

MULFORD PLACE CONDOMINIUM ASSOCIATION

CONDOMINIUM DOCUMENTS

The Condominium Documents contain the following:

Master Deed

Condominium By-Laws containing Use & Occupancy Restrictions

Condominium Rules and Regulations

Association By-Laws

CONSOLIDATING MASTER DEED OF
MULFORD PLACE CONDOMINIUM
(Act 59, Public Acts of 1978)
as amended

This Consolidating Master Deed is made and executed on this _____ day of December, 1992, by D.D.H. Development Co., a Michigan Co-partnership (the "Developer"), whose principal office is situated at 3333 Midland, S.E., Grand Rapids, Michigan, represented herein by its managing partners, who are fully empowered and qualified to act on behalf of said co-partnership.

W I T N E S S E T H :

WHEREAS, the Developer has completed the construction of a Condominium Project known as Mulford Place Condominium (the "Project"), pursuant to plans approved by the City of Grand Rapids on a parcel of land described in Article II hereof; and

WHEREAS, the Developer desires, by recording this Consolidating Master Deed together with the Condominium By-laws attached hereto as Exhibit "A" and the Condominium Subdivision Plan attached as Exhibit "B" (both of which are hereby incorporated by reference and made a part hereof), to consolidate said real property, together with the improvements located thereon and the appurtenances thereto, as a condominium project under the provisions of the Michigan Condominium Act, as amended (the "Act");

NOW, THEREFORE, the Developer does, upon the recording hereof, consolidate Mulford Place Condominium as a Condominium Project under the Act and does declare that said Project shall continue, after such consolidation, be held, conveyed, hypothecated, encumbered, leased, rented, occupied, improved, or in any other manner utilized, subject to the provisions of the Act and to the covenants, conditions, restrictions, uses, limitations, and affirmative obligations set forth in this Consolidating Master Deed, all of which shall be deemed to run with the land and shall be a burden and a benefit to the Developer, its successors and assigns, and to any persons acquiring or owning an interest in said real property, their grantees, successors, heirs, executors, administrators and assigns. In furtherance of the consolidation of said Project, it is provided as follows:

ARTICLE I

NATURE OF PROJECT

The Project is a residential condominium which has been developed in successive phases, each adding land to the Project as then constituted so as to comprise a total of 63 residential living units (the "Condominium Units"). The Condominium Units which comprise the Project, including the number, boundaries, dimensions and area thereof, are set forth completely in the Condominium Subdivision Plan, and each such Unit is capable of individual utilization by reason of having its own entrance from and exit to a common element of the Project. Each Co-owner in the Project shall have a particular and exclusive property right to his Unit and the limited common elements appurtenant thereto, and shall have an undivided and inseparable right to share with other

Co-owners the general common elements of the Project as designated by this Consolidating Master Deed.

ARTICLE II

LEGAL DESCRIPTION

The overall site on which the Developer has constructed the Project is situated in the City of Grand Rapids, Kent County, Michigan, and is described as follows:

Lots 15 and 16, Longmeadow Plat No. 1, that part of Lots 30 thru 35, all of Lots 39 and 40, and all of Lots 47 thru 64, Longmeadow Plat No. 2, and part of the SE 1/4, Section 10, T6N, R11W, City of Grand Rapids and City of Kentwood, Kent County, Michigan, described as: Beginning at the southeast corner of said Lot 15, Longmeadow Plat No. 1; thence northwesterly 3.89 feet along a 380.0 foot radius curve to the left, the long chord bearing N83°44'30"W 3.89 feet; thence N84°02'W 266.11 feet; thence northwesterly 30.0 feet along a 1030.0 foot radius curve to the left, the long chord bearing N84°52'W 30.0 feet (the previous 3 courses being along the north line of Woodmeadow Drive, 60.0 foot wide public right of way); thence N1°41'E 153.94 feet; thence S86°58'W 16.45 feet; thence N3°02'W 155.0 feet; thence N86°58'E 12.53 feet; thence N3°02'W 34.83 feet; thence N11°09'04"E 93.33 feet; thence N37°37'47"E 253.20 feet; thence S39°57'E 30.72 feet; thence S30°33'E 83.0 feet, thence N78°29'E 116.0 feet; thence southeasterly 46.79 feet along a 50.0 foot radius curve to the left, the long chord bearing S38°19'30"E 45.10 feet; thence southeasterly 31.42 feet along a 30.0 foot radius curve to the right, the long chord bearing S35°07'E 30.0 feet; thence S5°07'E 50.72 feet; thence N84°53'E 60.0 feet; thence N5°07'W 89.0 feet; thence N83°56'E 235.72 feet; thence S7°07'E 92.93 feet; thence N84°53'E 60.0 feet; thence N7°07'W 108.0 feet; thence N82°53'E 135.65 feet; thence northwesterly 29.51 feet along a 1790.68 foot radius curve to the right, the long chord bearing N14°05'30"W 29.51 feet; thence N86°48'E 353.33 feet; thence S3°05'E 130.12 feet; thence S1°40'48"E 60.02 feet, thence S3°05'E 125.07 feet; thence S84°53'W 880.08 feet; thence S36°04'W 44.73 feet; thence S5°58'W 260.02 feet to the point of beginning except that part thereof for Mulford Drive as platted in Longmeadow Plat No. 1 and Longmeadow Plat No. 2.

ARTICLE III

DEFINITIONS

Certain terms are utilized not only in this Consolidating Master Deed but are or may be used in various other instruments such as, by way of example and not limitation, the Articles of Incorporation, Association By-laws and Rules and Regulations of the Mulford Place Condominium Association, a Michigan non-profit corporation, and deeds, mortgages, liens, land contracts, easements and other instruments affecting the establishment of, or transfer of, interests in the Project. As used in such documents, unless the context otherwise requires:

(a) "Administrator" means the Michigan Department of Commerce or an authorized designee.

(b) "Arbitration Association" means the American Arbitration Association or its successor.

(c) "Association of Co-Owners" or "Association" means the non-profit corporation organized under the laws of Michigan of which all Co-owners shall be members, which corporation shall administer, operate, manage and maintain the Project. Any action required of or permitted to the Association shall be exercisable by its Board of Directors unless specifically reserved to its members by the Condominium Documents or the laws of the State of Michigan.

(d) "Association By-laws" means the corporate By-laws of the Association organized to manage, maintain and administer the Project.

(e) "Business Day" means a day of the year excluding a Saturday, Sunday or legal holiday.

(f) "Common Elements", where used without modification, means the portions of the Project other than the condominium units, including all general and limited common elements described in Article IV hereof.

