

INDIAN MILL CREEK CONDOMINIUMS

EXHIBIT A

BYLAWS

ARTICLE I

ASSOCIATION OF CO-OWNERS

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

ARTICLE II

ASSESSMENTS

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

2.1 Assessments for Common Elements. All costs incurred by the Association in satisfaction of any liability arising within, caused by, or connected with the Common Elements, or the improvements constructed or to be constructed within the boundaries of the Condominium Units for which the Association has maintenance

responsibility, or the administration of the Condominium Project, will constitute expenditures affecting the administration of the Project, and all sums received as the proceeds of, or pursuant to, any policy of insurance securing the interest of the Co-owners against liabilities or losses arising within, caused by, or connected with the Common Elements or the administration of the Condominium Project will constitute receipts affecting the administration of the Condominium Project, within the meaning of Section 54(4) of the Act.

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

(a) Budget. The Board of Directors of the Association will establish an annual budget in advance for each fiscal year and such budget will project all expenses for the forthcoming year which may be required for the proper operation, management and maintenance of the Condominium Project, including a reasonable allowance for contingencies and reserves. An adequate reserve fund for maintenance, repairs and replacement of those Common Elements that must be replaced on a periodic basis will be established in the budget and must be funded by regular monthly payments as set forth in Section 2.3 below rather than by special assessments. At a minimum, the reserve fund will be equal to ten percent (10%) of the Association's current annual budget on a noncumulative basis. The minimum standard required by this section may prove to be inadequate for this particular Project. The Association should carefully analyze the Condominium Project to determine if a greater amount should be set aside, or if additional reserve funds should be established for other purposes. Upon adoption of an annual budget by the Board of Directors, copies of the budget will be delivered to each Co-owner and the assessment for the year will be established based upon the budget, although the failure to deliver a copy of the budget to each Co-owner will not affect or in any way diminish the liability of any Co-owner for any existing or future assessments. Should the Board of Directors at any time determine, in the sole discretion of the Board of Directors: (1) that the assessments levied are or may prove to be insufficient to pay the costs of operation and management of the Condominium, (2) to provide replacements of existing Common Elements, (3) to provide additions to the Common Elements not exceeding Five Thousand Dollars (\$5,000.00) annually for the entire Condominium Project, or (4) that an event of emergency exists, the Board of Directors will have the authority to increase the general assessment or to levy such additional assessment or assessments as it will deem to be necessary. The Board of Directors also will have the authority, without Co-owner consent, to levy assessments pursuant to the provisions of Section 5.4 hereof. The discretionary authority of

the Board of Directors to levy assessments pursuant to this subsection will rest solely with the Board of Directors for the benefit of the Association and the members thereof, and will not be enforceable by any creditors of the Association or the members thereof. Water and sanitary sewer service, since not individually metered to each Unit, will be paid by the Association and billed to each Unit pro-rata based on the number of sold Units, not on the percentage of value of each Unit.

(b) Special Assessments. Special assessments, in addition to those required in subsection (a) above, or elsewhere in these Condominium Documents may be made by the Board of Directors from time to time and approved by the Co-owners as hereinafter provided to meet other needs or requirements of the Association, including, but not limited to: (1) assessments for additions to the Common Elements of a cost exceeding Five Thousand Dollars (\$5,000.00) for the entire Condominium Project per year, (2) assessments to purchase a Unit upon foreclosure of the lien for assessments described in Section 2.5 hereof, (3) assessments to purchase a Unit for use as a resident manager's Unit, or (4) assessments for any other appropriate purpose not elsewhere herein described. Special assessments referred to in this subsection (b) (but not including those assessments referred to in subsection (a) above, or elsewhere in these Condominium Documents, which will be levied in the sole discretion of the Board of Directors) will not be levied without the prior approval of more than sixty percent (60%) of all Co-owners. The authority to levy assessments pursuant to this subsection is solely for the benefit of the Association and the members thereof and will not be enforceable by any creditors of the Association or the members thereof.

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

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

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

2.5 Enforcement.

(a) Remedies. In addition to any other remedies available to the Association, the Association may enforce collection of delinquent assessments by a suit at law for a money judgment or by foreclosure of the statutory lien that secures payment of assessments. In the event of default by any Co-owner in the payment of any assessment levied against his or her Unit, the Association will have the right to declare all assessments, including all unpaid installments of the annual assessment for the pertinent fiscal year, immediately due and payable. The Association also may discontinue the furnishing of any utilities or other services to a Co-owner in default upon seven days' written notice to such Co-owner of its intention to do so. A Co-owner in default will not be entitled to utilize any of the General Common Elements of the Project and will not be entitled to vote at any meeting of the Association so long as such default continues; provided, however, this provision will not operate to deprive any Co-owner of ingress or egress to and from his or her Unit. In a judicial foreclosure action, a receiver may be appointed to collect a reasonable rental for the Unit from the Co-owner thereof or any persons claiming under him or her. All of these remedies will be cumulative and not alternative and will not preclude the Association from exercising such other remedies as may be available at law or in equity.

