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EXHIBIT A

CONDOMINIUM BY-LAWS

FAIRVIEW SHORES CONDOMINIUMS

ARTICLE I

ASSOCIATION OF CO-OWNERS

1.1 Organization. Fairview Shores Condominiums, a residential condominium project located in the Township of Zeeland, Ottawa County, Michigan (the "Project") is being developed in successive segments so as to comprise a maximum of 124 living units (the "Units). Upon the recording of the Master Deed, the management, maintenance, operation and administration of the Project shall be vested in an Association of Co-owners organized as a non-profit corporation under the laws of the State of Michigan (the "Association"). The Association will keep current copies of the Master Deed, all amendments to the Master Deed, and other Condominium Documents for the Project available at reasonable hours for inspection by Co-owners, prospective purchasers, mortgagees and prospective mortgagees of Units in the Project.

1.2 Compliance. All present and future Co-owners mortgagees, lessees or other persons who may use the facilities of the Condominium in any manner shall be subject to and comply with the provisions of Act No. 59, P.A. 1978, as amended (the "Condominium Act" or "Act"), the Master Deed and all amendments thereto, the Condominium Bylaws, and the Articles of Incorporation, Association By-Laws, and other Condominium Documents which pertain to the use and operation of the Condominium property. The acceptance of a deed of conveyance, the entering into of a lease or the act of occupancy of a Condominium Unit in the Project shall constitute an acceptance of the provisions of these instruments and an agreement to comply with such provisions.

ARTICLE II

MEMBERSHIP AND VOTING

2.1 Membership. Each Co-owner of a Unit in the Project, present and future, shall be a member of the Association and no other person or entity will be entitled to membership. The share of a member in the funds and assets of the Association may be assigned, pledged or transferred only as an appurtenance to his Condominium Unit.

2.2 Voting Rights. Except as limited in the Master Deed and in these By-Laws, each Co-owner will be entitled to one vote for

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each Unit owned when voting by number and one vote, the value of which shall equal the total of the percentages assigned to the Unit or Units owned by him when voting by value. Voting shall be by number, except in those instances where voting is specifically required to be in both value and in number, and no cumulation of votes shall be permitted.

2.3 Eligibility to Vote. No Co-owner, other than the Developer, will be entitled to vote at any meeting of the Association until he has presented written evidence of ownership of a Condominium Unit in the Project, nor shall he be entitled to vote (except for elections pursuant to Section 3.4) prior to the Initial Meeting of Members. The Developer shall be entitled to vote only those Units to which it still holds title and for which it is paying the monthly assessment then in effect at the date on which the vote is cast.

2.4 Designation of Voting Representative. The person entitled to cast the vote for the Unit and to receive all notices and other communications from the Association shall be designated by a certificate signed by all the record owners of the Unit and filed with the Secretary of 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, and the name and address of the person or persons, firm, corporation, partnership, association, trust or other legal entity who is the Unit owner. All certificates shall be valid until revoked, until superseded by a subsequent certificate or until a change in the ownership of the Unit concerned.

2.5 Proxies. Votes may be cast in person or by proxy. Proxies may be made by any designated voting representative who is unable to attend the meeting in person. Proxies will be valid only for the particular meeting designated and any adjournment of that meeting, and must be filed with the Association before the appointed time of the meeting.

2.6 Majority. At any meeting of members at which a quorum is present, 51% of the Co-owners entitled to vote and present in person or by proxy (or written vote, if applicable), shall constitute a majority for the approval of the matters presented to the meeting, except in those instances in which a majority exceeding a simple majority is required by these Bylaws, the Master Deed or by law.

ARTICLE III

MEETINGS AND QUORUM

3.1 Initial Meeting of Members. The initial meeting of the members of the Association may be convened only by the Developer, and may be called at any time after two or more of the Units in Phase I of the Project have been sold and the purchasers of such

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units qualified as members of the Association. In no event, however, shall such meeting be called later than 120 days after the conveyance of legal or equitable title to non-developer Co-owners of 75% of the total number of Units that may be created or 54 months after the first conveyance of legal or equitable title to a non-developer Co-owner of a Unit in the Project, whichever first occurs, at which meeting the eligible Co-owners may vote for the election of directors of the Association. The Developer may call meetings of members of the Association for informational or other appropriate purposes prior to the initial meeting, but no such informational meeting shall be construed as the initial meeting of members.

3.2 **Annual Meeting of Members.** After the initial meeting has occurred, annual meetings of the members shall be held in each year on a date and at a time and place selected by the Board of Directors. At least 20 days prior to the date of an annual meeting, written notice of the date, time, place and purpose of such meeting shall be mailed or delivered to each member entitled to vote at the meeting; provided, that not less than 30 days written notice shall be provided to each member of any proposed amendment to these By-Laws or to other Condominium Documents.

3.3 **Advisory Committee.** Within one year after the initial conveyance by the Developer of legal or equitable title to a Co-owner of a Unit in the Project, or within 120 days after conveyance of one-third of the total number of Units that may be created, whichever first occurs, two or more persons shall be selected by the Developer from among the non-developer Co-owners to serve as an Advisory Committee to the Board of Directors. The purpose of the Advisory Committee is to facilitate communication between the Developer-appointed Board of Directors and the non-developer Co-owners and to aid in the ultimate transition of control to the Owners. The members of the Advisory Committee shall serve for one year or until their successors are selected, and the Committee shall automatically cease to exist at the Transitional Control Date. The Board of Directors and the Advisory Committee shall meet with each other at such times as may be requested by the Advisory Committee; provided, however, that there shall be not more than two such meetings each year unless both parties agree.

3.4 **Board Composition.** Not later than 120 days after conveyance of legal or equitable title to non-developer Co-owners of 25% of the Units that may be created, at least 1 director and not less than one-fourth of the Board of Directors of the Association shall be elected by non-developer Co-owners. Not later than 120 days after conveyance of legal or equitable title to non-developer Co-owners of 50% of the Units that may be created, not less than one-third of the Board of Directors shall be elected by non-developer Co-owners. Not later than 120 days after conveyance of legal or equitable title to non-developer Co-owners of 75% of the Units that may be created, and before conveyance of 90% of such Units, the non-developer Co-owners shall elect all

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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.