(g) "Condominium By-laws" means Exhibit "A" hereto, being the By-laws setting forth the substantive rights and obligations of the Co-owners, which form a part of this recorded instrument.

(h) "Condominium Documents" means and includes this Consolidating Master Deed and all exhibits thereto recorded pursuant to the Act, and any other instrument referred to herein which affects the rights and obligations of a Co-Owner in the Condominium.

(i) "Condominium Subdivision Plan" means Exhibit "B" hereto, being the site, survey and other drawings depicting the existing structures and improvements, including the location thereof on the land, which form a part of this recorded instrument.

(j) "Condominium Unit" or "Unit" means that portion of the Project designed and intended for separate ownership and use, as described in this Consolidating Master Deed.

(k) "Co-owner" means the person, firm, corporation, partnership, association, trust or other legal entity or any combination thereof who or which own a Condominium Unit in the Project, including the vendee of any land contract of purchase who is not in default thereunder. The term "Owner", wherever used, shall be synonymous with the term "Co-owner".

(l) "Developer" means D.D.H. Development Co., a Michigan Co-partnership, which has made and executed this Master Deed, its successors and assigns.

(m) "General Common Elements" means those common elements of the Project described in Article IV(A) hereof which are for the use and enjoyment of all Co-owners, subject to such charges as may be assessed to defray the cost of operation thereof.

(n) "Limited Common Elements" means those common elements of the Project described in Article IV(B) hereof which are reserved for the exclusive use of the Co-owners of a specified Unit or Units.

(o) "Master Deed" or "Consolidating Master Deed" means this instrument, together with the exhibits attached hereto and all amendments thereof, by which the Project has been submitted to condominium ownership.

(p) "Percentage of Value" means the percentage assigned to each Unit by this Master Deed, which is determinative of the value of a Co-Owner's vote at meetings of the Association when voting by value or by number and value, and the proportionate share of each Co-Owner in the common elements of the Project.

(q) "Project" or "Condominium" means Mulford Place Condominium, a condominium development established in conformity with the provisions of the Act.

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

ARTICLE IV

COMMON ELEMENTS

The Common Elements of the Project as depicted in Exhibit "B," and the respective responsibilities for maintenance, repair and replacement thereof are as follows:

A. The General Common Elements are:

(1) The land described in Article II hereof, including easement interests of the Condominium in the land provided to it for ingress and egress;

(2) The sidewalks, yards, trees, shrubs and other plantings;

(3) The electrical, telephone and/or television wiring networks throughout the common areas of the Project, including those contained within common walls, floors and ceilings;

(4) The plumbing and gas line networks throughout the common areas of the Project, including those contained within common walls, floors and ceilings;

(5) The heating and/or air-conditioning ductworks and conduits throughout the common areas of the Project, including those contained within common walls, floors and ceilings;

(6) The water distribution system, underground sprinkling system, sanitary sewer system and storm drainage system serving the Project;

(7) The foundations, roofs, perimeter walls and other walls as shown on Exhibit B, ceilings and floors

(including doors and chimneys therein), entrances and exits of the Project;

(8) The common attic spaces, and the portions of any garage or parking area not otherwise designated as a Limited Common Element on the Condominium Subdivision Plan; and

(9) All other Common Elements of the Project not herein designated as Limited Common Elements which are not enclosed within the boundaries of a Condominium Unit, and which are intended for common use or are necessary to the existence, upkeep or safety of the Project.

Some or all of the utility and/or cable television lines, systems (including mains and service leads) and equipment may be owned by the local public authority or by a utility or cable television company that is providing the pertinent service. Accordingly, such utility and/or cable television lines, systems and equipment shall be General Common Elements only to the extent of the Co-owner's interest therein, if any, and Developer makes no warranty whatsoever with respect to the nature or extent of such interest.

B. The Limited Common Elements are:

(1) The pipes, ducts, wiring and conduits located entirely within a Condominium Unit and servicing only such Unit;

(2) The deck, patio and/or porch appurtenant to each Unit in the Project;

(3) The driveway leading to the garage and the walkway leading to the porch, which shall be appurtenant to the unit or units serviced thereby;

(4) The fireplace combustion chamber and the separate furnace, water heater, air conditioner and/or compressor located within or adjacent to a Unit and servicing only such Unit exclusively;

(5) The automatic garage door opening mechanism and the windows, sliders and/or screens located within or adjacent to any Unit perimeter wall;

(6) Garage interior spaces, and the interior surfaces of garage walls, ceilings and floors; and

(7) The interior surfaces of perimeter walls, doors, ceilings and floors contained within a Condominium Unit.

C. The costs of maintenance, repair and replacement of the Limited Common Elements described in Article IV(B)(1), IV(B)(4) and IV(B)(5) and the routine cleaning, decoration and maintenance of the walkways described in Article IV (B)(3) and Limited Common Elements described in Article IV (B)(6) and IV (B)(7) shall be borne by the Co-owner of the Unit or Units to which such Limited Common Elements are appurtenant. The costs of maintenance, repair and replacement of all other General and Limited Common Elements described above shall be borne by the Association except to the extent of repair and replacement due to the act or neglect of a Co-owner or his agent, invitee, family member or pet; provided, that if any Unit owner shall elect to construct or install any

improvements to his Unit or to the Common Elements appurtenant to his Unit which increase the costs of maintenance, repair or replacement for which the Association is responsible, such increased costs or expenses, at the option of the Association, may be specially assessed against such Unit or Units.

D. A Limited Common Element may be assigned or re-assigned, upon notice to any affected mortgagee, by written application to the Board of Directors of the Association by all Co-owners, whose interest will be affected thereby. Upon receipt of such application, the Board shall promptly prepare or cause to be prepared and executed an amendment to this Master Deed assigning and/or reassigning all rights and obligations with respect to the Limited Common Elements involved, and shall deliver such amendment to the Co-owners of the Units affected upon payment by them of all reasonable costs for the preparation and recording thereof.

E. Except as set forth herein, Condominium Units shall not be separable from the Common Elements appurtenant thereto, and shall not be used in any manner inconsistent with the purposes of the Project or in any other way which will interfere with or impair the rights of any other Co-Owner in the use and enjoyment of his Unit or the Common Elements appurtenant thereto.