(b) Foreclosure Proceedings. Each Co-owner, and every other person who from time to time has any interest in the

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

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

or she may request a judicial hearing by bringing suit against the Association.

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

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

2.7 Developer's Responsibility for Assessments.

(a) The Developer shall be responsible for payment of the regular monthly assessment, and all special assessments, for all completed Units owned by the Developer and shall also maintain, at its own expense, any incomplete Units owned by the Developer. A "completed Unit" shall be a Unit for which a certificate of occupancy has been issued by the local public authority.

(b) In addition to maintaining any incomplete Units owned by it, the Developer shall be charged a portion of the regular monthly assessment for each incomplete Unit established in the Master Deed, whether constructed or not. Such portion shall be determined based upon the level of common expenses actually incurred in respect to such incomplete Units, and it may change on a month-to-month basis. Each incomplete Unit is to bear its pro-rata portion of the cost of (i) all accounting and legal fees, (ii) public liability and casualty insurance (to the extent such incomplete Units are covered by policies of insurance maintained by the Association), (iii) utility maintenance for facilities designed to service the incomplete Unit, if any, (iv) grounds maintenance (including landscaping) for the area occupied or adjoining the incomplete Units, (v) real estate taxes in the year of the establishment of the Condominium, (vi) maintenance of all General and Limited Common Elements actually servicing any incomplete Units, and (vii) management fees, if any is charged for incomplete Units.

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

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

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

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

ARTICLE III ARBITRATION

3.1 Scope and Election. Disputes, claims or grievances arising out of or relating to the interpretation or the application of the Condominium Documents, or any disputes, claims or grievances arising among or between the Co-owners and the Association, upon the election and written consent of the parties to any such disputes, claims or grievances (which consent will include an agreement of the parties that the judgment of any circuit court of the State of Michigan may be rendered upon any award pursuant to such arbitration), and upon written notice to the Association, will be submitted to arbitration and the parties thereto will accept the arbitrator's decision as final and binding, provided that no question affecting the claim of title

of any person to any fee or life estate in real estate is involved. The Commercial Arbitration Rules of the American Arbitration Association as amended and in effect from time to time hereafter will be applicable to any such arbitration.

3.2 Judicial Relief. In the absence of the election and written consent of the parties pursuant to Section 3.1 above, no Co-owner or the Association will be precluded from petitioning the courts to resolve any such disputes, claims or grievances.

3.3 Election of Remedies. Such election and written consent by Co-owners or the Association to submit any such dispute, claim or grievance to arbitration will preclude such parties from litigating such dispute, claim or grievance in the courts.

ARTICLE IV INSURANCE

4.1 Extent of Coverage. The Association shall, to the extent appropriate given the nature of the Common Elements of the Project, carry fire and extended coverage, vandalism and malicious mischief and liability insurance, and worker's compensation insurance, if applicable, pertinent to the ownership, use and maintenance of the Common Elements of the Condominium Project and such insurance will be carried and administered in accordance with the following provisions:

(a) Responsibilities of Association. All such insurance will be purchased by the Association for the benefit of the Association, and the Co-owners and their mortgagees, as their interests may appear, and provision will be made for the issuance of certificates of mortgagee endorsements to the mortgagees of Co-owners.

(b) Insurance of Common Elements and Interior Improvements. All Common Elements of the Condominium Project will be insured against fire and other perils covered by a standard extended coverage endorsement, if appropriate, in an amount equal to the maximum insurable replacement value, excluding foundation and excavation costs, as determined annually by the Board of Directors of the Association. Until such time as the Association elects otherwise, such coverage will also include interior walls within any Unit and the pipes, wires, conduits and ducts contained therein and the fixtures, equipment and trim within a Unit which were furnished with the Unit as standard items (or such replacements thereof as do not exceed the costs of such standard items). Notwithstanding the foregoing, the Co-owner will, at its own expense, be responsible for obtaining adequate insurance coverage for the improvements made by the

Co-owner. If the Association also elects to include a Co-owner's improvements in its insurance policies, any additional premium cost to the Association attributable to the Co-owner's improvements (except for those improvements which are replacements for standard items) will be assessed to and borne solely by such Co-owner and collected as a part of the assessments against such Co-owner as provided herein.

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

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

4.2 Authority of Association to Settle Insurance Claims. Each Co-owner, by acceptance of a deed, land contract, or other conveyance, does thereby appoint the Association as his true and lawful attorney-in-fact to act in connection with all matters concerning the maintenance of fire and extended coverage, vandalism and malicious mischief, liability insurance and worker's compensation insurance, if applicable, pertinent to the Condominium Project and the General Common Elements thereof, and such insurer as may, from time to time, provide such insurance for the Condominium Project. Without limitation on the generality of the foregoing, the Association as said attorney will have full power and authority to purchase and maintain such insurance, to collect and remit premiums therefor, to collect proceeds and to distribute the same to the Association, the Co-owners and respective mortgagees, as their interests may appear (subject always to the Condominium Documents), to execute releases of liability and to execute all documents and to do all things on behalf of such Co-owner and the Condominium as are necessary or convenient to the accomplishment of the foregoing.

