair and replacement of the general and limited common elements, which fund shall be financed by regular quarterly payments rather than by special assessments. The Board shall advise each Member in writing of the amount of common charges payable by him and shall furnish copies of each budget on which such common charges are based to all Members, although failure to deliver a copy of the budget to each Member shall not affect any Member's liability for any existing or future assessments. The budget shall also allocate and assess all expenses of administration against all Co-owners in accordance with the number of Units of the Master Deed, without increase or decrease or the existence of any rights to the use of the common elements. All assessments levied in accordance with the foregoing provisions of this section shall be payable by the non-Developer Co-owners in four equal quarterly installments commencing with the acquisition of legal or equitable title to a Unit by any means. The Board may in its sole discretion elect to collect regular assessments on a monthly, semi-annual or annual basis. Should the Board of Directors at any time determine, in its sole discretion, that the assessments

levied are or may prove to be insufficient: (a) to pay the operation and management costs of the Condominium, (b) to provide for maintenance, repair or replacement of existing common elements, (c) to provide additions to the common elements or (d) to provide for emergencies, the Board may increase the general assessments or levy such additional assessment or assessments, and apportion them, as it deems necessary.

Any sums owed to the association by any individual Co-owner may be assessed to and collected from the responsible Co-owner as an addition to the regular assessment installment next coming due. The discretionary authority of the Board to levy assessments pursuant to this section will rest solely with the Board for the benefit of the Association and the Members thereof and will not be enforceable by any creditors of the Association or its Members. Members shall pay all assessments levied in accordance with this Section 4 in four quarterly installments, commencing with acquisition of title to a Unit by any means.

Section 5. Special Assessments. Special assessments, in addition to those provided for in Section 4, may be levied by the Board of Directors from time to time, following approval by the Members as provided in these Bylaws, to meet other needs, requirements or desires of the Association, including, but not limited to: (a) assessments for capital improvements or additions to the common elements; (b) assessments to purchase a Unit upon foreclosure of a lien for assessments, as described in Section 6; or (c) assessments for any other appropriate purpose not elsewhere described in these Bylaws. Special assessments referred to in this Section 5 (but not including those assessments referred to in Section 4, which shall be levied in the sole discretion of the Board of Directors) shall not be levied without the prior approval of more than two-thirds of all Members in value and in number, which approval shall be granted only by a vote of the Members taken at a meeting of the Members called in accordance with the provisions of Article III. The discretionary authority of the Board to levy assessments pursuant to this Section will rest solely with the Board for the benefit of the Association and its Members and will not be enforceable by any creditors of the Association or its Members.

Section 6. Collection of Assessments. When used in this Section 6 and in Section 12, and whenever else appropriate in these Condominium Bylaws, the term "assessment" shall include all regular, quarterly and special assessments referred to in Sections 4 and 5 and, in addition, all other charges whatsoever levied by the Association against any Co-owner. This Section 6 is designed to provide the Association with a vehicle for collection.

Each Co-owner, whether one or more persons, shall be and shall remain personally obligated for the payment of all assessments levied with regard to his or her Unit during the time that he or she is the owner thereof, and no Member may exempt himself 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. If any Member defaults in paying the assessed common charges, interest at the maximum legal rate shall be charged on such assessment from the due date thereof and further penalties or proceedings may be instituted by the Board of Directors in its discretion. If such assessment, or any part thereof, is not paid on or before the due date established by the Board of Directors for such payment, then such payment shall be in default. The Board of Directors may, but need not, report such a default to any mortgagee of record. Any mortgagee of a Unit may consider a default in the payment of any assessment a default in the payment of its mortgage. In the event of default by any Co-owner in the payment of any installment of the annual assessment levied against the Unit or any other assessment, the Association shall have the right to declare any and all unpaid assessments of the annual assessment for the pertinent fiscal year immediately due and payable. The Association may also discontinue the furnishing of any services to a Co-owner in default upon seven days written notice to such Co-owner of its intent to do so. A Co-owner in default on the payment of any assessment shall not be entitled to vote at any meeting and the Association so long as such default continues. When a Co-owner is in arrearage to the Association for assessments, the Association may give written notice of the arrearage to any person occupying his or her Unit under a lease or rental agreement.

and such person after receiving the notice shall deduct from the rental payments due the Co-owner the arrearage and future assessments as they fall due and pay them directly to the Association. The deduction shall not be a breach of the rental agreement or lease by the occupant.

Unpaid assessments shall constitute a lien upon the Unit prior to all other liens except tax liens and sums unpaid on a first mortgage of record. The Association may enforce collection of delinquent assessments by a suit at law for a money judgment or by foreclosure of the lien that secures payment of assessments. Each Member, and every other person, except a first mortgagee, who from time to time has any interest in the Condominium shall be deemed to have granted to the Association the unqualified right to elect to foreclosure such lien either by judicial action or by advertisement (in accordance with the provisions of Chapter 32 of the Michigan Revised Judicature Act, as amended). 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 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. The Association is granted what is commonly known as a "power of sale." Each Member and every other person, except a first mortgagee, who from time to time has any interest in the Condominium shall be deemed to have authorized and empowered the Association to sell or to cause to be sold at public auction the Unit with respect to which the assessment is delinquent and to receive, hold and distribute the proceeds of such sale in accordance with the priorities established by applicable law. Each Member acknowledges that when he or she acquired title to his or her Unit, he or she was notified of the provisions of this Section and that he or she voluntarily, intelligently and knowingly waived notice of any proceedings brought by the Association to foreclose by advertisement the lien for nonpayment of assessments and a hearing on the same prior to the sale of the subject Unit.

Notwithstanding the foregoing, neither a judicial foreclosure action nor a suit at law for a money judgment shall be commenced, nor shall any notice of foreclosure by advertisement be published, until 10 days have expired after the mailing, by certified mail, return receipt requested and postage prepaid, addressed to the delinquent Member at his or her last known address, of a written notice that an assessment, or any part thereof, levied against his or her Unit is delinquent and that the Association may invoke any of its remedies under these Bylaws if the default is not cured within 10 days after the date of mailing. A written affidavit of an authorized representative of the Association that sets forth (a) the affiant's capacity to make the affidavit, (b) the statutory and other authority for the lien, (c) the amount outstanding (exclusive of interest, costs, attorneys' fees and future assessments), (d) the legal description of the subject Unit, and (e) the name of the Member of record, shall accompany such written notice. Such affidavit shall be recorded in the Office of the Muskegon County Register of Deeds prior to the commencement of any foreclosure proceedings, but it need not have been recorded as of the date of mailing the notice. If the delinquency is not cured within the 10 day period, the Association may take such remedial action as may be available to it under these Bylaws or under Michigan law. In the event the Association elects to foreclosure the lien by advertisement, the Association shall so notify the representative of the delinquent Member designated in Article III, Section 3, and shall inform such representative that he or she may request a judicial hearing by bringing suit against the Association. The expenses incurred in collecting unpaid assessments, including interest, costs, reasonable attorneys' fees (not limited to statutory fees) and advances for taxes or other liens paid by the Association to protect its lien, shall be chargeable to the Member in default and shall be secured by the lien on his or her Unit. If any Member defaults in the payment of any installment of the annual assessment levied against his or her Unit, the Association shall have the right to declare all unpaid installments of the annual assessment for the pertinent fiscal year immediately due and payable. In a judicial foreclosure action, the court may appoint a receiver to collect a reasonable rental for the Unit from the Member owning it or any persons claiming under him, and each Member covenants to the appointment of such a receiver. The Association may also stop furnishing any services to a Member in default upon seven days' written notice to such Member of its

intent to do so. A Member in default in the payment of any assessment shall not be entitled to vote at any meeting of the Association so long as such default continues.