3.5 **Owner Control.** If 75% of the Units which may be created have not been conveyed within 54 months after the first conveyance of legal or equitable title to a non-developer Co-owner, the non-developer Co-owners shall have the right to elect a number of members of the Board of Directors of the Association equal to the percentage of Units they hold, and the Developer will have the right to elect a number of members of the Board equal to the percentage of Units which are owned by the Developer and for which 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 provision does not require a change in the size of the Board as designated in the corporate by-laws.

3.6 **Mathematical Calculations.** If the calculation of the percentage of members of the Board that the non-developer Co-owners have a right to elect, or the product of the number of members of the Board multiplied by the percentage of Units held by the non-developer Co-owners results in a right of non-developer Co-owners to elect a fractional number of members of the Board, then a fractional election right of 0.5 or greater shall be rounded up to the nearest whole number. After application of this formula, the Developer shall have the right to elect the remaining members of the Board. Application of this provision shall not eliminate the right of the Developer to designate at least one member as provided in Section 3.4.

3.7 **Quorum of Members.** The presence in person or by proxy of thirty-five (35%) percent of the Co-owners entitled to vote shall constitute a quorum of members. The written vote of any owner furnished at or prior to a meeting, at which meeting such owner is not otherwise present in person or by proxy, shall be counted in determining the presence of a quorum with respect to the question upon which the vote is cast.

ARTICLE IV

ADMINISTRATION

4.1 **Board of Directors.** The business, property and affairs of the Association shall be managed by a Board of Directors to be elected in the manner described in the Association By-Laws; provided, that the directors designated in the Articles of Incorporation shall serve until such time as their successors have been duly elected and qualified at the initial meeting of members. All actions of the first Board of Directors designated in the Articles of Incorporation or any successors to such directors selected by the Developer before the initial meeting of members

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shall be binding upon the Association in the same manner as though such actions had been authorized by a Board of Directors elected by the members of the Association, so long as such actions are within the scope of the powers and duties which may be exercised by a Board of Directors as provided in the Condominium Documents. A service contract or management contract entered into between the Association and the Developer or affiliates of the Developer shall be voidable by the Board of Directors on the Transitional Control Date or within ninety (90) days thereafter, and on thirty (30) days notice at any time thereafter for cause.

4.2 Powers and Duties. The Board shall have all powers and duties necessary for the administration of the affairs of the Association, and may take all actions in support of such administration as are not prohibited by the Condominium Documents or specifically reserved to the members. The powers and duties to be exercised by the Board shall include, but shall not be limited to, the following:

(a) Care, upkeep and maintenance of the common elements;

(b) Development of an annual budget, and the determination, levy and collection of assessments required for the operation and affairs of the Condominium;

(c) Employment and dismissal of personnel as necessary for the efficient management and operation of the Condominium property;

(d) Adoption and amendment of rules and regulations which are not inconsistent with the provisions of Article VII of these Bylaws, governing the use of the Condominium property;

(e) Opening bank accounts, borrowing money and issuing evidences of indebtedness in furtherance of the purposes of the Condominium, and designating signatories required for such purpose;

(f) Obtaining insurance for Condominium property, the premiums of which shall be an expense of administration;

(g) Authorizing the execution of contracts, deeds of conveyance, easements and rights-of-way affecting any real or personal property of the Condominium on behalf of the Co-owners;

(h) Making repairs, additions and improvements to, or alterations of, the Condominium property, and repairs to and restoration of the property in accordance with the other provisions of these By-Laws after damage or

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destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings;

(i) Asserting, defending or settling claims on behalf of all Co-owners in connection with the common elements of the Project and, upon written notice to all Co-owners, instituting actions on behalf of and against the Co-owners in the name of the Association; and

(j) Such further duties as may be imposed by resolution of the members of the Association or which may be required by the Condominium Documents or the Act.

4.3 Books of Account. The Association shall keep books and records containing a detailed account of the expenditures and receipts of administration, which will specify the maintenance and repair expenses of the Common Elements and any other expenses incurred by or on behalf of the Association and its members. Such accounts shall be open for inspection by the Co-owners and their mortgagees during reasonable working hours. The Association shall also prepare and distribute a financial statement to each Co-owner at least once a year, the contents of which will be defined by the Association. The books and records shall be reviewed annually and audited at such times as required by the Board of Directors by qualified independent accountants (who need not be certified public accountants), and the cost of such review or audit shall be an expense of administration.

4.4 Maintenance and Repair. All maintenance of and repair to a Condominium Unit, other than maintenance of and repair to any General Common Element located within the Unit, shall be made by the Co-owner of such Unit. Any Co-owner who desires to make repairs to a Common Element or structural modifications to his Unit must first obtain the written consent of the Association, and shall be responsible for all damages to other Units or to the Common Elements resulting from such repairs or from his failure to effect such maintenance and repairs.

All maintenance of, repair to and replacement for the General Common Elements, whether located inside or outside the Units, and to Limited Common Elements to the extent required by the Master Deed, shall be made by the Association and shall be charged to all the Co-owners as a common expense unless necessitated by the negligence, misuse or neglect of a particular Co-owner, in which case the expense shall be charged to such Co-owner individually. The Association or its agent shall have access to each Unit from time to time during reasonable working hours, upon notice to the occupant, for the purpose of maintenance, repair or replacement of any of the Common Elements located within or accessible only from a Unit. The Association or its agents 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.

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4.5 Reserve Fund. The Association shall maintain a reserve fund, to be used for major repairs and replacement of the Common Elements, as provided by Section 105 of the Act. Such fund shall be established in the minimum amount required on or before the Transitional Control Date, and shall, to the extent possible, be maintained at a level which is equal to or greater than 10% of the then current annual budget of the Association on a noncumulative basis. The minimum reserve standard required by this Section may prove to be inadequate, and the Board should carefully analyze the Project from time to time in order to determine if a greater amount should be set aside or if additional reserve funds shall be established for other purposes.