4.3 Responsibilities of Co-owners. Each Co-owner will be responsible for obtaining fire and extended coverage and vandalism and malicious mischief insurance with respect to the interior

of the Co-owner's Unit, including wall coverings, floor coverings, sliders, windows and screens. Each Co-owner will be responsible for obtaining fire and extended coverage and vandalism and malicious mischief insurance with respect to his or her personal property, regardless of where located in the Project. Each Co-owner also will always be responsible to obtain insurance coverage for his or her personal liability for occurrences within the boundaries of the Co-owner's Condominium Unit or on the Limited Common Elements appurtenant thereto (regardless of where located), and also for alternative living expense in the event of fire. The Association will under no circumstances have any obligation to obtain any of the insurance coverage required of the Co-owner as described in this Section 4.3 or any liability to any person for failure to do so.

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

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

ARTICLE V RECONSTRUCTION OR REPAIR

5.1 Determination to Reconstruct or Repair. If any part of the Condominium Property is damaged, the determination of whether or not it will be reconstructed or repaired will be made in the following manner:

(a) **Partial Damage.** If the damaged property is a Common Element, the property will be rebuilt or repaired if any Unit in the Condominium is tenantable, unless it is determined by a unanimous vote of all of the Co-owners in the Condominium that the Condominium will be terminated.

(b) **Total Destruction.** If the Condominium is so damaged that no Unit is tenantable, the damaged property will not be rebuilt unless eighty percent (80%) or more the the Co-owners agree to reconstruction by vote or in writing within ninety (90) days after the destruction.

5.2 Repair in Accordance with Plans and Specifications. Any such reconstruction or repair will be substantially in accordance with the Master Deed and the plans and specifications

for each building in the Project to a condition as comparable as possible to the condition existing prior to damage unless all Co-owners unanimously decide otherwise.

5.3 Co-owner Responsibility for Repair.

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

(b) Damage to Interior of Unit. Each Co-owner will be responsible for the reconstruction, repair and maintenance of the interior of his or her Unit, including, but not limited to, floor coverings, wall coverings, window shades, draperies, interior walls, interior trim, furniture, light fixtures and all appliances, whether free-standing or built-in. As long as the damage to the interior of a Unit or to any Limited Common Elements appurtenant thereto is covered by insurance held by the Association, then the reconstruction or repair will be the responsibility of the Association in accordance with Section 5.4. If and to the extent that any improvements within a Unit are covered by insurance held by the Association for the benefit of the Co-owner, the Co-owner will be entitled to receive the proceeds of insurance relative thereto, and if there is a mortgagee endorsement, the proceeds will be payable to the Co-owner and the mortgagee jointly. In the event of substantial damage to or destruction of any Unit or any improvements located thereon or any part of the Common Elements, the Association will promptly so notify each institutional holder of a first mortgage lien on any of the Units in the Condominium.

5.4 Association Responsibility for Repair. Except as otherwise provided in Section 5.3 above and in the Master Deed, the Association will be responsible for the reconstruction, repair and maintenance of the Common Elements. Immediately after a casualty causing damage to property for which the Association has the responsibility of maintenance, repair and reconstruction, the Association will obtain reliable and detailed estimates of the cost to replace the damaged property in a condition as good as that existing before the damage. If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction or repair required to be performed by the Association, or if at any time during such reconstruction or repair, or upon completion of such reconstruction or repair, the funds for the payment of the cost thereof are insufficient, assessment will be made against all Co-owners for the cost of reconstruction or repair of

the damaged property in sufficient amounts to provide funds to pay the estimated or actual cost of repair.

5.5 Timely Reconstruction and Repair. If damage to Common Elements or improvements constructed within the boundaries of a Unit adversely affects the appearance of the Project, the Association or Co-owner responsible for the reconstruction, repair and maintenance thereof will proceed with replacement of the damaged property without delay, and will complete such replacement within six months after the date of the occurrence which caused damage to the property.

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

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

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

(c) Continuation of Condominium After Taking. In the event the Condominium Project continues after taking by eminent domain, then the remaining portion of the Condominium Project will be re-surveyed and the Master Deed amended accordingly, and, if any Unit will have been taken, then Article V of the Master Deed will 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 by one hundred (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 a Co-owner or other person having any interest whatever in the Project, as mortgagee or otherwise.

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

5.7 Notification of FHLMC. In the event any mortgage in the Condominium is held by the Federal Home Loan Mortgage Corporation ("FHLMC") then, upon request therefor by FHLMC, the Association will give it written notice at such address as it may, from time to time, direct of any loss to or taking of the Common Elements of the Condominium if the loss or taking exceeds Ten Thousand Dollars (\$10,000.00) in amount or damage to a Condominium Unit covered by a mortgage purchased in whole or in part by FHLMC exceeds One Thousand Dollars (\$1,000.00).

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

ARTICLE VI RESTRICTIONS

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

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

6.2 Common Areas. The Common Elements shall be used only by the Co-owners of Units in the Condominium and by their agents, tenants, family members, invitees and licensees for access, ingress to and egress from the respective Units and for other purposes incidental to use of the Units; provided, however, that any recreational facilities, storage areas or other common areas designed for a specific use shall be used only for the purposes approved or designated by the Association. 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, concession or easement, presently in existence or entered into by the Association at some future time, affecting any part or all of said Common Elements.