If the holder of a first mortgage on a Unit obtains title to the Unit by foreclosing the mortgage, accepting a deed in lieu of foreclosure or similar remedy, or any other remedy provided in the mortgage, such person, and its successors and assigns, or other purchaser at a foreclosure sale, shall not be liable for unpaid assessments chargeable to the Unit by such person until after such mortgagee takes title to the Unit or Units. Provided, however, that such unpaid assessments shall be deemed to be common expenses collectible from all of the Members, including such person, its successors and assigns, and that all assessments chargeable to the Unit subsequent to the acquisition of title shall be the responsibility of such person as hereinbefore provided with respect to all Members. When a Member is in arrearage to the Association for assessments, the Association may give written notice of arrearage to any person occupying his or her Unit under a lease or rental agreement, and such person, after receiving the notice, shall deduct from rental payments due the Member the arrearage and future assessments as they fall due and pay them directly to the Association. The deductions shall not be a breach of the rental agreement or lease by the occupant.

The Association may purchase a Unit at any foreclosure sale.

Section 7. Obligations of the Developer. The Developer shall maintain any Units owned by it and pay a prorata share of all road maintenance (including snow removal) costs. The Developer's prorata share of expenses will be based upon the ratio of all Units owned by the Developer excluding any Units on which there is a completed residence at the time of the expenses incurred to the total number of Units then in the Condominium. The Developer, although a Co-owner and a Member of the Association will not be responsible at any time for the payment of any regular or special assessment, except for Units on which there is a completed residence owned by the Developer for which a certificate of occupancy has been issued by the Township of Laketon. In no case shall the Developer be responsible for paying any assessment levied in whole or in part to finance any litigation or other claims against the Developer, any cost of investigating and preparing such claim or similar or related costs.

Section 8. Maintenance and Repair. As provided in the Master Deed, the Association or its agents shall maintain and repair the general common elements, whether located inside or outside the Units, and the limited common elements, to the extent set forth in the Master Deed. The costs thereof shall be charged to all the Members as a common expense, unless necessitated by the negligence, misuse or neglect of a Member, in which case such expenses shall be charged to such Member. The Association or its agent shall have access to each Unit from time to time during reasonable working hours, upon notice to the occupant thereof, for the purpose of maintenance, repair or replacement of any of the common elements located therein or accessible therefrom. The Association or its agent shall also have access to each Unit at all times without notice for making emergency repairs necessary to prevent damage to other Units, the common elements, or both.

It shall be the responsibility of each Co-owner to provide the Association means of access to his or her Unit and any limited common elements appurtenant thereto during all periods of absence, and if such Member fails to provide a means of access, the Association may gain access in such manner as may be reasonable under the circumstance and shall not be liable to such Member for any necessary damage to his or her Unit or any limited common elements appurtenant thereto caused thereby.

All other maintenance and repair obligations shall, as provided in the Master Deed, rest on the individual Co-owner. Each shall maintain his or her Unit and any limited common elements appurtenant thereto for which he or she has maintenance responsibility in a safe, clean and sanitary condition and shall maintain landscaping on the Frontage Area. Each Member shall also use due care to avoid damaging any of the common elements, including, but not limited to, the telephone, water, gas, plumbing, electrical or other

utility conduits and systems and any other elements in any Unit which are appurtenant to or which may affect any other Unit. Each Member shall be responsible for damages or costs to the Association resulting from negligent damage to or misuse of any of the common elements by him, his or her family, guests, agents or invitees, unless such damages or costs are actually reimbursed from insurance carried by the Association, in which case there shall be no such responsibility (if reimbursement to the Association is excluded by virtue of a deductible provision, the responsible Member shall bear the expense to the extent of the deductible amount, anything else in these Bylaws to the contrary notwithstanding). Any costs or damages to the Association that are assigned to the individual Member by these Bylaws or in the Condominium Documents may be assessed to and collected from the responsible Member in the manner provided for regular assessments in Article V, Section 4.

The provisions of this Section 8 shall be subject to those of Article VI, Sections 1-3, in the event of repair or replacement on account of a casualty loss.

Section 9. **Taxes.** Subsequent to the year in which the Condominium is established, all special assessments and property taxes shall be assessed against the individual Units and not upon the total property of the Condominium or any part thereof. Taxes and special assessments which have become a lien against the property of the Condominium in the year of its establishment (as provided in Section 131 of the Act) shall be expenses of administration and shall be paid by Co-owners. Each Unit shall be assessed a percentage of the total bill for such taxes and assessments equal to the percentage of value allocated to it in the Master Deed, and the Members owning those Units shall reimburse the Association for their Unit's share of such bill within 10 days after they have been tendered a statement therefor.

Section 10. **Documents to Be Kept.** The Association shall keep current copies of the approved Master Deed, all amendments thereto, and all other Condominium Documents available for inspection at reasonable hours by Members, prospective purchasers and prospective mortgagees of Units.

Section 11. **Reserve for Major Repairs and Replacement.** The Association shall maintain a reserve fund for major repairs and replacement of common elements in an amount equal to at least 10% of the Association's current annual budget on a noncumulative basis. Moneys in the reserve fund shall be used only for major repairs and replacement of common elements. THE MINIMUM STANDARDS REQUIRED BY THIS SECTION MAY PROVE INADEQUATE FOR A PARTICULAR PROJECT. The Association of Members should carefully analyze the Condominium to determine if a greater amount should be set aside, or if additional reserve funds should be established for other purposes.

Section 12. **Statement of Unpaid Assessments.** Pursuant to the provisions of the Act, the purchaser of any Unit may request a statement from the Association as to the outstanding amount of any unpaid assessments thereon, whether regular or special. Upon written request to the Association accompanied by a copy of the executed purchase agreement pursuant to which the purchaser holds a right to acquire a Unit, the Association shall provide a written statement of such unpaid assessments as may exist or a statement that none exist, which statement shall be binding upon the Association for the period stated therein. Upon the payment of that sum within the period stated, the Association's lien for assessments as to such Unit shall be deemed satisfied; provided, however, that the failure of a purchaser to request such statement at least five days prior to the closing of the purchase of such Unit shall render any unpaid assessments and the lien securing the same fully enforceable against such purchaser and the Unit itself.