4.6 Construction Liens. A construction lien arising as a result of work performed on a Condominium Unit or on an appurtenant Limited Common Element shall attach only to the Unit upon which the work was performed, and a lien for work authorized by the Developer or principal contractor shall attach only to Condominium Units owned by the Developer at the time of recording the statement of account and lien. A construction lien for work authorized by the Association shall attach to each Unit only to the proportionate extent that the Co-owner of such Unit is required to contribute to the expenses of administration. No construction lien shall arise or attach to a Condominium Unit for work performed on the General Common Elements not contracted by the Association or the Developer.

4.7 Managing Agent. The Board may employ a Management Company or Managing Agent at a compensation established by the Board to perform such duties and services as the Board shall authorize, including, but not limited to, the powers and duties described in Section 4.2. The Developer or any person or entity related to the Developer may serve as Managing Agent if so appointed.

4.8 Officers. The Association By-Laws shall provide the designation, number, terms of office, qualifications, manner of election, duties, removal and replacement of officers of the Association and may contain any other provisions pertinent to officers of the Association not inconsistent with these Bylaws. Officers may be compensated, but only upon the affirmative vote of sixty (60%) percent or more of all Co-owners.

4.9 Indemnification. All directors and officers of the Association shall be entitled to indemnification against costs and expenses incurred as a result of actions (other than wilful or wanton misconduct or gross negligence) taken or failed to be taken on behalf of the Association upon 10 days notice to all Co-owners, in the manner and to the extent provided by the Association By-Laws. In the event that no judicial determination as to indemnification has been made, an opinion of independent counsel as to the propriety of indemnification shall be obtained if a majority of Co-owners vote to procure such an opinion.

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ARTICLE V

ASSESSMENTS

5.1 Administrative Expenses. The Association shall be assessed as the entity in possession of any tangible personal property of the Condominium owned or possessed in common, and personal property taxes levied on such property shall be treated as expenses of administration. All costs incurred by the Association in satisfaction of any liability arising within, caused by or connected with the Common Elements or the administration of the Project shall be expenses of administration, and all sums received as proceeds of, or pursuant to any policy of insurance securing the interests of the Co-owners against liabilities or losses arising within, caused by or connected with the Common Elements or the administration of such Common Elements shall be receipts of administration.

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

(a) Initial Budget. The Board of Directors of the Association shall establish an initial budget in advance for each fiscal year, which budget will project all expenses for the coming year that may be required for the proper operation, management and maintenance of the Condominium Project, including a reasonable allowance for contingencies and reserves. The annual assessment to be levied against each Unit in the Project shall then be determined on the basis of the budget. Copies of the budget will be delivered to each Co-owner, although the failure to deliver such a copy to each Co-owner will not affect or in any way diminish the liability of a Co-owner for any existing or future assessment.

(b) Budget Adjustments. Should the Board of Directors determine at any time, in its sole discretion, that the initial assessments levied are insufficient: (1) to pay the costs of operation and maintenance of the Common Elements; (2) to provide for the replacement of existing Common Elements; (3) to provide for additions to the Common Elements not exceeding $2,500 or $50 per Unit annually, whichever is less; or (4) to respond to an emergency or unforeseen development; the Board will have the authority to increase the initial assessment or to levy such additional assessments as it deems to be necessary for such purpose(s). The discretionary authority of the Board of Directors to levy additional assessments will rest solely with the Board of Directors for the benefit of the Association and its members, and will not be enforceable by any creditors of the Association.

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(c) **Special Assessments.** Special assessments, in excess of those permitted by subsections (a) and (b), may be made by the Board of Directors from time to time with the approval of the Co-owners as provided in this subsection to meet other needs or requirements of the Association, including but not limited to: (i) assessments for additions to the Common Elements costing more than $2,500 in any year; (ii) assessments to purchase a Unit upon foreclosure of the lien described in Section 5.5; or (iii) assessments for any other appropriate purpose not specifically described. Special assessments referred to in this subsection (but not including those assessments referred to in subsections (a) and (b), which will be levied in the sole discretion of the Board of Directors) will not be levied without the prior approval of sixty (60%) percent or more of all Co-owners. The authority to levy assessments pursuant to this subsection is solely for the benefit of the Association and its members and will not be enforceable by any creditors of the Association.

5.3 **Apportionment of Assessments.** All assessments levied against the Unit Owners to cover expenses of administration shall be apportioned among and paid by the Co-owners on an equal basis, without increase or decrease for the existence of any rights to the use of Limited Common Elements appurtenant to a Unit. Annual assessments determined in accordance with Section 5.2(a) will be payable by Co-owners in twelve (12) equal monthly installments, commencing with the acceptance of a deed to, or a land contract vendee's interest in a Unit, or with the acquisition of title to a Unit by any other means. The payment of an assessment will be in default if the assessment, or any part of it, is not received by the Association in full on or before the due date assigned by rule or regulation of the Association.

5.4 **Expenses of Administration.** The expenses of administration shall consist, among other things, of such amounts as the Board may deem proper for the operation and maintenance of the Condominium property under the powers and duties delegated to it and may include, without limitation, amounts to be set aside for working capital of the Condominium, for a general operating reserve, for a reserve for replacement and for meeting any deficit in the common expense for any prior year; provided, that any reserves established by the Board prior to the initial meeting of members shall be subject to approval by such members at the initial meeting. The Board shall advise each Co-owner in writing of the amount of common charges payable by him and shall furnish copies of each budget on which such common charges are based to all Co-owners.

5.5 **Collection of Assessments.** Each Co-owner shall be obligated for the payment of all assessments levied upon his Unit during the time that he is the Owner of the Unit, and no Co-owner

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may exempt himself from liability for his contribution toward the expenses of administration by waiver of the use or enjoyment of any of the Common Elements, or by the abandonment of his Unit.