ARTICLE V

DESCRIPTION AND PERCENTAGE OF VALUE

A. A complete description of each Condominium Unit in the Project, with elevations therein referenced to an official benchmark of the United States Geological Survey sufficient to relocate accurately the space enclosed by the description without reference to the structure itself, is set forth in the Condominium Subdivision Plan as surveyed by Medema VanKooten & Associates, Inc., consulting engineers and surveyors. Detailed architectural plans and specifications have been filed with the City of Grand Rapids. Each Unit shall include all that space contained within certain horizontal planes and vertical planes designated by a heavy outline on the interior finished surface of the walls, floors and ceilings as depicted in the Condominium Subdivision Plan and as delineated by detailed dimensional descriptions of the same contained by said outline, less any Common Elements contained therein. In determining dimensions, each Condominium Unit shall be measured from the interior finished unpainted surfaces of the walls and ceilings and from the interior surfaces of the finished subfloor.

B. The total value of the Project is 100, and the percentage thereof assigned to each Condominium Unit shall be as set forth in Paragraph C of this Article. Said Percentage of Value has been determined under a formula by which a weight of 100% is assigned to the size of the Unit based on square footage. Except as provided in this Article, such Percentage of Value shall be changed only in the manner provided by Article VII expressed in an amendment to this Consolidating Master Deed, duly executed and recorded.

C. The number of each Condominium Unit in the Project as it appears on the Condominium Subdivision Plan and the Percentage of Value assigned to each such Unit are as follows:

<u>Unit No.</u>	<u>Percentage of Value Assigned</u>	<u>Unit No.</u>	<u>Percentage of Value Assigned</u>	<u>Unit No.</u>	<u>Percentage of Value Assigned</u>
<u>Building No. 1</u>		<u>Building No. 2</u>		<u>Building No. 3</u>	
1	1.67	3	1.67	5	1.67
2	1.67	4	1.67	6	1.67
<u>Building No. 4</u>		<u>Building No. 5</u>		<u>Building No. 6</u>	
7	1.67	9	1.67	11	1.45
8	1.67	10	1.67	12	1.45
				13	1.52
				14	1.60
<u>Building No. 7</u>		<u>Building No. 8</u>		<u>Building No. 9</u>	
15	1.45	19	1.45	23	1.45
16	1.45	20	1.45	24	1.45
17	1.52	21	1.52	25	1.52
18	1.60	22	1.60	26	1.60
<u>Building No. 10</u>		<u>Building No. 11</u>		<u>Building No. 12</u>	
27	1.45	31	1.45	35	1.67
28	1.45	32	1.45	36	1.67
29	1.52	33	1.52		
30	1.60	34	1.60		
<u>Building No. 13</u>		<u>Building No. 14</u>		<u>Building No. 15</u>	
37	1.67	39	1.67	41	1.67
38	1.67	40	1.67	42	1.67
<u>Building No. 16</u>		<u>Building No. 17</u>		<u>Building No. 18</u>	
43	1.67	45	1.67	47	1.67
44	1.67	46	1.67	48	1.67
<u>Building No. 19</u>		<u>Building No. 20</u>		<u>Building No. 21</u>	
49	1.67	51	1.67	53	1.70
50	1.67	52	1.67	54	1.69
				55	1.69
<u>Building No. 22</u>		<u>Building No. 23</u>			
56	1.45	60	1.45		
57	1.45	61	1.45		
58	1.52	62	1.52		
59	1.60	63	1.60		

ARTICLE VI

EASEMENTS

Every portion of a Condominium Unit which contributes to the structural support of a building shall be burdened with an easement of structural support for the benefit of the Common Elements. In the event that any portion of a Unit or Common Element encroaches upon another Unit or Common Element due to the shifting, settling or moving of a building, or due to survey errors or construction deviations, reciprocal easements shall exist for the maintenance of such encroachment for so long as such encroachment

exists, and for the maintenance thereof after rebuilding in the event of destruction. There shall also be permanent easements for the maintenance and repair of Common Elements, which easements shall be administered by the Association of Co-owners, and there shall be easements to, through and over those portions of the land, structures, buildings, improvements and walls (including interior Unit walls) as may be reasonable for the installation, maintenance and repair of all utility services furnished to the Project. Public utilities shall have access to the Common Elements and to the Units at such times as may be reasonable for the installation, repair or maintenance of such services, and any costs incurred in opening and repairing any wall of the Project to install, repair or maintain such services shall be an expense of administration assessed against all Co-owners in accordance with the Condominium By-laws.

So long as the Developer owns one or more of the Units in the Project, it shall be subject to the provisions of this Consolidating Master Deed and of the Act.

ARTICLE VII

AMENDMENT AND TERMINATION

A. The Condominium Documents may be amended for a proper purpose only as follows:

(1) The amendment may be made with the consent of not less than two-thirds of the Co-owners and mortgagees; provided, that a Co-owner's Unit dimensions or Limited Common Elements may not be modified without his consent, nor may the formula used to determine percentages of value for other than voting purposes or provisions relating to the ability or terms under which an owner may rent a unit be modified without the consent of each affected Co-owner and mortgagee. For purposes of this sub-section, a mortgagee shall have one vote for each mortgage held.

(2) A person causing or requesting an amendment to the Condominium Documents shall be responsible for costs and expenses of the amendment, except for amendments based upon a vote of the prescribed majority of Co-owners and mortgagees, the costs of which are expenses of administration. The Co-owners and mortgagees of record shall be notified of proposed amendments under this Section not less than 10 days before the amendment is recorded.

B. If there is a Co-owner other than the Developer, the Project may be terminated only with consent of not less than 80% of the Co-owners and mortgagees, as follows:

(1) Agreement of the required number of Co-owners and mortgagees to termination of the Project shall be evidenced by their execution of the termination agreement or of ratifications thereof, and the termination shall become effective only when the agreement is so evidenced of record.

(2) Upon recordation of an instrument terminating the Project, the property constituting the condominium shall be owned by the Co-owners as tenants in common in proportion to their respective undivided interests in the common elements immediately before recordation. As long

as the tenancy in common lasts, each Co-owner or the heirs, successors, or assigns thereof shall have an exclusive right of occupancy of that portion of the property which formerly constituted the Condominium Unit.

(3) Upon recordation of an instrument terminating the Project, any rights the Co-owners may have to the assets of the Association shall be in proportion to their respective undivided interests in the common elements immediately before recordation, except that common profits shall be distributed in accordance with the Condominium Documents and the Act.

(4) Notification of termination by first class mail shall be made to all parties interested in the Project, including escrow agents, land contract vendors, creditors, lien holders and mortgagees. Proof of dissolution must be submitted to the administrator.

IN WITNESS WHEREOF, the Developer has duly executed this Consolidating Master Deed on the day and year first above written.

Witnesses:

D.D.H. DEVELOPMENT CO.