**ARTICLE VI
INSURANCE; REPAIR OR REPLACEMENT
CONDEMNATION AND CONSTRUCTION LIENS**

Section 1. **Insurance.** The Association may carry all-risk property coverage and liability insurance (including, without limitation, Director's and Officer's coverage), workers' compensation insurance, if applicable, and such other insurance coverage as the board may determine to be appropriate with respect to the ownership, use and maintenance of the general and limited common elements of the Condominium and the administration of Condominium affairs. Such insurance shall be carried and administered in accordance with the following provisions:

(a) All such insurance shall be purchased by the Association for the benefit of the Association, the Members and their mortgagees, as their interests may appear, and provision shall be made for the issuance of certificates of insurance with mortgagee endorsements to the mortgagees of Members' Units. It shall be each Co-owners' responsibility to obtain insurance coverage for his or her property located within the boundaries of his or her Unit or elsewhere in the Condominium and for his or her personal liability for occurrences within his or her Unit or upon limited common elements appurtenant to his or her Unit, and also for alternative living expenses. The Association shall have absolutely no responsibility for obtaining such coverage. The Association and all Members shall use their best efforts to see that all property and liability insurance carried by the Association or any Member shall contain appropriate provisions whereby the insurer waives its right of subrogation as to any claims against any Member or the Association, and, subject to the provisions of Article V, Section 8, the Association and each Member waive, each as to the other, any right of recovery for losses covered by insurance. The liability of carriers issuing insurance obtained by the Association shall not, unless otherwise required by law, be affected or diminished on account of any additional insurance carried by any Member, and vice versa.

(b) Public liability insurance shall be carried in such limits as the Board may from time to time determine to be appropriate, and shall cover the Association, each Member, director and officer thereof, and any managing agent.

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

(d) 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 and for his or her personal property located within the boundaries of his or her condominium Unit or elsewhere in the Condominium including but not limited to the Frontage Area adjoining his or her Unit. 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 the Co-owner to obtain such insurance the Association may obtain such insurance on behalf of such Co-owner and the premiums therefore will constitute a lien against the Co-owner's Unit which may be collected from the Co-owner in the same manner as the Association assessments are collected in accordance with Article V. Each Co-owner also will be obligated to obtain insurance coverage for his or her personal liability for occurrences within the boundaries of his or her Unit (including within the residence located thereon), the limited common elements appurtenant to his or her Unit, or on the Frontage Area appurtenant to his or her Unit and also for alternative living expense in the event of fire. The Association will under those circumstances have no obligation to obtain any of the insurance coverage described in this subsection or any liability to any person for failure to do so.

(e) All premiums upon insurance policies purchased by the Association pursuant to these Bylaws shall be expenses of administration.

(f) Proceeds of all insurance policies owned by the Association shall be received by the Association, held in a separate account, and distributed to the Association, the Members and their mortgagees as their interests may appear; provided, however, whenever Section 3 of this Article requires the repair or reconstruction of the Condominium, any insurance proceeds received by the Association as a result of any loss requiring repair or reconstruction shall be applied for such purpose. Hazard insurance proceeds shall never be used for any purpose other than for repair, replacement or reconstruction of the project unless all of the holders of mortgages on Units in the Condominium have given their prior written approval.

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

(h) If damage within the Condominium impairs the appearance of the Condominium, the Association or the Co-owner responsible for the reconstruction and repair of the damage will proceed with the repair, reconstruction or replacement of the damaged item without delay and will complete such repair, reconstruction or replacement within six months after the date of the occurrence which caused the damage.

Section 2. Appointment of Association. Each Co-owner by ownership of a Unit in the Condominium, shall be deemed to appoint the Association as his or her true and lawful attorney-in-fact to act in connection with all matters concerning insurance pertinent to the Condominium and the common elements thereof. Without limitation on the generality of the foregoing, the Association as said attorney shall have full power and authority to purchase and maintain such insurance, to collect and remit premiums therefor, to collect proceeds and to distribute the same to the Association, the Members 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 Members and the Condominium as shall be necessary or convenient to accomplish the foregoing.

Section 3. Reconstruction or Repair. If any part of the Condominium shall be damaged, the determination of whether or not, and how, it shall be reconstructed or repaired shall be made in the following manner:

(a) Any reconstruction or repair shall be performed substantially in accordance with the Master Deed and the plans and specifications for the Condominium to a condition as similar as possible to the condition existing prior to damage, unless the Members and each holder of a mortgage lien on any Unit shall unanimously decide otherwise.

(b) If the damage is only to a part of a Unit which it is the responsibility of a Member to maintain and repair, it shall be the responsibility of the Member to repair such damage in accordance with subsection (c). In all other cases, the responsibility for reconstruction and repair shall be that of the Association. The Association promptly shall notify each holder of a mortgage lien on any of the Units if any Unit or any part of the common elements is substantially damaged or destroyed.

(c) Each Member shall be responsible for the reconstruction and repair of his or her Unit, all structures and improvements, including, landscaping, the limited common elements, appurtenant to his or her Unit and the landscaping and mailbox on the Frontage Area.

(d) The Association shall be responsible for the reconstruction and repair of the common elements. Immediately after a casualty occurs causing damage to property for which the Association

has the responsibility of maintenance, repair and reconstruction, the Association shall obtain reliable and detailed estimates of the cost to return the damaged property to a condition as good as that existing before the damage.

(e) Any insurance proceeds received, whether by the Association or a Member, shall be used for reconstruction or repair when reconstruction or repair is required by these Bylaws. If the insurance proceeds are not sufficient to pay the estimated costs of reconstruction or repair required to be performed by the Association, or if at any time during such reconstruction or repair, or upon completion of such reconstruction or repair, the funds for the payment of the costs thereof are insufficient, assessments shall be made against all Members for the cost of reconstruction or repair of the damaged property in sufficient amounts to provide funds to pay the estimated or actual cost of repair. Such assessments shall be levied in the same manner as the regular monthly assessments, as set forth in Article V, Section 4.

Section 4. Eminent Domain. The following provisions shall control upon any taking by eminent domain:

(a) The Association, acting through its Board of Directors, may negotiate on behalf of all Members for any taking of general common elements. Any negotiated settlement shall be subject to the approval of more than two-thirds of the Members in value and shall thereupon be binding on all Members.

(b) If an entire Unit is taken by eminent domain, the award for such taking shall be paid to the Association for the benefit of the owner of such Unit and the mortgagee thereof, as their interests may appear. After acceptance of such award by the Member and his or her mortgagee, they shall be divested of all interest in the Condominium. The undivided interest in the common elements belonging to the Member whose Unit has been taken shall thereafter appertain to the remaining Units, including those restored or reconstructed under the provisions of this section.

(c) If the event of a partial taking of any Unit, any condemnation award shall be paid by the condemning authority to the Association on behalf of the Co-owner of the Unit and his or her mortgagee, as the respective interests may appear. If part of the residence located within the Unit is taken, the Co-owner shall if practical, using the award, rebuild the same to the extent necessary to make it habitable or useable. If it is not practical to rebuild the residence within the boundary of the Unit, the entire undivided interest in the common elements appertaining to that Unit shall thenceforth appertain to the remaining Units, being allocated to them in proportion to their respective undivided interests in the common elements. The remaining portion of that Unit shall thenceforth be a common element.