(a) **Legal Remedies.** In the event of default by any Co-owner in paying the assessed common charges, the Board may declare all unpaid installments of the annual assessment for the pertinent fiscal year to be immediately due and payable. In addition, the Board may impose reasonable fines or charge interest at the legal rate on such assessments from and after the due date. Unpaid assessments shall constitute a lien on the Unit prior to all other liens except tax liens in favor of any state or federal taxing authority and sums unpaid upon a first mortgage of record recorded prior to the recording of any notice of lien by the Association, and the Association may enforce the collection of all sums due by suit at law for a money judgment or by foreclosure of the liens securing payment in the manner provided by Section 108 of the Act. In an action for foreclosure, a receiver may be appointed and reasonable rental for the Unit may be collected from the Co-owner or anyone claiming under him, and all expenses incurred in collection, including interest, costs and actual attorney's fees, and any advances for taxes or other liens paid by the Association to protect its lien, shall be chargeable to the Co-owner in default.

(b) **Sale of Unit.** Upon the sale or conveyance of a Condominium Unit, all unpaid assessments against the Unit shall be paid out of the sale price by the purchaser in preference over any other assessment or charge except as otherwise provided by the Condominium Documents or by the Act. A purchaser or grantee may request a written statement from the Association as to the amount of unpaid assessments levied against the Unit being sold or conveyed and such purchaser or grantee shall not be liable for, nor shall the Unit sold or conveyed be subject to a lien for any unpaid assessments in excess of the amount described in such written statement. Unless the purchaser or grantee requests a written statement from the Association at least 5 days before sale as provided in the Act, however, the purchaser or grantee shall be liable for any unpaid assessments against the Unit together with interest, costs, and attorneys fees incurred in collection of the assessments.

(c) **Self-Help.** The Association may enter upon the common elements, limited or general, to remove and abate any condition, or may discontinue the furnishing of services to a Co-owner in default under any of the provisions of the Condominium Documents upon 7 days written notice to such Co-owner of its intent to do so.

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A Co-owner in default shall not be entitled to utilize any of the General Common Elements of the Project and shall not be entitled to vote at any meeting of the Association so long as the default continues; provided, that this provision shall not operate to deprive any Owner of ingress and egress to and from his Unit.

(d) **Application of Payments.** Money received by the Association in payment of assessments in default shall be applied in the following manner; first, to costs of collection and enforcement of payment, including reasonable attorneys' fees; second, to any interest charges and fines for late payment on such assessments; and third, to installments of assessments in default in order of their due dates.

5.6 **Financial Responsibility of the Developer.** The Developer of the Condominium, although a member of the Association, will not be responsible for the payment of either general or special assessments levied by the Association, except as follows:

(a) **Pre-Turnover Expenses.** During the time that the Developer controls the Association, it will be its responsibility to keep the books balanced, and to avoid any deficit in operating expenses. At the time of the initial meeting of members, the Developer will be liable for the funding of any continuing Association deficit incurred prior to the Transitional Control Date.

(b) **Post-Turnover Expenses.** After the Transitional Control Date has occurred, the Developer will not be responsible for the payment of regular monthly assessments or of special assessments on Units being constructed by it or under its supervision until such time as the Units have been "substantially completed" in the manner described by Section 103b(4) of the Act.

Until substantial completion has occurred, however, the Developer may be assessed by the Association for actual costs, if any, incurred by the Association which are directly attributable to the Units being constructed by the Developer, together with a reasonable share of costs of administration which indirectly benefit the Developer (other than costs attributable to the maintenance of dwelling homes), based on the ratio of completed Units owned by the Developer from time to time to the number of completed Units owned and/or occupied by non-Developer owners.

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

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improvements or additions, except with respect to Units which have been substantially completed. In no event will the Developer be liable for any assessment levied in whole or in part to finance litigation or other claims against the Developer, any cost of investigating and/or preparing such litigation or claim, or any similar related costs.

(d) **Act to Govern.** As long as the Developer owns one or more of the Units in the Project, it shall be subject to the provisions of the Condominium Documents and of the Act.

ARTICLE VI

TAXES, INSURANCE AND REPAIR

6.1 Real Property Taxes. After the year in which construction of the building containing a Unit is completed, real property taxes and special assessments shall be levied against the individual Units and not against the total property of the Project or any phase thereof, except for the year in which the Project or phase was established subsequent to the tax day. Taxes and assessments which become a lien against the Condominium property in any such year shall be expenses of administration and shall be assessed against the Units located on the land with respect to which the tax or assessment was levied in proportion to the percentage of value assigned to each Unit. Real property taxes and assessments levied in any year in which the property existed as an established Project on the tax day shall be assessed against the individual Units only, even if a subsequent vacation of the Project has occurred.

Taxes for real property improvements to a specific Unit shall be assessed against that Unit description only, and each Unit shall be treated as a separate, single parcel of real property for purposes of property tax and special assessment. No Unit shall be combined with any other Unit or Units, and no assessment of any fraction of a Unit or combination of any Unit with other units or fractions shall be made, nor shall any division or split of the assessment or taxes of a single Unit be made whether the Unit be owned separately or in common.

6.2 Insurance Coverage. The Association shall be appointed as Attorney-in-Fact for each Co-owner to act in connection with insurance matters and shall be required to obtain and maintain, to the extent appropriate: casualty insurance with extended coverage, vandalism and malicious mischief endorsements; liability insurance (including director's and officer's liability coverage if deemed advisable); and worker's compensation insurance pertinent to the ownership, use and maintenance of the Common Elements of the Project. All insurance shall be purchased by the Board of Directors for the benefit of the Association, the Co-owners, the mortgagees and the Developer, as their interests may appear. Such

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insurance, other than title insurance, shall be carried and administered according to the following provisions:

(a) **Co-owner Responsibilities.** Each Co-owner will be responsible for obtaining casualty insurance coverage at his own expense for the interior of his Unit (including wall coverings, floor coverings, sliders, windows and screens), and it shall be each Co-owner's responsibility to obtain insurance coverage for all personal property located within his Unit or elsewhere on the Condominium Property, for personal liability for occurrences within his Unit or upon the Limited Common Elements appurtenant to his Unit, and for alternative living expenses in the event of fire or other casualty causing temporary loss of his residence. The Association and all Co-owners shall use their best efforts to see that property and liability insurance carried by the Association or any Co-owner contains appropriate provisions concerning waiver of the right of subrogation as to any claims against any Co-owner or the Association.