Harold J. Hoekzema, Partner

Donald A. Feikema, Partner

STATE OF MICHIGAN)
) ss.
COUNTY OF KENT)

On this _____ day of December, 1992, before me, a Notary Public in and for said County, appeared Harold J. Hoekzema and Donald A. Feikema, to me personally known, who being by me duly sworn, did say that they are the managing partners of D.D.H. Development Co., the co-partnership named in and which executed the within instrument; that said instrument was signed and sealed in behalf of said partnership by authority of its general partners, and the said persons further acknowledged said instrument to be the free act and deed of said co-partnership.

Notary Public, Kent County, Michigan
My commission expires: _____

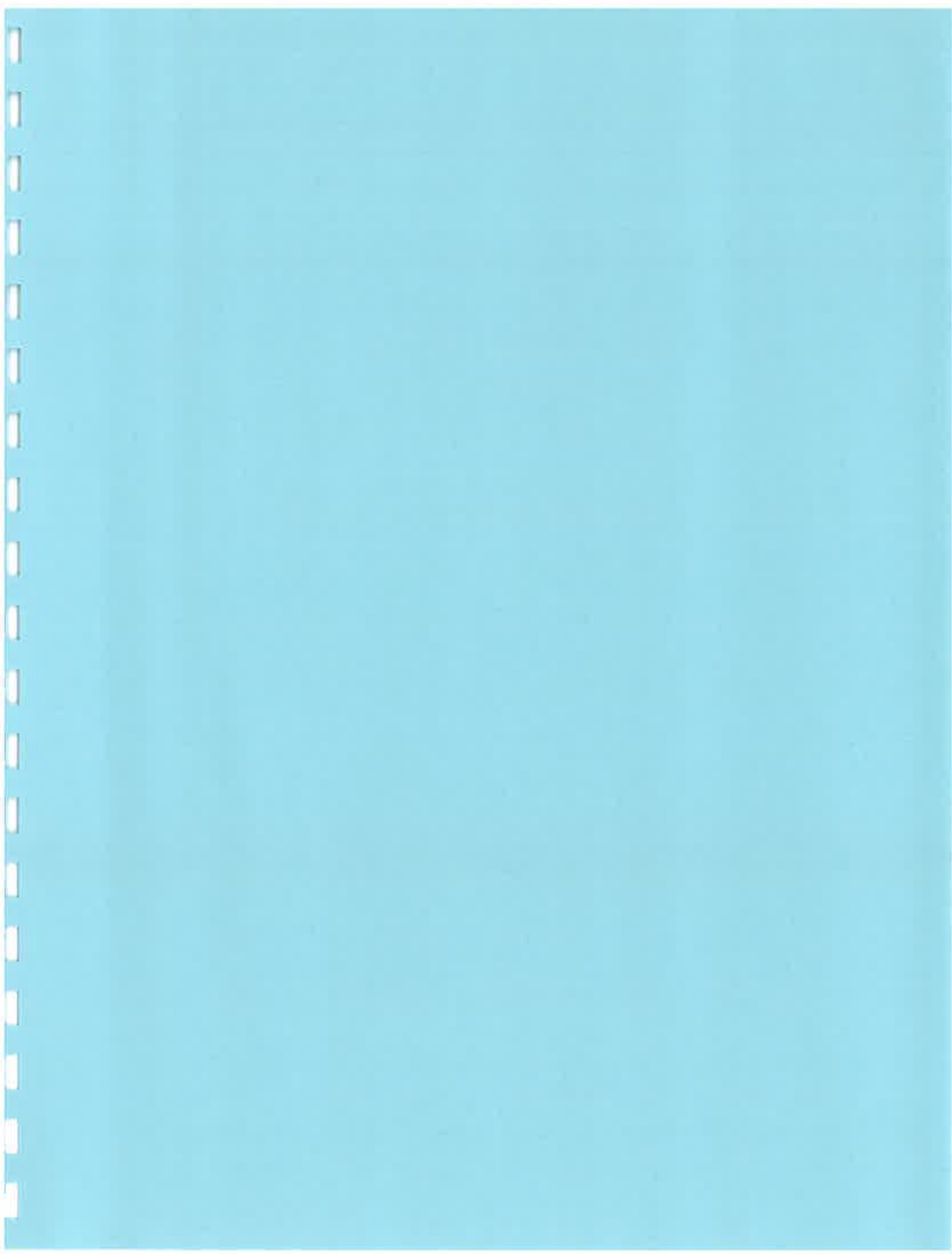


EXHIBIT A

CONDOMINIUM BY-LAWS

MULFORD PLACE CONDOMINIUM

ARTICLE I

CONDOMINIUM PROJECT

Section 1. Organization. Mulford Place Condominium, a residential condominium project located in the City of Grand Rapids, Kent County, Michigan (the "Project") has been constructed in successive segments so as to comprise a total of 63 living units. The management, maintenance, operation and administration of the Project is vested in an Association of Co-owners organized as a non-profit corporation under the laws of the State of Michigan (the "Association").

Section 2. Compliance. All present and future Co-owners mortgagees, lessees or other persons who may use the facilities of the Condominium in any manner shall be subject to and comply with the provisions of Act No. 59, P.A. 1978, as amended (the "Act"), the Consolidating Master Deed and all amendments thereto, and the Articles of Incorporation, Association By-Laws, and other Condominium Documents which pertain to the use and operation of the Condominium property, current copies of which shall be kept by the Association and made available for inspection at reasonable hours to Co-owners, prospective purchasers and prospective mortgagees of Units in the Project; provided, that in the event of a conflict between the provisions of the Act and any other Condominium Documents referred to herein, the provisions of the Act shall govern. The acceptance of a deed or conveyance, the entering into of a lease or the act of occupancy of a Condominium Unit in the Project shall constitute an acceptance of the provisions of these instruments and an agreement to comply therewith.

ARTICLE II

MEMBERSHIP AND VOTING

Section 1. Membership. Each Co-owner of a Unit in the Project, present and future, shall be a member of the Association and no other person or entity shall be entitled to membership. The share of a member in the funds and assets of the Association may be assigned, pledged or transferred only as an appurtenance to his Condominium Unit.

Section 2. Voting Rights. Except as limited in the Consolidating Master Deed and in these By-Laws, each Co-owner shall be entitled to one vote for each Unit owned when voting by number and one vote, the value of which shall equal the total of the percentages assigned to the Unit or Units owned by him as set forth in the Master Deed, when voting by value. Voting shall be by number, except in those instances where voting is specifically required to be in both value and in number, and no cumulation of votes shall be permitted.