(d) If any portion of the Condominium other than any Unit is taken, the condemnation proceeds relative to such taking shall be paid to the Association, and the affirmative vote of more than 50% of the Members in number and in value at a meeting duly called shall determine whether to rebuild, repair or replace the portion so taken or to take such other action as they deem appropriate. If no such affirmative vote is obtained, such condemnation proceeds shall be remitted to the Members and their respective mortgagees, as their interests may appear, in accordance with their respective percentages of value set forth in Article VI of the Master Deed.

(e) If the Condominium continues after a taking by eminent domain, then the remaining portion of the Condominium shall be resurveyed and the Master Deed amended accordingly, and, if any Unit shall have been taken, then Article VI of the Master Deed shall be amended to reflect such taking and to proportionately readjust the percentages of value of the remaining Members based upon a continuing value for the Condominium of 100%. Such amendment may be effected by an officer of the Association duly authorized by the Board of Directors without the necessity of execution or specific approval thereof by any

Members, but only with the prior written approval of all holders of mortgage liens on individual Units in the project.

(f) If any Unit, or any portion thereof, or the common elements or any portion thereof, is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, the Association promptly shall so notify each holder of a mortgage lien on any of the Units.

(g) If the taking of a portion of a Unit makes it impractical to rebuild the partially taken Unit to make it habitable, then the entire undivided interest in the common elements appertaining to that Unit shall thenceforth appertain to the remaining Units, and shall be allocated to them in proportion to their respective undivided interests in the common elements. The remaining portion of that Unit shall thenceforth be a common element.

(h) Votes in the Association of Members and liability for future expenses of administration appertaining to a Unit taken or partially taken (as provided in subsection (g)) by eminent domain shall thenceforth appertain to the remaining Units, and shall be allocated to them in proportion to their relative voting strength by value in the Association.

Section 5. **Construction Liens.** The following provisions shall control the circumstances under which construction liens may be applied against the Condominium or any Unit:

(a) Except as provided below, a construction lien for work performed on or beneath a Unit or on the Frontage Area may attach only to the Unit upon or for the benefit of which the work was performed. A construction lien for work performed in constructing a residence or other structure within a Unit may attach only to the structure or residence constructed.

(b) A construction lien for work authorized by the Developer or principal contractor except at the request of the Co-owner and performed upon the common elements may attach only to Units owned by the Developer at the time.

(c) A construction lien for work authorized by the Association may attach to each Unit only to the proportional extent that the Member owning the Unit is required to contribute to the expenses of administration as provided by the Condominium Documents.

(d) A construction lien may not arise or attach to a Unit for work performed on the common elements not contracted for by the Developer or the Association.

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

Section 6. **Notice to FHLMC.** If any mortgage in the Condominium is held by the Federal Home Loan Mortgage Corporation ("FHLMC"), then the Association shall give FHLMC written notice at such address as it may, from time to time, direct of any loss to or taking of the common elements of the Condominium, if the loss or taking exceeds \$10,000 in amount.

Section 7. **Mortgagees.** Nothing contained in the Condominium Documents shall be construed to give a Unit owner, or any other party, priority over any rights of mortgages of Units pursuant to their

mortgages in the case of a distribution to Unit owners of insurance proceeds or condemnation awards for losses to or a taking of Units, common elements or both.

ARTICLE VII USE AND OCCUPANCY RESTRICTIONS; ENFORCEMENT

Section 1. **Establishment of Restrictions.** In order to provide for congenial occupancy of the Condominium, and for the protection of the value of the Units, the use of Condominium property shall be subject to the limitations set forth below:

(a) **Property Subject To These Restrictions.**

i. **Fenner Glen.** All of the Units of Fenner Glen, except any Unit or portion of a Unit removed from the Condominium pursuant to Article IX of the Master Deed ("Contraction Property"), are and shall remain subject to these restrictions. Any such Contraction Property removed from the Condominium may remain subject to the terms and conditions of these Bylaws, or Developer may, at its option, record alternative or supplemental restrictions with respect to such property, or develop the property outside the Condominium.

ii. **Expansion Property.** Developer, or its successors or assigns, has the right to expand Fenner Glen by adding Expansion Property to the Condominium in the manner provided in the Master Deed. Any such property added may become subject to the terms and conditions of these Bylaws, or Developer may at its option record alternative or supplemental restrictions with respect to any such property added to the Condominium.

(b) **Building and Use Restrictions.**

i. **Residential Use.** Except for Units owned by the Developer and used for displaying model homes, all Units shall be used for single-family residential purposes only. For the purposes of these Bylaws, "single-family" means (a) not more than two persons, whether or not related by blood or marriage; or, alternatively, but not cumulatively, (b)(1) a man or a woman (or a man and woman living together as a husband and wife), (2) the children of either and of both of them, and/or (3) the parents of either but not both of them, and no other persons; or (c) such other definition as is required by applicable law. No more than one residential Unit may exist within any Unit. No business, commercial, manufacturing, service or rental enterprise shall be conducted within any Unit. No garage, recreational vehicle, basement, tent, shack, storage barn or similar type structure shall be used at any time as a residence, temporarily or permanently.

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

iii. **Animals.** Except for household dogs, cats, small caged birds, and fish, an owner may not keep, raise, or breed animals, livestock or poultry of any kind on any Unit. Pit bull dogs and other dangerous animals are not permitted in the Condominium. No pets may be kept, raised or bred on any Unit for commercial purposes. Fenced dog runs adjacent to the rear of a garage will be allowed only upon approval in writing by the Developer or the Association.

iv. **Trash.** No trash, garbage or rubbish of any kind shall be placed within any Unit, except in sanitary containers for removal. All sanitary containers shall be kept in a clean and sanitary condition and shall be kept in an inconspicuous area of that Unit, as designated by Developer or the Association, except as necessary to allow for trash collection.

v. **Approval of Construction.** The Developer in designing Fenner Glen, including the location and contour of the streets, has taken into consideration the following criteria:

(1) Fenner Glen is designed for residential living on large sites.

(2) The construction site within each of the Units should be located so as to preserve the existing trees and contours where practicable. No tree may be removed nor any Unit excavated until a detailed excavation plan has been approved by the Developer. All trees that a Co-owner desires and intends to remove must be marked and shall not be removed until such removal is approved in writing by the Developer.

(3) The architecture of the residence located within any Unit should be compatible with the criteria as established by the developers and also should be compatible and harmonious to the external design and general quality of other dwellings constructed and to be constructed within Fenner Glen.