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

(a) Alterations and Additions. A Co-owner may make alterations, additions or improvements within his or her Unit without the prior written approval of the Association, but such Co-owner shall be responsible for any damage to other Units, the Common Elements, the Condominium Property, or any part thereof, resulting from such alterations, additions or improvements. No Co-owner shall make any alterations, additions or improvements to any Common Element, nor make changes to the exterior appearance or structural members of his or her Unit 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 and the Association may provide plans and/or specifications required to be used for any particular improvement. The Association may also, in its discretion, require as a condition of approval of any plans, an agreement for special assessment of increased maintenance charges from any Co-owner whose proposed appurtenances and related improvements will cause the Association abnormal expenses in carrying out its responsibilities with respect thereto under the Master Deed. The purpose of this Section is to assure the continued maintenance of the Condominium as a beautiful and harmonious residential development, and will be binding upon both the Association and upon all Co-owners. Further, the restrictions hereby placed upon the Condominium Property will not be construed or deemed to create negative reciprocal covenants, easements or any restrictions upon the use of the area of future development described in the Master Deed or any portion thereof unless, until and only to the extent such land is included in this Project by Master Deed amendment. Developer may construct any improvements upon the Condominium Property that it may, in its sole discretion, elect to make

without the necessity of prior consent from the Association or any other person or entity, subject only to the express limitations contained in the Condominium Documents. Developer's rights under this Section may, in Developer's discretion, be assigned to the Association or other successor to Developer.

(b) Nuisances. No immoral, improper, unlawful or offensive activity will be carried on in any Unit or upon the Common Elements, Limited or General, nor will anything be done which may be or become an annoyance or a nuisance to the Co-owners of the Condominium. No unreasonably noisy activity will occur in or on the Common Elements or on any Unit at any time and specifically between the hours of 10:00 p.m. and 8:00 a.m., Monday thru Saturday and 10:00 p.m. and noon on Sunday, no one shall operate, play, or cause to be operated or played, on or within the Condominium Property any radio, phonograph, television, appliance, lawnmower, machine, instrument or motor which makes any music, noise or vibration, in such a manner as to be heard beyond a distance of twenty-five (25) feet therefrom or which is otherwise an annoyance or nuisance. No basketball hoops or goals will be permitted on the Condominium Property except in areas designated by the Association from time to time. Activities which are deemed offensive and are expressly prohibited include, but are not limited to, any activity involving the use of firearms, air rifles, pellet guns, B-B guns, bows and arrows, or other similar dangerous weapons, projectiles or devices.

(c) Insurance. No Co-owner will do or permit anything to be done or keep or permit to be kept within the Co-owner's Unit or on the Common Elements anything that will increase the rate of insurance on the Condominium without the written approval of the Association, and each Co-owner will pay to the Association the increased cost of insurance premiums resulting from any such activity or the maintenance of any such condition even if approved. No Co-owner will permit anything to be done or kept in his or her Unit or on the Common Elements which will result in the cancellation of insurance on any Unit, or on any part of the Common Elements.

(d) Advertising. No signs or other advertising devices of any kind will be displayed which are visible from the exterior of a Unit or on the Common Elements, including "For Sale" signs, without the written permission from the Association and, during the Development Period, from the Developer, except that one "For Sale" sign referring only to the Unit on which displayed and not exceeding five square feet in size may be displayed without approval.

(e) Exterior Appearance. No Co-owner shall display, hang or store any clothing, sheets, blankets, laundry or other

articles outside his or her Unit, or which may be visible from the outside of his or her Unit (other than draperies, curtains, or shades of a customary nature and appearance), or paint or decorate or adorn the outside of his or her Unit, or install outside his or her Unit any CB, short wave or other radio or television antenna, window air-conditioning unit, awning, screens on porch and/or patio, solar panels or other equipment, fixtures or items of any kind, without the prior written permission of the Association. The foregoing restrictions as to use and occupancy shall not be construed to prohibit a Co-owner from placing and maintaining outdoor furniture and decorative foliage of a customary nature and appearance on a patio, porch or deck which is a Limited Common Element appurtenant to the Co-owner's Unit, provided that the Co-owner obtains Association approval, unless such items are in accordance with rules and regulations adopted by the Association.