(b) **Association Responsibilities.** The General Common Elements of the Project shall be insured by the Association against fire and other perils covered by a standard extended coverage endorsement, in an amount equal to the maximum insurable replacement value, excluding land, landscaping, blacktopping, foundation and excavation costs, as determined annually by the Board of Directors of the Association. Such coverage shall also include the interior walls within a Unit and the pipes, wires, conduits and ducts located in such walls, and shall further include all appliances, fixtures, equipment and trim within the Units which were furnished as standard items under plans and specifications on file with the Association (or such replacements of the items as do not exceed the original cost of the standard items).

Any improvements made by the Co-owner within his Unit subsequent to closing shall be covered by insurance obtained by and at the expense of the Co-owner; provided that, if the Association elects to include owner improvements under its insurance coverage, any additional premium costs to the Association attributable to such owner improvements will be assessed to and paid entirely by the Co-owner and collected as a part of the assessments levied against such owner as provided in these Bylaws.

(c) **Fidelity Insurance.** The Association may obtain, if desired, fidelity coverage to protect against dishonest acts by its officers, directors, trustees and

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employees and all others who are responsible for handling funds of the Association.

(d) **Power of Attorney.** The Board of Directors is irrevocably appointed as the agent for each Co-owner, each mortgagee, other named insureds and their beneficiaries and any other holder of a lien or other interest in the Condominium or the Condominium Property, to adjust and settle all claims arising under insurance policies purchased by the Board and to execute and deliver releases upon the payment of claims.

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

(f) **Premium Expenses.** Except as otherwise provided, all premiums upon insurance purchased by the Association pursuant to these By-Laws shall be expenses of administration.

6.3 **Reconstruction and Repair.** If any part of the Condominium Property is damaged or destroyed, and the proceeds of the insurance policy or policies payable by reason of the damage or destruction are sufficient to reconstruct the property which has been damaged or destroyed, the proceeds shall be used for such purpose. As used in this Section, "reconstruction" means the restoration of the Condominium Property to substantially the same condition that existed before the damage or destruction occurred, with each Unit and Common Element having the same vertical and horizontal boundaries as existed prior to the damage or destruction.

(a) **Insufficient Insurance Proceeds.** If the property which is damaged or destroyed is not insured against the peril causing the loss, or if for any other reason the proceeds of the insurance policy or policies payable by reason of the damage or destruction are insufficient to reconstruct the property in the manner described above, a decision as to whether or not the property will be reconstructed shall be made by the affirmative vote of not less than 80% of the Co-owners voting at a meeting called for that specific purpose. Any such meeting shall be held within 30 days following the final adjustment of insurance claims, if any, or

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within 90 days after the casualty happens, whichever first occurs. At any such meeting, the Board or its representative shall present to the Co-owners an estimate of the cost of the reconstruction and the estimated amount of special assessments to be levied against each Unit in order to pay for reconstruction. If the property is reconstructed, any insurance proceeds received shall be applied to reconstruction, and special assessments may be levied against the Units in order to pay the balance of the reconstruction costs.

(b) **Withdrawal from the Condominium.** If the property which is damaged or destroyed is not insured against the peril causing the loss, or if for any other reason the proceeds of the insurance policy or policies payable by reason of the damage or destruction are insufficient to reconstruct the property in the manner described above, and if a decision to reconstruct is not made in the manner provided by subparagraph (a), provision for the withdrawal of the damaged property from the provisions of the Act may be made by the affirmative vote of not fewer than 80% of the Co-owners voting at a meeting called for the specific purpose. Any such meeting shall be held within 30 days following the final adjustment of insurance claims, if any, or within 90 days after the casualty happens, whichever first occurs. If any Unit or portion of a Unit is withdrawn, the percentage of ownership in the Common Elements appurtenant to the withdrawn property shall be reallocated among the remaining Units not withdrawn on the basis of the relative percentages of ownership in the Common Elements appurtenant to each remaining Unit. If only a portion of a Unit is withdrawn, the percentage of ownership in the Common Elements appurtenant to the Unit shall be reduced accordingly, upon the basis of the diminution in market value of such Unit, as determined by the Board.

(c) **Allocation of Proceeds.** In the event of the withdrawal of a Unit, a Common Element or a portion of either, any insurance proceeds received by the Association shall be allocated among the withdrawn Units and/or Common Elements on the basis of the square footage withdrawn or such other equitable basis as the Board of Directors may determine. As compensation for such withdrawals: (i) any insurance proceeds allocated to withdrawn Units or portions of Units shall be applied in payment to the Owners of such Units in proportion to their relative percentages of ownership in the Common Elements appurtenant to such withdrawn Units, or portions of them; (ii) any insurance proceeds allocated to withdrawn portions of the Limited Common Elements shall be applied in payment to the Unit Owners entitled to their use in proportion to their relative percentages of ownership in

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the Common Elements appurtenant to the Units served by such Limited Common Elements; and (iii) any insurance proceeds allocated to withdrawn portions of the General Common Elements shall be applied in payment to all Unit Owners in proportion to their relative percentages of ownership in the Common Elements. Upon the withdrawal of any Unit or portion of a Unit, the Owner shall be relieved of further responsibility or liability for the payment of any assessments, if the entire Unit is withdrawn, or for the payment of a portion of such assessments proportional to the diminution in square footage of such Unit, if only a portion of the Unit is withdrawn.

(d) **Compliance with Act.** If the property which is damaged or destroyed is not insured against the peril causing the loss, or if for any other reason the proceeds of the insurance policy or policies payable by reason of the damage or destruction are insufficient to reconstruct the property in the manner described in this Section, and if provision for neither reconstruction nor withdrawal is made pursuant to subparagraphs (a) or (b), the provisions of the Act shall apply.