Consequently, the Developer reserves the power to control the buildings, structures and other improvements placed within each Unit, as well as to make such exceptions to these restrictions as the Developer may deem necessary and proper. No building, wall, swimming pool or other structure will be placed within a Unit or Frontage Area appurtenant to a Unit unless and until the builder or contractor and the plans and specifications therefor showing the nature, kind, shape, height, color, materials, and location of the improvements (including floor plan and exterior colors) and the plot plan (including elevations) have been approved by the Developer, and no changes in or deviations from such builder or contractor and plans and specifications as approved will be made without the prior written consent of the Developer. Two sets of complete plans and specifications must be submitted; one will be retained by the Developer and one will be returned to the applicant after approval by the Developer. Each such building, wall, swimming pool or structure will be placed within a Unit or Frontage Area only in accordance with the plans and specifications and plot plan as approved by the Developer. No modular homes shall be placed within any Unit. Refusal to approve a builder or contractor or plans and specifications by the Developer may be based on any grounds, including purely aesthetic grounds, which in the sole and uncontrolled discretion of the Developer seems sufficient. No alteration in the exterior appearance of any building, wall, swimming pool or other structures constructed with such approval will be made without like approval of the Developer. Approval of plans and specifications for reasonable modifications to provide handicap access pursuant to state or federal law shall not be unreasonably withheld. If the Developer fails to approve or disapprove any builder or contractor or plans and specifications within 90 days after written request therefor, then such approval will not be required; provided that any builder or contractor is properly licensed by the State of Michigan and that any building, wall, swimming pool or other structure will be erected entirely within the boundaries of a Unit and does not violate any of the covenants, restrictions or conditions set forth in these Bylaws or adopted by the Association. The Developer will not be responsible for any negligence or misconduct of the builder or

contractor or for any defects in any plans or specifications or in any building or structure erected by such builder or contractor according to such plans and specifications or in any changes in drainage resulting from such construction.

vi. **Size Requirements.** All residences must conform to the following size requirements:

(1) **Area Minimums.** Each residence in the Condominium must have a minimum of 1,500 square feet.

(2) **General.** All square footage determinations will exclude basements (including walk-out basements), garages and open porches. The Developer may specify the number of levels that residences within specific Units will be permitted to have to preserve the view from other Units or to maintain a harmonious pattern of development in the construction of residences within the Units. If any portion of a level or floor within a residence is below grade, all of the level or floor will be considered a basement level.

(3) **Garages.** Garages, which will be for use only by the occupants of the residence to which they are appurtenant, must be attached to the residences and constructed in accordance with the approved plans. Each residence must have one garage capable of garaging at least two and no more than four standard size automobiles. There may only be one garage within each Unit. No garage will be placed, erected or maintained within any Unit except for use in connection with a residence within that Unit or within an adjoining Unit already constructed or under construction at the time that such garage is placed or erected within the Unit.

(4) **Drainage.** The Developer shall construct a storm sewer system for the purpose of eliminating excess run off. Each Co-owner is encouraged to connect a water drainage system for his or her Unit to connect to the storm sewer system built by the Developer.

(5) **Storage Buildings.** A Co-owner may build storage buildings in his or her Unit subject to the following restrictions: (i) all storage buildings must be approved in advance in writing by the Developer under the procedure set forth in Article VII (b); (ii) only one storage building may be constructed in each Unit and (iii) all storage buildings must be built in a manner consistent with the primary residence.

vii. **Lawns.** Each owner shall properly maintain all lawn areas within his or her Unit and Frontage Area appurtenant to his or her Unit. All lawns shall be cut neatly, and kept free from weeds, underbrush, and other unsightly growths. The developer strongly encourages Co-owners to design and maintain their lawns and landscaping in a manner consistent with the natural setting of the Project.

viii. **Recreational and Commercial Vehicles.** No house trailers, commercial vehicles, boat trailers, boats, camping vehicles, camping trailers, motorcycles, all-terrain vehicles, snowmobile trailers or vehicles other than automobiles or vehicles used primarily for general personal transportation use may be parked or stored on the Condominium Premises unless parked in a garage or unless present for temporary loading or unloading purposes. No inoperable vehicles of any type may be brought or stored on the Condominium Premises, either temporarily or permanently, unless within a garage with the door completely closed. Commercial vehicles shall not be parked on the Condominium Premises (unless fully inside a garage with the door completely closed) except while making deliveries or pick-ups in the normal course of business or for construction purposes. No commercial vehicles of any nature will be parked overnight on the Condominium Premises, except in a completely closed garage, without the prior written

consent of the Developer. Any truck over 3/4-ton and any vehicle with a company name or other advertising or commercial designation will be considered a commercial vehicle. No vehicle may be parked overnight on any road or on any Frontage Area, except as permitted by the Association in accordance with any rules or regulations adopted by the Association.

ix. **Fences.** No owner may install within his or her Unit or Frontage Area appurtenant to his or her Unit a fence of any type unless approved in writing by the Developer or the Association. The Developer and/or the Association will develop an approved fence criteria that will apply to all Units within the Project. No fences will be permitted beyond the front of the primary residence, including the garage.

x. **Satellite Dishes.** No owner may install within his or her Unit a satellite dish larger than three feet in diameter unless approved in writing by the Developer or the Association.

xi. **Hunting.** No owner shall engage in or permit hunting in any form anywhere within the Condominium Premises.

xii. **Furniture; Equipment.** No item of equipment, furniture or any other large movable item shall be kept within any Unit outside a building, except lawn furniture or picnic tables, provided the same are kept in neat and good condition. All other items, such as lawn mowers, snowmobiles and dune buggies, shall be stored in a garage or in a permitted storage building.

xiii. **Nuisances.** No owner of any Unit will do or permit to be done any act or condition within his or her Unit or Frontage Area appurtenant to his or her Unit which may be or is or may become a nuisance. No Unit or Frontage Area will be used in whole or in part for the storage of rubbish of any character whatsoever (except normal household trash until the next trash collection day), nor for the storage of any property or thing that will cause the Unit or Frontage Area to appear in any unclean or untidy condition or that will be obnoxious to the eye; nor will any substance, thing or material be kept within any Unit or Frontage Area that will emit foul or obnoxious odors, or that will cause any noise that will or might disturb the peace, quiet, comfort or serenity of the occupants of the surrounding Units. No unsightly objects will be allowed to be placed or suffered to remain anywhere within a Unit or Frontage Area. If any owner of any Unit fails or refuses to keep his or her Unit or Frontage Area appurtenant thereto free from refuse piles or other unsightly objects, then the Developer or the Association may enter the Unit or Frontage Area and remove the same and such entry will not be a trespass. The owner of the Unit will reimburse the Developer or Association for all costs of such removal.

xiv. **Completion of Construction and Stabilization of Soil.** Construction in any Unit must be commenced within 12 months from the date the first owner other than the Developer first acquires legal or equitable title to such Unit, unless such period is extended in writing by the Developer. Once commenced, construction within any Unit must be completed within 12 months from the date of commencement unless such period is extended in writing by the Developer. The Co-owner shall be charged a penalty of \$250 per month for each month that construction is not commenced and/or for each month that construction is not completed within the time limits set forth above.

During the construction period the soil within such Unit, and the Frontage Area appurtenant to such Unit, must be completely stabilized so as to prevent any soil blow area or soil erosion. Within six months from the date construction is completed, the soil within such Unit, and the Frontage Area appurtenant to such Unit, must be completely stabilized by grading and seeding of a lawn or other ground cover growth so as to prevent any soil blow area or soil erosion; provided that this provision shall neither prevent nor prohibit any owner from maintaining open areas for the planting of trees, shrubbery or a flower garden, but any such open area shall be controlled so as to prevent blowing or erosion of soil therefrom.

xv. **Compliance with Laws.** No owner shall take any action on or with respect to his or her Unit that violates any federal, state or local statute, regulation, rule or ordinance.