(f) Animals. No animals, birds or fowl may be kept or maintained on the Condominium Property, except dogs, cats and pet birds which may be kept thereon in reasonable numbers as pets for the pleasure and use of the occupants. No animal may be kept or bred for any commercial purpose and all animals will have such care and restraint so as not to be obnoxious or offensive on account of noise, odor or unsanitary conditions. ~~No dog may be permitted at any time outside a Unit unless accompanied by an attendant who shall have such dog firmly held by collar and leash, which leash shall not exceed eight feet in length.~~ No person owning, harboring, or having in his or her possession any cat shall permit or allow such cat to run at large. No savage or dangerous animal or any reptile will be kept on the Condominium Property. Owners will have full responsibility for any damage to persons or property caused by his or her pet. Pets must be walked only in areas designated by the Association and must not be curbed near buildings, walkways, shrubbery or other public space. ~~The owner is required to properly dispose of the waste his or her animal deposits on any property.~~ No dog which barks and can be heard on any frequent or continuing basis will be kept in any residence or elsewhere on the Condominium Property. Any person who causes or permits any animal to be brought or kept on the Condominium Property shall indemnify and hold harmless all other Co-owners and the Association for any loss, damage or liability which may be sustained as a result of the presence of such animal on the Condominium Property. The Association may charge all Co-owners maintaining animals a reasonable additional assessment to be collected in the manner provided in Article II of these Bylaws in the event that the Association determines such assessment necessary to defray the maintenance cost to the Association of accommodating animals within the Condominium. The Association may, without liability to the owner thereof, remove or cause to be removed any animal from the Condominium which it

determines to be in violation of the restrictions imposed concerning pets. The Association will have the right to require that any pets be registered with it and may adopt such additional reasonable rules and regulations with respect to animals as it may deem proper, including limitations on the size, weight and number of permitted dogs. In the event of any violation of this Section, the Board of Directors of the Association may assess fines for such violation in accordance with these Bylaws and in accordance with duly adopted rules and regulations.

(g) Outbuildings. No structure of a temporary character, trailer, tent, shack, garage, accessory building or outbuilding shall be used at any time as a residence, either temporary or permanent.

(h) Vehicles. No recreational vehicles, boats, trailers, motor cycles, motor scooters, mopeds, bicycles, tricycles, inoperable vehicles or vehicles designed and intended for other than normal street use shall be parked or stored on the common drives, parking lots or elsewhere on the Condominium Property other than in garages or carports appurtenant to Units. No more than one (1) automobile or other motorized mode of transportation shall be kept on the Condominium Property by the persons residing in any Unit outside of the garages or carports without the prior written approval of the Association. No commercial vehicles or trucks shall be parked on or about the Condominium except for the making of deliveries or pick-ups in the normal course of business. Any vehicle with advertising driven by an occupant must always be parked inside a garage or carport. Co-owners will, if the Association requires, register with the Association all vehicles maintained on the Condominium Property. Use of motorized vehicles anywhere on the Condominium Property, other than passenger cars, properly licensed and operational motorcycles and mopeds, authorized maintenance vehicles and commercial vehicles as provided in this Section, is absolutely prohibited. Parking in any parking area in the Condominium is subject to rules and regulations the Association may adopt from time to time. A Co-owner may not have more than two guest cars parked overnight on the Common Elements unless approved in writing in advance by the Association.

(i) Garbage and Refuse Disposal. All trash, garbage and other waste is to be kept only in sanitary containers inside garages or otherwise within fully enclosed areas at all times and will not be permitted to remain outside of the Unit at any time, except for such short periods of time as may be reasonably necessary to permit periodic collection. All trash, garbage and other waste must be removed from the Unit at least once each week.

(j) Plantings. No plantings shall be made by Co-owners on the General Common Elements except as may be explicitly permitted by the rules and regulations of the Association or in accordance with prior written consent given by the Association, except each Co-owner shall be permitted to plant and maintain ornamental and garden type plants immediately adjacent to the walks, courtyards, decks and/or patios appurtenant to his or her Unit in accordance with rules and regulations of the Association.

6.4 Aesthetics. The Common Elements, Limited or General, will not be used for storage of supplies, materials, personal property or trash or refuse of any kind, except as provided in duly adopted rules and regulations of the Association. No unsightly condition will be maintained on any patio, porch or deck and only furniture and equipment consistent with the normal and reasonable use of such areas will be permitted to remain there during seasons when such areas are reasonably in use and no furniture or equipment of any kind will be stored thereon during seasons when such areas are not reasonably in use. Any firewood stored within a Unit will be in limited and reasonable quantities and kept in a neat and orderly manner, all as may be further specified by the Association. The Common Elements will not be used in any way for the drying, shaking or airing of clothing or other fabrics. In general, no activity will be carried on nor condition maintained by a Co-owner in his residence, elsewhere on his or her Unit or upon the Common Elements which is detrimental to the appearance of the Condominium. Yards, landscaped areas, driveways, roads and parking areas will not be obstructed nor will they be used for purposes other than for which they are reasonably and obviously intended. No bicycles, vehicles, chairs or other obstructions may be left unattended on or about the Common Elements.

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

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

or to another Unit or to the improvements thereon. In the event of emergency, the Association may gain access in such manner as may be reasonable under the circumstances to any Unit and will not be liable to such Co-owner for any necessary damage to his Unit or any improvements therein and any Limited Common Elements appurtenant thereto caused thereby or for repair or replacement of any doors or windows damaged in gaining such access.