Section 3. Members Entitled to Vote. No Co-owner shall be entitled to vote at any meeting of the Association until he has presented written evidence of ownership of a Condominium Unit in the Project. The Developer shall be entitled to vote only those Units for which it is paying the full monthly assessment at the date on which the vote is cast.

The person entitled to cast the vote for the Unit and to receive all notices and other communications from the Association may be designated by a certificate signed by all the record owners of the Unit and filed with the Secretary of the Association. Such certificate shall state the name and address of the individual representative designated, the number or numbers of the Unit or Units owned, and the name and address of the person or persons, firm, corporation, partnership, association, trust or other legal entity who is the Co-owner thereof. All certificates shall be valid until revoked, until superseded by a subsequent certificate or until a change in the ownership of the Unit concerned.

Section 4. Proxies. Votes may be cast in person or by proxy. Proxies may be made by any person entitled to vote. They shall be valid only for the particular meeting designated and must be filed with the Association before the appointed time of the meeting.

Section 5. Majority. At any meeting of members at which a quorum is present, 51% of the Co-owners entitled to vote and present in person or by proxy, in accordance with the percentages allocated to each Condominium Unit in the Consolidating Master Deed for the Project, shall constitute a majority for the approval of the matters presented to the meeting, except as otherwise required herein, by this Master Deed or by law.

ARTICLE III

MEETINGS AND QUORUM

Section 1. Annual Meeting of Members. An annual meeting of the members shall be held in each year at the time and place specified in the Association By-Laws. At least 10 days prior to the date of an annual meeting, written notice of the time, place and purpose of such meeting shall be mailed to each member entitled to vote at the meeting; provided, that not less than 30 days written notice shall be provided to each member of any proposed amendment to these By-Laws or to other Condominium Documents.

Section 2. Composition of the Board. Not later than 54 months after the first conveyance of legal or equitable title to a non-developer Co-owner of a Unit in the Project the non-developer Co-owners shall have the right to elect a number of members of the Board of Directors of the Association equal to the percentage of Units they hold, and the Developer has the right to elect a number of members of the Board equal to the percentage of Units which are owned by the Developer and for which all assessments are payable by the Developer.

If the calculation of the percentage of members of the Board that the non-developer Co-owners have a right to elect hereunder, or if the product of the number of members of the Board multiplied by the percentage of Units held by the non-developer Co-owners results in a right of non-developer Co-owners to elect a fractional number of members of the Board, then a fractional election right of 0.5 or greater shall be rounded up to the nearest whole number, which number shall be the number of members of the Board that the non-developer Co-owners shall have the right to elect. After application of this formula, the developer shall have the right to elect the remaining members of the Board. Application of this provision shall not eliminate the right of the developer to designate at least one member as long as the Developer owns and/or offers for sale at least 10% of the Units in the Project.

Section 3. Quorum of Members. The presence in person or by proxy of thirty (30%) percent in number of the Co-owners entitled

to vote shall constitute a quorum of members. The written vote of any person furnished at or prior to any duly called meeting at which meeting said person is not otherwise present in person or by proxy shall be counted in determining the presence of a quorum with respect to the question upon which the vote is cast.

ARTICLE IV

ADMINISTRATION

Section 1. Board of Directors. The business, property and affairs of the Association shall be managed and administered by a Board of Directors to be elected in the manner set forth in the Association By-Laws. All actions of the first Board of Directors of the Association named in its Articles of Incorporation or any successors thereto elected by the Developer before the initial meeting of members shall be binding upon the Association in the same manner as though such actions had been authorized by a Board of Directors duly elected by the members of the Association at the initial meeting or at any subsequent meeting, so long as such actions are within the scope of the powers and duties which may be exercised by a Board of Directors as provided in the Condominium Documents.

Section 2. Powers and Duties. The Board shall have all powers and duties necessary for the administration of the affairs of the Association. The powers and duties to be exercised by the Board shall include, but shall not be limited to, the following:

- (a) Care, upkeep and maintenance of the common elements;
- (b) Development of an annual budget, and the determination, assessment and collection of amounts required for the operation and other affairs of the Condominium;
- (c) Employment and dismissal of personnel as necessary for the efficient management and operation of the Condominium;
- (d) Adoption and amendment of rules and regulations covering the details of the use of Condominium property;
- (e) Opening bank accounts, borrowing money and issuing evidences of indebtedness in furtherance of the purposes of the Condominium, and designating signatories required therefor;
- (f) Obtaining insurance for Condominium property, the premiums of which shall be an expense of administration;
- (g) Leasing or purchasing premises suitable for use by a managing agent and/or custodial personnel, upon such terms as the Board may approve;
- (h) Granting concessions and licenses for the use of portions of the common elements for purposes not inconsistent with the provisions of the Act or of the Condominium Documents;
- (i) Authorizing the execution of contracts, deeds of conveyance, easements and rights-of-way affecting any real or personal property of the Condominium on behalf of the Co-owners;

(j) Making repairs, additions and improvements to, or alterations of, the Condominium property, and repairs to and restoration of the property in accordance with the other provisions of these By-Laws after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings;

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

(l) Such further duties as may be imposed by resolution of the members of the Association or which may be set forth in the Condominium Documents.

Section 3. Books of Account. The Association shall keep books and records containing a detailed account of the expenditures and receipts affecting the administration of the Condominium, which shall specify the maintenance and repair expenses of the common elements and any other expenses incurred by or on behalf of the Association and its Co-owners. Such accounts shall be open for inspection by the Co-owners during reasonable working hours at a place to be designated by the Association, and the Association shall prepare therefrom, and distribute to all Co-owners at least once per year, a financial statement, the contents of which shall be defined by the Association. The books and records shall be reviewed annually and audited once every three years by qualified independent auditors (who need not be certified public accountants), and the cost of such audit shall be an expense of administration.

Section 4. Maintenance and Repair. All maintenance of and repair to a Condominium Unit, other than maintenance of and repair to any general common element contained therein, shall be made by the Co-owner of such Unit. Any Co-owner who desires to make repairs to a common element or structural modifications to his Unit must first obtain the written consent of the Association, and shall be responsible for all damages to any other Units or to the common elements resulting from such repairs or from his failure to effect such maintenance and repairs.