(c) **Developer's Rights and Responsibilities.** Developer may assign, in whole or in part, its rights and responsibilities under these Bylaws to the Association, and when the last Unit in the Condominium Project has been conveyed, this assignment shall occur automatically.

(d) **Enforcement of Restrictions.** The Association's costs of exercising its right and administering its responsibilities under these Bylaws shall be Expenses of Administration (as defined in Article V), provided that the Association shall be entitled to recover its costs including actual attorney fees of proceeding against a breach by a co-owner as provided in Article XII, subsection 1(b).

(e) **Developer's Option to Repurchase.** If construction of a residence within a Unit, by an approved builder and pursuant to approved plans and specifications, is not commenced within 12 months from the date the first owner other than the Developer first acquires legal or equitable title to such Unit, and such construction is not completed within 12 months from the date of commencement, unless such periods are extended in writing by the Developer, the Developer will have the option to purchase back the Unit from the then current owner. The Developer's option to purchase back the Unit will continue until such time as construction is commenced for a residence which has been approved as provided by these restrictions. The option will be exercised by written notice to the owner of record of the Unit, and the purchase price will be equal to the net cash proceeds (sale price less realtor's fee and closing costs, if any) received by the Developer from the original sale of the Unit, without increase for interest or any other charge. The Developer will also notify any mortgagee of the Unit, as reflected in the records of the Association pursuant to Article IX. If the option is exercised, Developer is to receive marketable title by warranty deed subject only to restrictions or encumbrances affecting the Unit on the earlier of the date of the land contract or date of conveyance by the Developer and with all taxes and assessments which are due and payable or a lien on the Unit, and any other amounts which are a lien against the Unit, paid as of the date of conveyance back to the Developer. The closing of the purchase back shall occur at a place and time specified by the Developer not later than 60 days after the date of exercise of the option. The then current owner of the Unit will take such actions and shall execute such documents, including a warranty deed to the Unit, as the attorney for the Developer will deem reasonably necessary to convey marketable title to the Unit to the Developer, free and clear of all liens and encumbrances as aforesaid.

(f) **General Provisions.**

i. **Zoning.** All restrictions imposed by the Township of Laketon Zoning Ordinance, as it applies to R-1 residential districts, shall apply to all Units in Fenner Glen, except that if the Developer or the Association has imposed more stringent restrictions, those restrictions shall apply in place of the Township of Laketon restrictions.

ii. **No Gift or Dedication.** Nothing contained in these Bylaws will be deemed to be a gift or dedication of any portion of the Units or other areas in Fenner Glen to the general public or for any public purposes whatsoever, it being the intention of the Developer that these restrictions will be strictly limited to the purposes specifically expressed in these Bylaws.

iii. **No Third-Party Beneficiaries.** No third party, except grantees, heirs, representatives, successors and assigns of the Developer will be a beneficiary of any provision set forth in these Bylaws.

iv. **Handicapped Persons.** Reasonable accommodations in the rules, policies and practices of the Condominium will be made as required by the Federal Fair Housing Act to accommodate handicapped persons.

Section 2. Persons Subject to Restrictions. All present and future co-owners, tenants and any other persons or occupants using the facilities of the Condominium in any manner are subject to and shall comply with the Act, the Master Deed, these Condominium Bylaws and the Articles of Incorporation, Bylaws, rules and regulations of the Association.

Section 3. Enforcement. Failure to comply with any of the terms of the Act, the Master Deed, these Condominium Bylaws, the Articles of Incorporation, Bylaws or Rules and Regulations of the Association, shall be grounds for relief, which may include, without limitation, an action to recover sums due for such damages, injunctive relief, and any other remedy that may be appropriate to the nature of the breach. The failure of the Association to enforce any right, provision, covenant or condition which may be granted by the Act, the Master Deed, these Condominium Bylaws, the Articles of Incorporation, Bylaws or Rules and Regulations of the Association shall not constitute a waiver of the right of the Association to enforce such right, provision, covenant or condition in the future.

ARTICLE VIII APPROVAL OF LEASE

Section 1. Notice of Desire and Intent. A Member who desires to rent or lease his or her Unit for any term shall provide notice of such desire to the Board of Directors at least 10 days before presenting a lease form to a potential lessee. At the same time, the Member shall provide to the Board a copy of the exact lease form proposed so that the Board may review it for compliance with the Condominium Documents. The Board of Directors reserves the right to deny a Co-owner the right to lease for any reason. Tenants and non-Co-owner occupants shall comply with all of the conditions of the Condominium Documents and all of the provisions of the Act, and all leases and rental agreements shall so state. The Board shall advise the Member of any deficiencies as directed by the Board before presenting a copy of the lease form to a potential lessee. If the Developer desires to rent or lease a Unit before the transitional control date, it shall notify either the Advisory Committee or each Co-owner in writing.

Section 2. Additional Restrictions on Leasing. No Member shall lease less than an entire Unit in the Condominium, and no tenant of a Unit shall be permitted to occupy a Unit, except under written lease, the initial term of which is at least 26 weeks, unless specifically approved in writing by the Board of Directors. The Board may, except to the extent prohibited by law, require a security deposit from any proposed tenant of a Unit as a condition to the approval of any lease.

Section 3. Non-Co-Owner Compliance.

(a) All non-Co-owner occupants shall comply with all of the terms and conditions of the Condominium Documents and the provisions of the Act.

(b) If the Association determines that a non-Co-owner occupant has failed to comply with the conditions of the Condominium Documents, or the provisions of the Act, the Association shall take the following action:

i. The Association shall advise the appropriate Member by certified mail of the alleged violation by a person occupying his or her Unit.

ii. The Member shall have 15 days after receipt of the notice to investigate and correct the alleged breach or advise the Association that a violation has not occurred.

iii. If after 15 days the Association believes that the alleged breach has not been cured or may be repeated, it may institute on its behalf, or derivatively by the Members on behalf of the Association if it is under the control of the Developer, an action for eviction against the non-Co-owner occupant and, simultaneously, for money damages against the Member and non-Co-owner occupant for breach of the conditions of the Condominium Documents or of the Act. The relief set forth in this Section may be by any appropriate proceedings. The Association may hold both the non-Co-owner occupant and the Member liable for any damages caused to the Condominium.

ARTICLE IX MORTGAGES

Section 1. **Mortgage of Units.** No Member owning any Unit may mortgage his or her Unit or any interest therein without the approval of the Association except to a bank, pension fund, insurance company, savings and loan association, credit union or other institutional lender. The approval of any other mortgage may be arbitrarily withheld; provided, that nothing in these Bylaws shall be construed to prevent the Developer from accepting a purchase money mortgage as a part of the purchase price of a Unit nor prevent a Member from accepting a purchase money mortgage from a subsequent approved purchaser.

Section 2. **Notice of Mortgage.** A Member who mortgages a Unit shall notify the Association of the name and address of his or her mortgagee and shall file a conformed copy of the note and mortgage with the Association, which shall maintain such information in a book entitled "Mortgages of Units."

Section 3. **Notice of Default.** The Association shall 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 Member owning such Unit that is not cured within 60 days.