(e) **Notice to Mortgagees.** Prompt written notice of any and all material damage or destruction to a Unit or any part of the Common Elements shall be given to the holder of a first mortgage lien on any Unit affected by the damage or destruction.

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

(a) **Units and Limited Common Elements.** In the event of any taking of all or any portion of a Condominium Unit or any appurtenant Limited Common Element, the award for such taking shall be paid to the Co-owner of the Unit and the mortgagee of the Unit, as their interests may appear. If a Co-owner's entire Unit is taken by eminent domain, the Co-owner and his mortgagee shall, after acceptance of the condemnation award, be divested of all interest in the Condominium Project.

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

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(c) **Amendment to Master Deed.** In the event the Condominium Project continues after taking by eminent domain, the remaining portion of the Condominium Property shall be resurveyed and the Master Deed and Subdivision Plan shall be amended accordingly. In addition, if any Unit shall have been taken, Article V of the Master Deed shall also be amended to reflect such taking and to proportionately readjust the Percentages of Value of the remaining Co-owners based upon the continuing value of the Condominium of 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 by any Co-owner.

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

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

ARTICLE VII

USE AND OCCUPANCY RESTRICTIONS

7.1 **Residential Use.** Condominium Units shall be used exclusively for residential occupancy, and no Unit or appurtenant Common Element shall be used for any purpose other than that of a single family residence or purposes incidental to single family residential use. Home occupations conducted entirely within the residence and participated in solely by members of the immediate family residing in the residence, which do not generate unreasonable traffic by members of the general public and do not change the residential character of the building, are expressly declared to be incidental to primary residential use. No building intended for other business uses, and no apartment house, rooming house, day care facility, foster care residence or other commercial structure of any kind shall be erected, placed or permitted on any Unit.

7.2 **Common Areas.** The common areas shall be used only for access, ingress to and egress from the respective Units and for other purposes incidental to the use of the Units; provided, that no boats or water vehicles other than canoes, rowboats, paddleboats and boats with electric motors, of a size approved by the Board of Directors, shall be used on any of the common element lakes within the Project.

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The use, maintenance and operation of the Common Elements shall not be obstructed, damaged or unreasonably interfered with by any Co-owner, and shall be subject to any lease or easement presently in existence or entered into by the Board at some future date which affects all or any part of the Common Elements.

7.3 **Use and Occupancy Restrictions.** In addition to the general requirements of Sections 7.1 and 7.2, the use of the Project and its Common Elements by any Co-owner shall be subject to the following specific restrictions:

(a) **Occupancy Limits.** No more than four (4) persons shall permanently occupy or reside in any two-bedroom Unit, nor more than five (5) persons in any Unit with three or more bedrooms, without the express prior written approval of the Association. In the event that a violation of this restriction by a family in occupancy of a Unit results from the birth or adoption of a child, or the marriage or re-marriage of a family member, this restriction shall be suspended as to such family for a period of one year to provide the family with a reasonable time in which to cure the violation or otherwise dispose of the Unit.

(b) **Exterior Alterations.** No Co-owner shall make any alterations, additions or improvements to any General Common Element, nor make changes to the exterior appearance or structural members of his Unit or Limited Common Elements without the prior written approval of the Association. The Association shall not approve any alterations or structural modifications which would jeopardize or impair the soundness, safety or appearance of the Project. An Owner may make alterations, additions or improvements within his Unit without the prior approval of the Board, but such Owner shall be responsible for any damage to other Units, the Common Elements, or the Condominium Property resulting from such alterations, addition or improvements.

(c) **Unit Rental.** No portion of a Unit may be rented and no transient tenants may be accommodated in any building; provided, that this restriction shall not prevent the rental or sublease of an entire Unit together with its appurtenant Limited Common Elements for residential purposes in the manner permitted by Article IX.

(d) **Nuisances.** No nuisances shall be permitted on the Condominium Property nor shall any use or practice be permitted which is a source of annoyance to, or which interferes with the peaceful possession or proper use of the Project by its residents. The Common Elements shall not be used in whole or in part for the storage of

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rubbish or trash, nor for the storage of any property or thing that may cause the Condominium Property to appear in an unclean or untidy condition. No substance or material shall be kept in any Unit or on any Common Element that will emit foul or obnoxious odors, or that will cause excessive noise which will or might disturb the peace, quiet, comfort or serenity of the occupants of surrounding Units.

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

(f) **Signs.** No signs or other advertising devices shall be displayed from any residence or on any Unit which are visible from the exterior of the Unit or from the Common Elements without written permission from the Association or its Managing Agent.

(g) **Personal Property.** No Co-owner shall display, hang or store any clothing, sheets, blankets, laundry or similar articles outside his Unit, or which may be visable from the outside of his Unit (other than draperies or curtains, blinds or shades of a customary nature and appearance which shall be lined or colored in a neutral shade facing the exterior), or paint or decorate or adorn the outside of his Unit, or install any CB, short wave, satellite dish or other radio or telecommunications antenna, window air-conditioning unit, snap-in window dividers, awning or other equipment, fixtures or items of any kind, without the prior written permission of the Board or the written permission of the managing agent. The above restrictions shall not be construed to prohibit a Co-owner from placing and maintaining outdoor furniture and decorative foliage of a customary nature and appearance on a sun room, patio or porch which is a Limited Common Element appurtenant to his Unit; provided, that no such furniture or other personal property shall be stored on any open patio or porch which is visible from another Unit or from the Common Elements of the Project during the winter season.

(h) **Fireworks and Weapons.** No Co-owner shall use, or permit the use by any occupant, agent, tenant, invitee, guest or member of his family of any firearms, air rifles, pellet guns, B-B guns, bows and arrows,

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illegal fireworks or other dangerous weapons, projectiles or devices anywhere on or about the Condominium Property.

(i) **Pets and Animals.** No animals, birds or fowl may be kept or maintained in any Unit except for one dog, one cat or a pair of caged birds, of a size and type approved by the Association. Such approval, if given, may be revoked at any time by the Association. No exotic, savage or dangerous animal shall be kept on the Condominium Property and no animal may be kept or bred for commercial purposes.