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

Section 5. Reserve Fund. The Association shall maintain a reserve fund, to be used only for major repairs and replacement of the common elements, as required by Section 105 of the Act. Such fund shall, to the extent possible, be maintained at a level which is equal to or greater than 10% of the then current annual budget of the Association on a noncumulative basis. The minimum reserve

(j) Making repairs, additions and improvements to, or alterations of, the Condominium property, and repairs to and restoration of the property in accordance with the other provisions of these By-Laws after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings;

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

(l) Such further duties as may be imposed by resolution of the members of the Association or which may be set forth in the Condominium Documents.

Section 3. Books of Account. The Association shall keep books and records containing a detailed account of the expenditures and receipts affecting the administration of the Condominium, which shall specify the maintenance and repair expenses of the common elements and any other expenses incurred by or on behalf of the Association and its Co-Owners. Such accounts shall be open for inspection by the Co-Owners during reasonable working hours at a place to be designated by the Association, and the Association shall prepare therefrom, and distribute to all Co-Owners at least once per year, a financial statement, the contents of which shall be defined by the Association. The books and records shall be reviewed annually and audited once every three years by qualified independent auditors (who need not be certified public accountants), and the cost of such audit shall be an expense of administration.

Section 4. Maintenance and Repair. All maintenance of and repair to a Condominium Unit, other than maintenance of and repair to any general common element contained therein, shall be made by the Co-Owner of such Unit. Any Co-Owner who desires to make repairs to a common element or structural modifications to his Unit must first obtain the written consent of the Association, and shall be responsible for all damages to any other Units or to the common elements resulting from such repairs or from his failure to effect such maintenance and repairs.

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

Section 5. Reserve Fund. The Association shall maintain a reserve fund, to be used only for major repairs and replacement of the common elements, as required by Section 105 of the Act. Such fund shall be established in the minimum amount hereinafter set forth on or before the Transitional Control Date, and shall, to the extent possible, be maintained at a level which is equal to or greater than 10% of the then current annual budget of the Associa-

tion on a noncumulative basis. The minimum reserve standard required by this Section may prove to be inadequate, and the Board shall carefully analyze the Project from time to time in order to determine if a greater amount should be set aside or if additional reserve funds shall be established for other purposes.

Section 6. Mechanics Liens. A mechanics lien arising as a result of work performed upon a Condominium Unit or limited common element shall attach only to the Unit upon which the work was performed, and a lien for work authorized by the Developer or principal contractor shall attach only to Condominium Units owned by the Developer at the time of recording the statement of account and lien. A mechanics lien for work authorized by the Association shall attach to each Unit only to the proportionate extent that the Co-Owner of such Unit is required to contribute to the expenses of administration. No mechanics lien shall arise or attach to a Condominium Unit for work performed on the common elements not contracted by the Association or the Developer.

Section 7. Managing Agent. The Board may employ for the Association a Managing Agent at a compensation established by the Board to perform such duties and services as the Board shall authorize, including, but not limited to, the powers and duties listed in Section 2 of this Article. The Developer or any person or entity related thereto may serve as Managing Agent if so appointed.

Section 8. Officers. The Association By-Laws shall provide the designation, number, terms of office, qualifications, manner of election, duties, removal and replacement of officers of the Association and may contain any other provisions pertinent to officers of the Association not inconsistent herewith. Officers may be compensated, but only upon the affirmative vote of more than sixty (60%) per cent of all Co-Owners in number and in value.

Section 9. Indemnification. All directors and officers of the Association shall be entitled to indemnification against costs and expenses incurred as a result of actions (other than wilful or wanton misconduct or gross negligence) taken or failed to be taken on behalf of the Association upon 10 days notice to all Co-Owners, in the manner and to the extent provided by the Association By-Laws. In the event that no judicial determination as to indemnification has been made, an opinion of independent counsel as to the propriety of indemnification shall be obtained if a majority of Co-Owners vote to procure such an opinion.

ARTICLE V

ASSESSMENTS

Section 1. Administrative Expenses. The Association shall be assessed as the entity in possession of any tangible personal property of the Condominium owned or possessed in common by the Co-Owners, and personal property taxes based thereon shall be treated as expenses of administration. All costs incurred by the Association in satisfaction of any liability arising within, caused by or connected with the common elements or the administration of the Project shall be expenses of administration, and all sums received as proceeds of, or pursuant to any policy of insurance securing the interests of the Co-Owners against liabilities or losses arising within, caused by or connected with the common elements or the administration thereof shall be receipts of administration.

Section 2. Determination of Assessments. The Board shall from time to time, and at least annually, adopt a budget for the

all expenses incurred in collection, including interest, costs and actual attorney's fees, and any advances for taxes or other liens paid by the Association to protect its lien, shall be chargeable to the Co-owner in default.

Upon the sale or conveyance of a Condominium Unit, all unpaid assessments against the Unit shall be paid out of the sale price by the purchaser in preference over any other assessment or charge except as otherwise provided by the Condominium Documents or by the Act. A purchaser or grantee shall be entitled to a written statement from the Association setting forth the amount of unpaid assessments against the Seller or Grantor and such purchaser or grantee shall not be liable for, nor shall the Unit conveyed or granted be subject to a lien for any unpaid assessments against the seller or grantor in excess of the amount set forth in such written statement. Unless the purchaser or grantee requests a written statement from the Association at least 5 days before sale as provided in the Act, the purchaser or grantee shall be liable for any unpaid assessments against the Unit together with interest, costs, and attorneys fees incurred in the collection thereof.

The Association may also enter upon the common elements, limited or general, to remove and abate any condition, or may discontinue the furnishing of any services to a Co-owner in default under any of the provisions of the Condominium Documents upon 7 days written notice to such Co-owner of its intent to do so. A Co-owner in default shall not be entitled to vote at any meeting of the Association so long as such default continues.

Section 5. Obligations of the Developer. The Developer shall be assessed by the Association only for actual costs, if any, incurred by the Association which are directly attributable to the Units owned by the Developer, together with a pro-rata share of costs of administration (other than costs attributable to the occupancy and maintenance of dwellings), such as legal fees, accounting fees and maintenance of the landscaping, drives and walks. If a Unit owned by Developer is leased or otherwise occupied on a permanent basis by a person holding under or through the Developer, the Developer shall pay all regular monthly assessments with respect to such Unit forthwith.

ARTICLE VI

TAXES, INSURANCE AND REPAIR

Section 1. Taxes. Subsequent to the year in which construction of the building containing a Unit is completed, all special assessments and property taxes shall be assessed against the individual Units and not against the total property of the Project or any part thereof, notwithstanding any subsequent vacation of the Project.