6.7 Co-owner Maintenance. Each Co-owner will maintain his Unit and the improvements therein and any Limited Common Elements appurtenant thereto for which the Co-owner has maintenance responsibility, in a safe, clean and sanitary condition. Also, each Co-owner will 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 which are appurtenant to or which may affect any other Unit. Each Co-owner will be responsible for damages or costs to the Association resulting from negligent damage to or misuse of any of the Common Elements by him or her, or his or her family, guests, agents or invitees, unless such damages or costs are covered by insurance carried by the Association (in which case there will be no such responsibility, unless reimbursement to the Association is limited by virtue of a deductible provision, in which case the responsible Co-owner will bear the expense to the extent of the deductible amount). Any costs or damages to the Association may be assessed to and collected from the responsible Co-owner in the manner provided in Article II hereof.

6.8 Leasing and Rental.

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

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

(1) A Co-owner, including the Developer, desiring to rent or lease a Unit, will disclose that fact in writing to the Association at least ten days before presenting a lease form to a potential tenant of that Unit and, at the same time, will supply the Association with a copy of the exact lease form for its review for its compliance with the Condominium Documents. If Developer desires to rent Units before the Transitional Control Date, it will notify either the Advisory Committee or each Co-owner in writing.

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

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

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

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

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

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

6.9 Remedies on Breach. A default by a Co-owner shall entitle the Association to the following relief:

(a) Failure to comply with any restriction on use and occupancy contained herein or of any other term or provision of the Condominium Documents shall be grounds for relief, which may include an action to recover sums due for damages, injunctive relief, foreclosure of lien or any other remedy appropriate to the nature of the breach as set forth in the Condominium Documents including, without limitation, the discontinuance of services upon seven days notice, the levying of fines against Co-owners after notice and hearing thereon and the imposition of late charges for nonpayment of assessments. All such remedies shall be deemed to be cumulative and shall not be considered as an election of remedies.

(b) In a proceeding arising because of an alleged default by a Co-owner, the Association, if successful, shall recover the cost of the proceeding and actual reasonable attorneys' fees incurred.

(c) The failure of the Association to enforce any right, provision, covenant or condition which is granted by the Condominium Documents shall not constitute a waiver of the right of the Association to enforce such right, provision, covenant or condition in the future.

An aggrieved Co-owner also shall 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.

ARTICLE VII MORTGAGES

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

7.2 Insurance. The Association will notify each mortgagee appearing in said book of the name of each company insuring the

Condominium against fire, perils covered by extended coverage, and vandalism and malicious mischief and the amounts of such coverage.

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

ARTICLE VIII VOTING

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

8.2 Eligibility to Vote. No Co-owner, other than the Developer, will be entitled to vote at any meeting of the Association until he or she has presented evidence of ownership of a Unit in the Condominium Project to the Association. Except as provided in Section 11.2 of these Bylaws, no Co-owner, other than the Developer, will be entitled to vote prior to the date of the First Annual Meeting held in accordance with Section 9.2. The vote of each Co-owner may be cast only by the individual representative designated by such Co-owner in the notice required in Section 8.3 or by a proxy given by such individual representative. The Developer will be the only person entitled to vote at a meeting of the Association until the First Annual Meeting and will be entitled to vote during such period notwithstanding the fact that the Developer may own no Units at some time or from time to time during such period. At and after the First Annual Meeting the Developer will be entitled to vote for each Unit which the Developer owns.

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

8.4 Quorum. The presence in person or by proxy of thirty-five percent (35%) of the Co-owners qualified to vote will

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

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

8.6 Majority. A majority, except where otherwise provided herein, will consist of more than fifty percent (50%) of those qualified to vote and present in person or by proxy (or written vote, if applicable) at a given meeting of the members of the Association. Whenever provided specifically herein, a majority may be required to exceed the simple majority hereinabove set forth of designated voting representatives present in person or by proxy, or by written vote, if applicable, at a given meeting of the members of the Association.

ARTICLE IX MEETINGS

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

9.2 First Annual Meeting. The First Annual Meeting may be convened only by Developer and may be called at any time after more than fifty percent (50%) of the Units in Indian Mill Creek Condominiums that may be created are sold and the purchasers thereof qualified as members of the Association. In no event, however, will such meeting be called later than one hundred twenty (120) days after the conveyance of legal or equitable title to nondeveloper Co-owners of seventy-five percent (75%) in number of all Units that may be created or fifty-four (54) months

after the first conveyance of legal or equitable title to a nondeveloper Co-owner of a Unit in the project, whichever first occurs. The Developer may call meetings of members for information or other appropriate purposes prior to the First Annual Meeting and no such meeting will be construed as the First Annual Meeting. The date, time and place of such meeting will be set by the Board of Directors, and at least ten days' written notice thereof will be given to each Co-owner. The phrase "Units that may be created" as used in this Section and elsewhere in the Condominium Documents refers to the maximum number of Units which the Developer is permitted, under the Condominium Documents as may be amended, to include in the Condominium.

9.3 Annual Meetings. Annual meetings of the Association will be held on the last Thursday of September of each succeeding year after the year in which the First Annual Meeting is held at such time and place as will be determined by the Board of Directors; provided, however, that a second annual meeting will not be held sooner than eight months after the date of the First Annual meeting. At such meetings there will be elected by ballot of the Co-owners a Board of Directors in accordance with the requirements of Article XI of these Bylaws. The Co-owners may also transact at annual meetings such other business of the Association as may properly come before them.