Section 4. **Notice of Insurance.** The Association shall notify each mortgagee appearing in said book of the name of each company insuring the Condominium against fire, perils covered by extended coverage, and vandalism and malicious mischief and the amounts of such coverage.

Section 5. **Notice of Meetings.** Upon request submitted to the Association, any institutional holder of a mortgage lien on any Unit in the Condominium shall be entitled to receive written notification of every meeting of the Members of the Association and to designate a representative to attend such meeting.

Section 6. **Acquisition of Title by Mortgagee.** As provided in Article V, Section 6, any first mortgagee who obtains title to a Unit pursuant to the remedies provided in the mortgage, or a deed in lieu thereof, shall not be liable for such Unit's unpaid assessments which accrue prior to acquisition of title by the first mortgagee.

ARTICLE X AMENDMENTS

Section 1. **Proposal.** Amendments to these Bylaws may be proposed by the Board of Directors of the Association acting upon the vote of a majority of the Directors or by one-third or more in number of the Members by an instrument in writing signed by them.

Section 2. **Meeting to Be Held.** If such an amendment is proposed, a meeting for consideration of the same shall be duly called in accordance with the provisions of the Condominium Documents.

Section 3. **Vote Required.** These Condominium Bylaws may be amended by an affirmative vote of two-thirds of all Members in number and in value and two-thirds of all mortgagees at any regular meeting, or at a special meeting called for such purpose. Each mortgagee shall have one vote for each mortgage held.

Section 4. **Amendments Not Materially Changing Condominium Bylaws.** The Board of Directors may enact amendments to these Condominium Bylaws without the approval of any Member or mortgagee, provided that such amendments shall not materially alter or change the rights of a Member or mortgagee.

Section 5. **Amendments Concerning Leases.** Provisions in these Bylaws relating to the ability or terms under which a Member may rent his or her Unit may not be modified and amended without providing notice to each affected Member and mortgagee and the opportunity to vote on the amendment.

Section 6. **Effective Date.** Any amendment to these Bylaws (but not the Association Bylaws) shall become effective upon the recording of such amendment in the Office of the Register of Deeds in the county where the Condominium is located.

Section 7. **Costs of Amendment.** Any person causing or requesting an amendment to these Condominium Bylaws shall be responsible for the costs and expenses of considering, adopting, preparing and recording such amendment; provided, however, that such costs and expenses relating to amendments adopted pursuant to Article X, Section 3, or pursuant to a decision of the Advisory Committee shall be expenses of administration.

Section 8. **Notice; Copies of Amendment.** Members and mortgagees of record of Units shall be notified of proposed amendments not less than 10 days before the amendment is recorded. A copy of each amendment to these Condominium Bylaws shall be furnished to every Member after recording; provided, however, that any amendment to these Bylaws that is adopted in accordance with this Article or the Act shall be binding upon all persons who have an interest in the project irrespective of whether such persons actually receive a copy of the amendment.

ARTICLE XI DEFINITIONS

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

ARTICLE XII REMEDIES FOR DEFAULT

Section 1. **Relief Available.** Any default by a Member shall entitle the Association or another Member or Members to the following relief:

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

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

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

(d) The violation of any of the provisions of the Condominium Documents shall also give the Association or its duly authorized agents the rights set forth above, to enter, where reasonably necessary, upon the limited or general common elements, or into any Unit, and summarily remove and abate, at the expense of the violating Member, any structure, thing or condition existing or maintained contrary to the provisions of the Condominium Documents.

Section 2. **Failure to Enforce.** The failure of the Association or of any Member to enforce any right, provision, covenant or condition which may be granted by the Condominium Documents shall not constitute a waiver of the right of the Association or of any such Member to enforce such right, provision, covenant or condition in the future.

Section 3. **Rights Cumulative.** All rights, remedies and privileges granted to the Association or any Member or Members pursuant to any terms, provisions, covenants or conditions of the Condominium Documents shall be deemed to be cumulative, and the exercise of any one or more shall be deemed to constitute an election of remedies, nor shall it preclude the party exercising the same from exercising such other and additional rights, remedies or privileges as may be available to such party at law or in equity.

Section 4. **Hearing.** Prior to the imposition of any fine or other penalty under these Bylaws, the offending Member shall be given a reasonable opportunity to appear before the Board and be heard. Following any such hearing the Board shall prepare a written decision and place it in the permanent records of the Association.

ARTICLE XIII ARBITRATION

Section 1. **Submission to Arbitration.** Any dispute, claim or grievance arising out of or relating to the interpretation or application of the Master Deed, Bylaws or Management Agreement, if any, or to any disputes, claims or grievances arising among or between the Members or between such Members and the Association may, upon the election and written consent of all the parties to any such dispute, claim or grievance, and written notice to the Association, be submitted to arbitration, and the parties thereto shall accept the arbiter's decision as final and binding, and it shall be enforceable against the party in a court of competent jurisdiction. The Commercial Arbitration Rules of the American Arbitration Association, as amended and in effect from time to time, shall be applicable to such arbitration.

The arbiter may be either an attorney acceptable to both parties or a panel of three individuals, at least one of whom shall be an attorney. The panel shall be composed of one individual appointed by the Member and one individual appointed by the Board of Directors of the Association. These two panelists will promptly agree on the third Member of the panel. No Member who is a natural person may appoint himself or herself or a Member of his or her household to the panel. No corporate Member may appoint one of its directors, officers, shareholders or employees to the panel. A Member may not serve on behalf of the Board.

The arbitration costs shall be borne by the losing party to the arbitration. The arbiter may require a reasonable deposit to ensure payment of costs. Such deposit shall be placed in escrow in the name of the arbiter as trustee in the name of the matter at issue.

Section 2. **Effect of Election.** Election by Members or the Association to submit any such dispute, claim or grievance to arbitration shall preclude such parties from litigating such dispute, claim or grievance in the courts. Any appeal from an arbitration award shall be deemed a statutory appeal.

Section 3. **Preservation of Rights.** No Member shall be precluded from petitioning the courts to resolve any dispute, claim or grievance in the absence of election to arbitrate.

ARTICLE XIV SEVERABILITY

If any of the terms, provisions, or covenants of these Bylaws or the Condominium Documents are held to be partially or wholly invalid or unenforceable for any reason, such holding shall not affect, alter, modify or impair in any manner any of the other terms, provisions or covenants of such documents or the remaining portions of any terms, provisions or covenants held to be partially invalid or unenforceable.

ARTICLE XV 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 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;
2. these Condominium Bylaws;
3. the Articles of Incorporation of the Association;
4. the Bylaws of the Association; and
5. the Rules and Regulations of the Association.

ARTICLE XVI MICHIGAN LAW

The Bylaws and all documents referred to in these Bylaws shall be governed by the laws of the State of Michigan.