Common household pets permitted by the Association shall be kept only in compliance with the rules and regulations promulgated by the Board of Directors from time to time, and must at all times be kept under such care and restraint as not to be obnoxious on account of noise, odor or unsanitary conditions. No animal shall be permitted to run loose upon the Common Elements, limited or general, and the owner of each pet shall be responsible for cleaning up after it.

The Association may also, without liability to the owner of the pet, remove or cause any animal to be removed from the Condominium which it determines to be in violation of the restrictions imposed by this Section or which otherwise proves to be a nuisance or annoyance to other residents. Any person who causes or permits any animal to be brought to or kept on the Condominium Property shall indemnify and hold the Association harmless from any loss, damage or liability which the Association may sustain as a result of the presence of such an animal on the Condominium Property.

(j) **Recreational Property.** No mobile home, van trailer, tent, shack, garage, accessory building, outbuilding or other structure of a temporary character shall be erected, occupied or used at any time without the prior written consent of the Association. No recreational vehicles, boats or trailers shall be parked or stored in any Limited Common Element garage if such storage would prevent full closure of the garage door, or elsewhere on the Condominium Property without the written approval of the Association. No snowmobile, all-terrain vehicle or other motorized recreational vehicle shall be operated on the Condominium Property. No maintenance or repair shall be performed on any boat or vehicle except within a garage or residence where totally isolated from public view.

(k) **Automobiles.** No more than two (2) automobiles or other vehicles customarily used for transportation purposes shall be kept outside a closed garage on a

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Limited Common Element driveway or elsewhere on the Condominium Property by those persons residing in any Unit; provided, that no automobiles or other vehicles which are not in operating condition shall be permitted at any time. No commercial vehicles or trucks shall be parked in or about the Condominium except for the making of deliveries or pick-ups in the normal course of business.

(l) **Clippings and Leaves.** The dumping of lawn clippings and leaves, or the burning of the same on Condominium Property is prohibited.

(m) **Private Lakes.** The private lakes located on the Condominium Property will be limited to canoes, rowboats, paddle boats and other watercraft of less than 16 feet in total length; provided, that watercraft powered by motor will be limited to electric motors and no gasoline motors will be allowed.

(n) **Common Elements.** The General Common Elements shall not be used for the storage of supplies or personal property (except for such short periods of time as may be reasonably necessary to permit periodic collection of trash). No vehicles shall be parked on or along the private drive(s), and Owners and residents shall not use or obstruct any guest parking areas which may be located on the Common Elements of the Project without the prior consent of the Association. In general, no activity shall be carried on nor condition maintained by any Co-owner either in his Unit or upon the Common Elements which despoils the appearance of the Condominium.

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

7.4 **Rules of Conduct.** Additional rules and regulations consistent with the Act, the Master Deed and these Bylaws concerning the use of Condominium Units and Common Elements, limited and general, may be promulgated and amended by the Board. Copies of such rules and regulations must be furnished by the Board to each Co-owner at least 10 days prior to their effective date, and may be revoked at any time by the affirmative vote of 60% or more of all Co-owners.

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7.5 Remedies on Breach. In addition to the remedies granted by Section 5.5 for the collection of assessments the Association shall have the right, in the event of a violation of the restrictions on use and occupancy imposed by Section 7.3, to enter the Unit and to remove or correct the cause of the violation. Such entry will not constitute a trespass, and the Co-owner of the Unit will reimburse the Association for all costs of the removal or correction. Failure to enforce any of the restrictions contained in this Article will not constitute a waiver of the right of the Association to enforce such restrictions in the future.

7.6 Co-owner Enforcement. An aggrieved Co-owner will also be entitled to compel enforcement of the Condominium Documents by action for injunctive relief and/or damages against the Association, its officers or another Co-owner in the Project.

7.7 Reserved Rights of Developer. The restrictions contained in this Article shall not apply to the commercial activities of the Developer during the Development and Sale Period, or of the Association in the exercise of the powers and purposes contained in these Bylaws and in the Articles of Incorporation, as they may be amended from time to time. The Developer shall also have the right to maintain a sales office, advertising display signs, storage areas and reasonable parking incident to its sales efforts and such access to, from and over the Condominium Property as may be reasonable to enable development and sale of the entire Project.

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

7.9 Assignment and Succession. Any or all of the rights granted to or reserved by the Developer in the Condominium Documents or by law, may be assigned by it to any other entity or to the Association. Any such assignment or transfer shall be made by an appropriate instrument in writing, signed by the Developer and recorded in the public records of Ottawa County, Michigan. Upon such qualification, the assignee will have the same rights and powers as those granted to or reserved by the Developer in the Condominium Documents.

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ARTICLE VIII

MORTGAGES

8.1 Notice to Association. Any Co-owner who mortgages a Condominium Unit shall notify the Association of the name and address of the mortgagee, and the Association will maintain such information in a book entitled "Mortgagees of Units". Such information relating to mortgagees will be made available to the Developer or its successors as needed for the purpose of obtaining consent from, or giving notice to mortgagees concerning amendments to the Master Deed or other actions requiring consent or notice to mortgagees under the Condominium Documents or the Act.

8.2 Insurance. The Association shall notify each mortgagee appearing in the Mortgagees of Units book of the name of each company insuring the condominium against fire, perils covered by extended coverage, and vandalism and malicious mischief with the amounts of such coverage.

8.3 Rights of Mortgagees. Except as otherwise required by applicable law or regulation which is binding on the parties, the holder of a first mortgage of record on a Condominium Unit will be granted the following rights:

(a) Inspection and Notice. Upon written request to the Association, a mortgagee will be entitled to: (i) inspect the books and records relating to the Project on reasonable notice during normal business hours; (ii) receive a copy of the annual financial statement which is distributed to Owners; (iii) notice of any default by its mortgagor in the performance of the mortgagor's obligations which is not cured within 30 days; and (iv) notice of all meetings of the Association and its right to designate a representative to attend such meetings.