Assessments for subsequent real property improvements to a specific Unit shall be assessed to that Unit description only, and each Unit shall be treated as a separate, single unit of real property for purposes of property tax and special assessment, and shall not be combined with any other Unit or Units, and no assessment of any fraction of any Unit or combination of any Unit with other units or fractions thereof shall be made, nor shall any division or split of the assessment or taxes of a single Unit be made notwithstanding separate or common ownership thereof.

Section 2. Insurance. The Association shall be appointed as Attorney-in-Fact for each Co-owner to act in connection with insurance matters and shall be required to obtain and maintain, to

the extent available and/or applicable, fire insurance with extended coverage, vandalism and malicious mischief endorsements, and liability insurance and worker's compensation insurance pertinent to the ownership, use and maintenance of the common elements of the Project. Such insurance, other than title insurance, shall be carried and administered in accordance with the following provisions:

(a) All such insurance shall be purchased by the Board of Directors for the benefit of the Association, the Co-owners, the mortgagees and the Developer, as their interests may appear, and provision shall be made for the issuance of certificates of mortgagee endorsements to all mortgagees. Each Co-owner shall be responsible for obtaining insurance coverage at his own expense for the interior of his Unit, including interior walls, wall coverings, fixtures, appliances, floor coverings, sliders, windows and screens, and it shall be each Co-owner's responsibility to obtain insurance coverage for the fixtures and personal property located within his Unit or elsewhere in the Project and for personal liability for occurrences within his Unit or upon limited common elements appurtenant to his Unit, and the Association shall have no responsibility for obtaining such coverages. If the Association policy covers interior walls and/or limited common elements appurtenant to a Unit, then the reconstruction thereof shall be the responsibility of the Association. If insurance shall be held by the Association for the benefit of individual Co-owners, then such Co-owners shall be entitled to receive the proceeds thereof. The Association and all Co-owners shall use their best efforts to see that all property and liability insurance carried by the Association or any Co-owner shall contain appropriate provisions whereby the insurer waives its right of subrogation as to any claims against any Co-owner or the Association.

(b) All common elements of the Project except for sliders, windows and screens shall be insured against fire and other perils covered by a standard extended coverage endorsement, in an amount equal to the maximum insurable replacement value, excluding land, foundation and excavation costs, as determined annually by the Board of Directors of the Association. Such coverage may also include interior walls within any Unit and the pipes, wires, conduits and ducts contained therein and may further include the fixtures, equipment and trim within a Unit which were furnished with the Unit as standard items in accordance with plans and specifications thereof on file with the Association (or such replacements thereof as do not exceed the costs of such standard items). Any improvements made by a Co-owner within his Unit shall be covered by insurance obtained by and at the expense of said Co-owner; provided that, if the Association elects to include interior walls, fixtures, improvements and/or limited common elements under its insurance coverage, any additional premium cost to the Association attributable thereto shall be assessed to and borne solely by said Co-owner and collected as a part of the assessments against said Co-owner as provided herein.

(c) The Association may maintain, if desired, adequate fidelity coverage to protect against dishonest acts by its officers, directors, trustees and employees

and all others who are responsible for handling funds of the Association. Such fidelity bonds should meet the following requirements:

(i) The Association shall be named as an obligee;

(ii) The policy shall be written in such amount as may be required by any lending institution or other agency requesting the same, based upon the estimated annual operating expenses of the Condominium Project including reserves;

(iii) The policy shall contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of "an employee" or similar expression;

(iv) The policy shall provide that it may not be canceled or substantially modified, including cancellation for non-payment of premium, without at least thirty (30) days' prior written notice.

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

(e) Except as otherwise set forth herein, all premiums upon insurance purchased by the Association pursuant to these By-Laws shall be expenses of administration.

Section 3. Reconstruction and Repair. If the Condominium Project or any of its general common elements are destroyed or damaged, in whole or in part, and the proceeds of any policy insuring the same and payable by reason thereof are sufficient to reconstruct the Project, then such proceeds shall be applied to such reconstruction. As used herein, reconstruction means restoration of the Project to substantially the same condition in which it existed prior to the fire or other disaster, with each Unit and the Common Elements having the same vertical and horizontal boundaries as prior thereto.

(a) If the property is not insured against the peril causing the loss or the proceeds of the policy or policies insuring the Project and payable by reason thereof are insufficient to reconstruct the same, and fewer than 50% of the Units in any building are rendered uninhabitable by such fire or other disaster, provision for reconstruction may be made by the affirmative vote of not fewer than 75% of the Co-owners voting at a meeting called for such purpose. Any such meeting shall be held within 30 days following the final adjustment of insurance claims, if any, or within 90 days after such fire or other disaster, whichever first occurs. At any such meeting, the Board or its representative shall present to the Co-owners present an estimate of the cost

of the reconstruction and the estimated amount of necessary special assessments against each Unit in order to pay therefor. If the property is reconstructed, any such insurance proceeds shall be applied thereto, and special assessments may be made against the Units in order to pay the balance of the cost thereof.

(b) If the property is not insured against the peril causing the loss or the proceeds of the policy or policies insuring the Project and payable by reason thereof are insufficient to reconstruct the same, and if provision for reconstruction is not made pursuant to subparagraph (a) above, then provision for withdrawal of any portion of the property from the provisions of the Act may be made by the affirmative vote of not fewer than 75% of the Co-owners voting at a meeting called for such purpose. Any such meeting shall be held within 30 days following the final adjustment of insurance claims, if any, or within 90 days after such fire or other disaster, whichever first occurs. Upon any such withdrawal of any Unit or portion thereof, the percentage of ownership in the common elements appurtenant thereto shall be reallocated among the remaining Units not so withdrawn on the basis of the relative percentages of ownership in the common elements appurtenant to each such remaining Unit. If only a portion of a Unit is withdrawn, the percentage of ownership in the common elements appurtenant to such Unit shall be reduced accordingly, upon the basis of the diminution in market value of such Unit, as determined by the Board.

Any insurance proceeds shall be allocated, on the basis of square footage withdrawn or such other equitable basis as the Board may determine, among the Units or portions thereof, and the portions of the common elements withdrawn. As compensation for such withdrawal: (i) any such insurance proceeds allocated to withdrawn Units or portions thereof shall be applied in payment to the Owners thereof in proportion to their relative percentages of ownership in the common elements appurtenant to such withdrawn Units, or portions thereof; (ii) any such insurance proceeds allocated to withdrawn portions of the limited common elements shall be applied in payment to the Unit Owners entitled to their use in proportion to their relative percentages of ownership in the common elements appurtenant to the Units served by such limited common elements; and (iii) any such insurance proceeds allocated to withdrawn portions of the general common elements shall be applied in payment to all Unit Owners in proportion to their relative percentages of ownership in the common elements. Upon withdrawal of any Unit or portion thereof, the Owner thereof shall be relieved of any further responsibility or liability for the payment of any assessments therefor, if the entire Unit is withdrawn, or for the payment of a portion of such assessments proportional to the diminution in square footage of such Unit, if only a portion of the Unit is withdrawn.