EXHIBIT B
CONDOMINIUM SUBDIVISION PLAN

EXHIBIT C
LEGAL DESCRIPTIONS**DESCRIPTION OF FENNER GLEN NO. 1, A SITE CONDOMINIUM**

That part of Section 11, Town 10 North, Range 17 West, Laketon Township, Muskegon County, Michigan, described as beginning at a point on the North and South 1/4 line of Section 11, that is South 00 degrees 04 minutes 06 seconds East 1430.78 feet from the North 1/4 corner of Section 11; thence South 88 degrees 34 minutes 35 seconds East 1348.82; thence South 00 degrees 05 minutes 20 seconds East, along the West line of Northland Park Subdivision No. 1 and No. 2 as platted, 1220.74 feet to a point on the East and West 1/4 line of Section 11 that is South 88 degrees 24 minutes 01 seconds East 1349.37 feet from the central 1/4 corner of Section 11; thence South 00 degrees 03 minutes 30 seconds East, along the West line of Northland Park Subdivision No. 3 as platted, 875.78 feet; thence North 66 degrees 21 minutes 01 seconds West 235.65 feet; thence South 85 degrees 08 minutes 55 seconds West 76.94 feet; thence North 69 degrees 07 minutes 15 seconds West 166.92 feet; thence South 54 degrees 48 minutes 33 seconds West 276.33 feet; thence North 00 degrees 03 minutes 46 seconds West 906.35 feet to a point on the East and West 1/4 line of Section 11; thence North 88 degrees 24 minutes 01 seconds West, along said East and West 1/4 line, 674.69 feet to the central 1/4 corner of Section 11; thence North 00 degrees 04 minutes 06 seconds West, along the North and South 1/4 line of Section 11, 1216.58 feet to the point of beginning. Containing 50.26 Acres.

Together with and subject to easements of record.

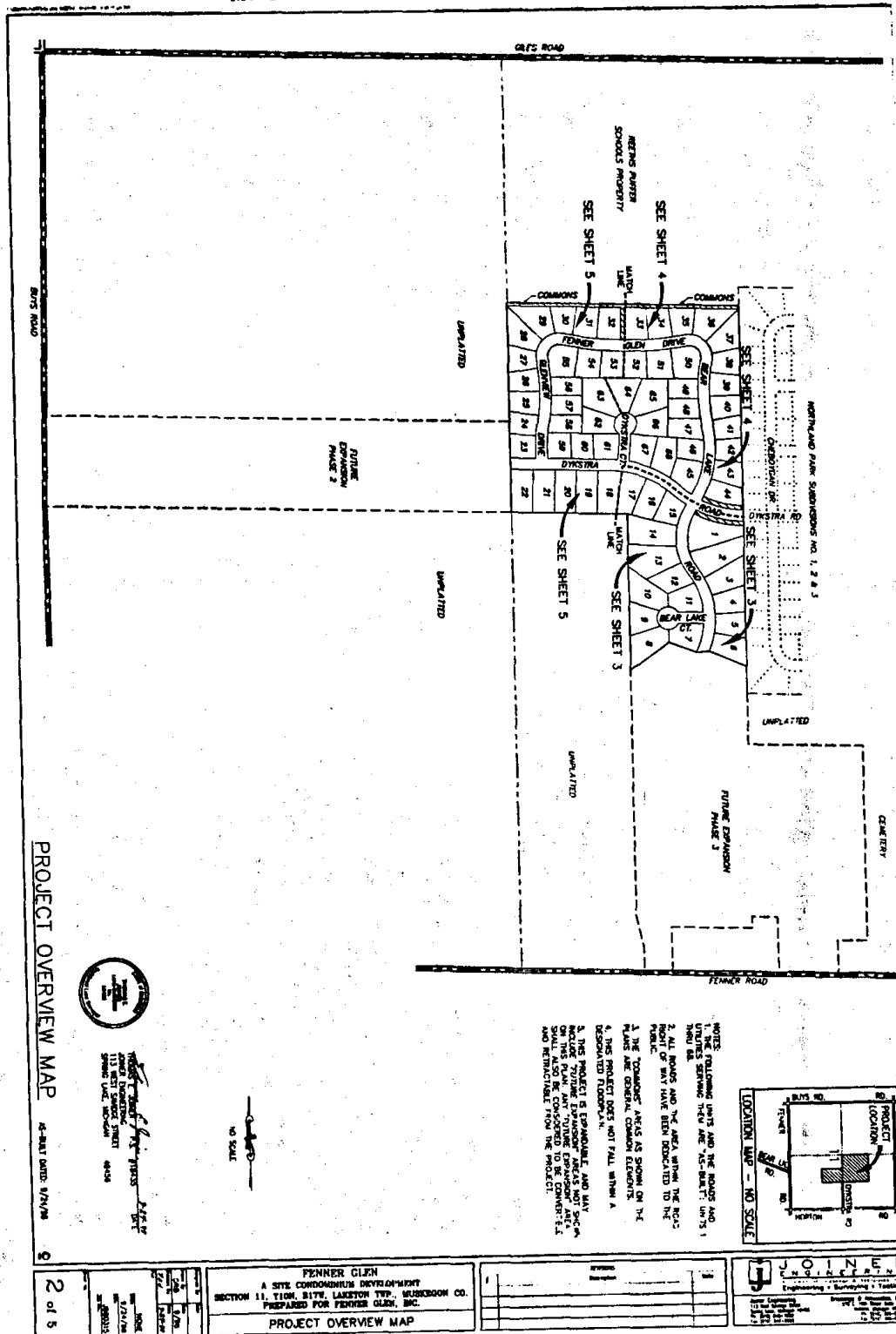
DESCRIPTION OF CONTRACTION PROPERTY

That part of Section 11, Town 10 North, Range 17 West, Laketon Township, Muskegon County, Michigan, described as beginning at a point on the North and South 1/4 line of Section 11, that is South 00 degrees 04 minutes 06 seconds East 1430.78 feet from the North 1/4 corner of Section 11; thence South 88 degrees 34 minutes 35 seconds East 1348.82; thence South 00 degrees 05 minutes 20 seconds East, along the West line of Northland Park Subdivision No. 1 and No. 2 as platted, 1220.74 feet to a point on the East and West 1/4 line of Section 11 that is South 88 degrees 24 minutes 01 seconds East 1349.37 feet from the central 1/4 corner of Section 11; thence South 00 degrees 03 minutes 30 seconds East, along the West line of Northland Park Subdivision No. 3 as platted, 875.78 feet; thence North 66 degrees 21 minutes 01 seconds West 235.65 feet; thence South 85 degrees 08 minutes 55 seconds West 76.94 feet; thence North 69 degrees 07 minutes 15 seconds West 166.92 feet; thence South 54 degrees 48 minutes 33 seconds West 276.33 feet; thence North 00 degrees 03 minutes 46 seconds West 906.35 feet to a point on the East and West 1/4 line of Section 11; thence North 88 degrees 24 minutes 01 seconds West, along said East and West 1/4 line, 674.69 feet to the central 1/4 corner of Section 11; thence North 00 degrees 04 minutes 06 seconds West, along the North and South 1/4 line of Section 11, 1216.58 feet to the point of beginning. Containing 50.26 Acres.

Together with and subject to easements of record.

EXHIBIT "D"
CONDOMINIUM SUBDIVISION PLAN WITH ADDITIONAL INFORMATION

- JOINER**
ENGINEERING
Engineering • Surveying • Testing
115 Sun Valley Blvd
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Fax: (415) 336-0901
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G JOINERS
 • Engineering • Surveying • Testing