(b) Exemption from Restrictions. A mortgagee which comes into possession of a Condominium Unit pursuant to the remedies provided in the mortgage or by deed (or assignment) in lieu of foreclosure, shall be exempt from any option, "right of first refusal" or other restriction on the sale or rental of the mortgaged Unit, including but not limited to, restrictions on the posting of signs pertaining to the sale or rental of the Unit.

(c) Past Due Assessments. A mortgagee which comes into possession of a Condominium Unit pursuant to the remedies provided in the mortgage, or by deed (or assignment) in lieu of foreclosure, shall take the property free of any claims for unpaid assessments or charges against the mortgaged Unit which accrue prior to the time such holder comes into possession (except for claims for a pro rata share of such assessments or

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charges resulting from a pro rata reallocation of such assessments charged to all Units including the mortgaged unit).

8.4 Additional Notification. When notice is to be given to a Mortgagee, the Board of Directors shall also give such notice to the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Veterans Administration, the Federal Housing Administration, the Farmer's Home Administration, the Government National Mortgage Association and any other public or private secondary mortgage market entity participating in purchasing or guarantying mortgages of Units in the Condominium if the Board of Directors has notice of such participation.

ARTICLE IX

LEASES

9.1 Notice of Lease. A Co-owner, including the Developer, desiring to rent or lease a Condominium Unit for a period of more than thirty (30) consecutive days, shall disclose that fact in writing to the Association at least ten (10) days before presenting a lease form to a prospective tenant and, at the same time, shall supply the Association with a copy of the exact lease form for its review for compliance with the Condominium Documents. If the Developer proposes to rent condominium units before the Transitional Control Date, it must notify either the Advisory Committee or each Co-owner in writing. No Unit shall be rented or leased for a period of less than six (6) months without the prior written consent of the Association.

9.2 Terms of Lease. Tenants or non Co-owner occupants shall comply with all the conditions of the Condominium Documents of the Project, and all lease and rental agreements must require such compliance. The owner of each rental unit will present to the Association evidence of certification or registration of the rental unit if required by local ordinance.

9.3 Remedies of Association. If the Association determines that any tenant or non Co-owner occupant has failed to comply with any conditions of the Condominium Documents, the Association may take the following action:

(a) Notice. The Association shall notify the Co-owner by certified mail advising of the alleged violation by the tenant.

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

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(c) **Legal Action.** If, after 15 days the Association believes that the alleged breach has not been cured or may be repeated, it may institute an action for eviction against the tenant or non Co-owner occupant and a simultaneous action for money damages (in the same or in a separate action) against the Co-owner and tenant or non Co-owner occupant for breach of the conditions of the Condominium Documents. The relief provided for in this Section may be by summary proceeding. The Association may hold both the tenant and the Co-owner liable for any damages to the Common Elements caused by the Co-owner or tenant in connection with the Unit or the Condominium Project.

9.4 Liability for Assessments. If a Co-owner is in arrearage to the Association for assessments, the Association may give written notice of the arrearage to a tenant occupying the Co-owner's Unit under a lease or rental agreement and the tenant, after receiving such notice, shall deduct from rental payments due the Co-owner the full arrearage and future assessments as they fall due and pay them to the Association. Such deductions shall not be a breach of the rental agreement or lease by the tenant.

ARTICLE X

TRANSFER OF UNITS

10.1 Unrestricted Transfers. An individual Co-owner may, without restriction under these Bylaws, sell, give, devise or otherwise transfer his Unit, or any interest in the Unit.

10.2 Notice to Association. Whenever a Co-owner shall sell, give, devise or otherwise transfer his Unit, or any interest therein, the Co-owner shall give written notice to the Association within five (5) days after consummating the transfer. Such notice shall be accompanied by a copy of the sales agreement, deed or other documents effecting the transfer.

ARTICLE XI

ARBITRATION

11.1 Submission to Arbitration. Any dispute, claim or grievance arising out of or relating to the interpretation or application of the Master Deed, Bylaws or other Condominium Documents, and any disputes, claims or grievances arising among or between Co-owners or between such Owners and the Association may, upon the election and written consent of the parties to the dispute, claim or grievance, and written notice to the Association, be submitted to arbitration and the parties thereto shall accept the arbitrator's decision and/or award as final and binding. The Commercial Arbitration Rules of the American Arbitration Associa-

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tion, as amended and in effect from time to time, shall be applicable to all such arbitration.

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

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

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

11.3 Preservation of Rights. Election by any Co-owner or by the Association to submit any dispute, claim or grievance to arbitration shall preclude such party from litigating the dispute, claim or grievance in the courts. Except as provided in this Article, however, all interested parties shall be entitled to petition the courts to resolve any dispute, claim or grievance in the absence of an election to arbitrate.

ARTICLE XII

MISCELLANEOUS PROVISIONS

12.1 Definitions. All terms used in these Bylaws will have the same meaning assigned by the Master Deed to which the Bylaws are attached as an exhibit, or as defined in the Act.

12.2 Severability. In the event that any of the terms, provisions, or covenants of these Bylaws or of any Condominium Document are held to be partially or wholly invalid or unenforceable for any reason whatsoever, such holding shall not affect, alter, modify or impair 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.

12.3 Notices. Notices provided for in the Act, Master Deed or By-Laws shall be in writing, and shall be addressed to the Association at its registered office in the State of Michigan, or

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to any Co-owner at the address contained in the deed of conveyance, or at such other address as may subsequently be provided.

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

12.4 Amendment. These By-Laws may be amended, altered, changed, added to or repealed only in the manner prescribed by Article IX of the Master Deed of Fairview Shores Condominiums.

12.5 Conflicting Provisions. In the event of a conflict between 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 a conflict between the provisions of any one or more of the Condominium Documents themselves, the following order of priority shall be applied and the provisions of the document having the highest priority shall govern:

(1) the Master Deed, including the Condominium Subdivision Plan (but excluding these Bylaws);

(2) these Condominium Bylaws;

(3) the Articles of Incorporation of the Association;

(4) the Association (Corporate) Bylaws; and

(5) the Rules and Regulations of the Association.

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