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

9.5 Notice of Meetings. It will be the duty of the Secretary (or other Association officer in the Secretary's absence) to serve a notice of each annual or special meeting, stating the purpose thereof as well as of the time and place where it is to be held, upon each Co-owner of record, at least ten days but not more than sixty (60) days prior to such meeting. The mailing, postage prepaid, of a notice to the representative of each Co-owner at the address shown in the notice required to be filed with the Association by Section 8.3 of these Bylaws will be deemed notice served. Any member may, by written waiver of notice signed by each member, waive such notice, and such waiver, when filed in the records of the Association, will be deemed due notice.

9.6 Adjournment. If any meeting of Co-owners cannot be held because a quorum is not in attendance, the Co-owners who are

present may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called.

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

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

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

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

ARTICLE X
ADVISORY COMMITTEE

Within one year after conveyance of legal or equitable title to the first Unit in the Condominium to a purchaser or within one hundred twenty (120) days after conveyance to purchasers of one-third (1/3) of the total number of Units that may be created, whichever first occurs, the Developer will cause to be established an Advisory Committee consisting of at least three nondeveloper Co-owners. The Committee will be established and perpetuated in any manner the Developer deems advisable, except that if more than fifty percent (50%) of the nondeveloper Co-owners petition the Board of Directors for an election to select the Advisory Committee, then an election for such purpose will be held. The purpose of the Advisory Committee will be to facilitate communications between the temporary Board of Directors and the nondeveloper Co-owners and to aid the transition of control of the Association from the Developer to purchaser Co-owners. The Advisory Committee will cease to exist automatically when the nondeveloper Co-owners have the voting strength to elect a majority of the Board of Directors of the Association. The Developer may remove and replace at its discretion at any time any member of the Advisory Committee who has not been elected thereto by the Co-owners.

ARTICLE XI
BOARD OF DIRECTORS

11.1 Number and Qualification of Directors. The Board of Directors will be comprised of three members all of whom must be members of the Association or officers, partners, trustees, employees or agents of members of the Association. Directors will serve without compensation.

11.2 Election of Directors.

(a) First Board of Directors. The first Board of Directors will be composed of the three persons designated in the Articles of Incorporation of the Association and such first Board of Directors or its successors as selected by the Developer will manage the affairs of the Association until the appointment of

the first nondeveloper Co-owners to the Board. Elections for nondeveloper Co-owner Directors will be held as provided in subsections (b) and (c) below.

(b) Appointment of Nondeveloper Co-owners to Board Prior to First Annual Meeting. Not later than one hundred twenty (120) days after conveyance of legal or equitable title to nondeveloper Co-owners of twenty-five percent (25%) of the Units that may be created, one of the three Directors will be selected by nondeveloper Co-owners. When the required percentage level of conveyance has been reached, the Developer will notify the nondeveloper Co-owners and request that they hold a meeting and elect the required Director. Upon certification to the Developer by the Co-owners of the Director so elected, the Developer will then immediately appoint such Director to the Board to serve until the First Annual Meeting unless he or she is removed pursuant to Section 11.7 or he or she resigns or becomes incapacitated.

(i) Not later than one hundred twenty (120) days after conveyance of legal or equitable title to nondeveloper Co-owners of seventy-five percent (75%) of the Units that may be created, and before conveyance of ninety percent (90%) of such Units, the nondeveloper Co-owners will elect all Directors on the Board, except that the Developer will have the right to designate at least one Director as long as the Units that remain to be created and sold equal at least ten percent (10%) of all Units that may be created in the Project. Whenever the seventy-five percent (75%) conveyance level is achieved, a meeting of Co-owners will be promptly convened to effectuate this provision, even if the First Meeting has already occurred.

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

(iii) If the calculation of the percentage of members of the Board of Directors that the nondeveloper Co-owners have the right to elect under subsection (ii), or if the product of the number of members of the Board of Directors multiplied by

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

(iv) At the First Annual Meeting two Directors will be elected for a term of two years and one Director will be elected for a term of one year. At such meeting all nominees will stand for election as one slate and the two persons receiving the highest number of votes will be elected for a term of two years and the one person receiving the next highest number of votes will be elected for a term of one year. At each annual meeting held thereafter, either one or two Directors will be elected depending upon the number of Directors whose terms expire. After the First Annual Meeting, the term of office (except for one of the Directors elected at the First Annual Meeting) of each Director will be two years. The Directors will hold office until their successors have been elected and hold their first meeting.

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

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

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

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

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

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

(d) To rebuild improvements after casualty.

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

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

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

(h) To make rules and regulations in accordance with Article VI, Section 10 of these Bylaws.

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

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

11.5 Management Agent. The Board of Directors may employ for the Association a professional management agent (which may include the Developer or any person or entity related thereto) at reasonable compensation established by the Board to perform such duties and services as the Board will authorize, including, but not limited to, the duties listed in Sections 11.3 and 11.4, and the Board may delegate to such management agent any other duties or powers which are not by law or by the Condominium Documents required to be performed by or have the approval of the Board of Directors or the members of the Association. In no event will the Board be authorized to enter into any contract with a professional management agent, or any other contract providing for services by the Developer, sponsor or builder, in which the maximum term is greater than three years or which is not

terminable by the Association upon ninety (90) days' written notice thereof to the other party and no such contract will violate the provisions of Section 55 of the Act.

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

11.7 Removal. At any regular or special meeting of the Association duly called with due notice of the removal action proposed to be taken; any one or more of the Directors may be removed with or without cause by the affirmative vote of more than fifty percent (50%) of all of the Co-owners and a successor may then and there be elected to fill any vacancy thus created. The quorum requirement for the purpose of filling such vacancy will be the normal thirty-five percent (35%) requirement set forth in Article VIII, Section 4. Any Director whose removal has been proposed by the Co-owners will be given an opportunity to be heard at the meeting. The Developer may remove and replace any or all of the Directors selected by it at any time or from time to time in its sole discretion. Likewise, any Director selected by the nondeveloper Co-owners to serve before the First Annual Meeting may be removed before the First Annual Meeting in the same manner set forth in this paragraph for removal of Directors generally.

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

11.9 Regular Meetings. Regular meetings of the Board of Directors may be held at such times and places as will be determined from time to time by a majority of the Directors, but at least two such meetings will be held during each fiscal year. Notice of regular meetings of the Board of Directors will be

given to each Director, personally, by mail, telephone or telegraph at least ten days prior to the date named for such meeting.

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

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

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

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

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

ARTICLE XII
OFFICERS

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

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

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

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

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

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

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

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

ARTICLE XIII
FINANCE

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

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

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

deposit certificates of such bank or savings association as are insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation and also may be invested in interest-bearing obligations of the United States Government.

ARTICLE XIV
INDEMNIFICATION OF OFFICERS AND DIRECTORS

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

ARTICLE XV
SEAL

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

ARTICLE XVI
COMPLIANCE

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

acquisition, occupancy or rental of any Unit or an interest therein or the utilization of or entry upon the Condominium Property will signify that the Condominium Documents are accepted and ratified.

ARTICLE XVII
REMEDIES FOR DEFAULT

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

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

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

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

17.4 Assessment of Fines. The violation of any of the provisions of the Condominium Documents by any Co-owner will be grounds for assessment by the Association, acting through its duly constituted Board of Directors, of monetary fines for such violations. No fine may be assessed unless rules and regulations establishing such fine have first been duly adopted by the Board of Directors of the Association and notice thereof given to all Co-owners in the same manner as prescribed in Section 9.5 of these Bylaws. Thereafter, fines may be assessed only upon notice to the offending Co-owners as prescribed in said Section 9.5, and an opportunity for such Co-owner to appear before the Board no

less than seven days from the date of the notice and offer evidence in defense of the alleged violation. All fines will be considered levied as part of the assessment against the Unit and Co-owner by the Association and may be collected as part of the assessment in the same manner as provided in Article II of these Bylaws. No fine will be levied for the first violation. No fine will exceed Twenty-Five Dollars (\$25.00) for the second violation, Fifty Dollars (\$50.00) for the third violation or One Hundred Dollars (\$100.00) for any subsequent violation.

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

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

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

**ARTICLE XVIII
RIGHTS RESERVED TO DEVELOPER**

18.1 Developer's Rights in Furtherance of Development of Sales. None of the restrictions contained in these Bylaws will apply to the commercial activities or signs or billboards, if any, of the Developer during the Development Period or of the Association in furtherance of its powers and purposes set forth herein and in its Articles of Incorporation, as the same may be amended from time to time. Notwithstanding anything to the contrary elsewhere herein contained, Developer will have the right throughout the entire Development Period to maintain a sales office, a business office, a construction office, model units, storage areas and reasonable parking incident to the fore-

going and such access to, from and over the Project as may be reasonable to enable development and sale of the entire Project by Developer. Developer will restore the areas so utilized to habitable status upon termination of use.

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

18.3 Waivers. Notwithstanding anything to the contrary in these Bylaws, the Developer, in the sole discretion of the Developer, may waive or permit reasonable modifications of the provisions of Article VI of these Bylaws as applicable to particular Units.

18.4 Assignment and Succession. Any or all of the rights and powers granted or reserved to the Developer in the Condominium Documents or by law, including the right and power to approve or disapprove any act, use, or proposed action or any other matter or thing, may be assigned by it to any other entity or to the Association. Any such assignment or transfer will be made by appropriate instrument in writing in which the assignee or transferee will join for the purpose of evidencing its consent to the acceptance of such powers and rights and such assignee or transferee will thereupon have the same rights and powers as herein given and reserved to the Developer.

ARTICLE XIX MISCELLANEOUS PROVISIONS

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

19.2 Severability. In the event that any of the terms, provisions or covenants of these Bylaws or the Condominium Documents

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

19.3 Notices. Notices provided for in the Act, Master Deed or Bylaws must be in writing, and are to be addressed to the Association at 2644 Sanford, S.W., Grandville, Michigan 49418, or to any Co-owner at the address set forth in the deed of conveyance, or at such other address as may hereinafter be provided.

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

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

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

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