(c) If the property is not insured against the peril causing the loss or the proceeds of the policy or policies insuring the Project and payable by reason thereof are insufficient to reconstruct the same, and if provision for neither reconstruction nor withdrawal is

made pursuant to subparagraphs (a) or (b) above, then the provisions of the Act shall apply.

(d) Prompt written notice of any and all damage or destruction to a Unit or any part of the common elements shall be given to the holder of a first mortgage lien on any Unit affected thereby.

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

(a) If any portion of the common elements is taken by eminent domain, the award therefore shall be allocated to the Co-owners in proportion to their respective undivided interests in the common elements. The Association, acting through its Board of Directors, may negotiate on behalf of all Co-owners for any taking of common elements and any negotiated settlement approved by more than two-thirds of Co-owners based upon assigned voting rights shall be binding on all Co-owners.

(b) If a Unit is taken by eminent domain, the undivided interest in the common elements appertaining to that Unit shall thenceforth appertain to the remaining Units, being allocated to them in proportion to their respective undivided interests in the common elements. The court shall enter a decree reflecting the re-allocation of undivided interests produced thereby, and the award shall include, without limitation, just compensation to the Co-owner of the Unit taken for his undivided interest in the common elements, as well as for the Units.

(c) If portions of a Unit are taken by eminent domain, the court shall determine the fair market value of the portions of the Unit not taken. The undivided interest for each Unit in the common elements appertaining to the condominium units shall be reduced in proportion to the diminution in the fair market value of the Unit resulting from the taking. The portions of undivided interest in the common elements thereby divested from the Co-owners of a Unit shall be re-allocated among the other Units in the Project in proportion to their respective undivided interests in the common elements. A Unit partially taken shall receive the re-allocation in proportion to its undivided interest as reduced by court order under this subsection. The court shall enter a decree reflecting the re-allocation of undivided interest produced thereby, and the award shall include just compensation to the Co-owner of the Unit partially taken for that portion of the undivided interest in the common elements divested from the Co-owner and not re-vested in the Co-owner pursuant to subsection (d), as well as for that portion of the Unit taken by eminent domain.

(d) If the taking of the portion of a Unit makes it impractical to use the remaining portion of that Unit for a lawful purpose permitted by the Condominium Documents, then the entire undivided interest in the common elements appertaining to that Unit shall thenceforth appertain to the remaining Units in the Project, being allocated to them in proportion to their respected undivided interest in the common elements. The remaining portion shall thenceforth be a common element.

The court shall enter an order reflecting re-allocation of undivided interests produced thereby, and the award shall include just compensation to the Co-owner of the Unit for the Co-owners entire undivided interest in the common elements and for the entire condominium unit.

(e) Votes in the Association and liability for future expenses of administration appertaining to a Unit taken or partially taken by eminent domain shall thenceforth appertain to the remaining Units, being allocated to them in proportion to the relative voting strength in the Association. A Unit partially taken shall receive a reallocation as though the voting strength in the Association was reduced in proportion to the deduction in the undivided interests in the common elements.

ARTICLE VII

USE AND OCCUPANCY RESTRICTIONS

Section 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 customarily incidental thereto, except that professional and quasi-professional Co-owners may use their residence as an ancillary facility to an office established elsewhere, so long as such use does not generate unreasonable traffic by members of the general public. The foregoing restrictions as to use shall not, however, be construed in such manner as to prohibit a Co-owner from: (a) maintaining his personal professional library; (b) keeping his personal business or professional records or accounts; or (c) handling his 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.

Section 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 storage areas or other common areas designed for a specific use shall be used only for the purposes approved by the Board. 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 Board at some future time, affecting any part or all of said common elements.

Section 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) No more than three (3) persons shall permanently occupy or reside in any two-bedroom Unit, nor more than four (4) persons in any unit which has been expanded to include a third bedroom, without the express prior written approval of the Association. In the event that a violation of this restriction by a family in occupancy of a Unit results from the birth or adoption of a child, or the marriage or re-marriage of a family member, this restriction shall be suspended as to such family for a period of one year to provide such family a reasonable

time in which to cure such violation or otherwise dispose of the Unit.

(b) No portion of a Unit may be rented and no transient tenants may be accommodated therein; provided, that nothing herein shall prevent the rental or sublease of an entire Unit for residential purposes or of a limited common element appurtenant to such Unit in the manner set forth in Article IX hereof.

(c) 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 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. An Owner may make alterations, additions or improvements within his Unit without the prior written approval of the Board, but such Owner shall be responsible for any damage to other Units, the common elements, the property, or any part thereof, resulting from such alterations, additions or improvements.

(d) No nuisances shall be permitted on the Condominium property nor shall any use or practice be permitted which is a source of annoyance to its residents, or which interferes with the peaceful possession or proper use of the Project by its residents.

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

(f) No signs or other advertising devices shall be displayed which are visible from the exterior of any Unit or upon the common elements, including "for sale" signs, without written permission from the Association or Managing Agent.

(g) No Co-owner shall display, hang or store any clothing, sheets, blankets, laundry or other articles outside his Unit, or which may be visible from the outside of his Unit (other than draperies, curtains, blinds and/or shades of a customary nature and appearance), or paint or decorate or adorn the outside of his Unit, or install outside his Unit any CB, short wave or other radio or television antenna, window air-conditioning unit, awning or other equipment, fixtures or items of any kind, without the prior written permission of the Board or the written permission of the Managing Agent. The 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 or deck which is a limited common element appurtenant to his Unit.

(h) No animal, including household pets, shall be kept without the prior written consent of the Association which consent, if given, shall be revocable at any time by the Board of Directors thereof. Pets permitted by the Association shall be kept only in compliance with the rules and regulations promulgated by the Board of Directors from time to time, and must at all times be kept under such care and restraint as not to be obnoxious on account of noise, odor or unsanitary conditions. No animal shall be permitted to run loose upon the common elements, limited or general, and any person who causes or permits any animal to be brought or kept on the Condominium property shall indemnify and hold harmless the Association for any loss, damage or liability which the Association may sustain as a result of the presence of such animal on the Condominium property.

(i) No structure of a temporary character, mobile home, van, trailer, tent, shack, garage, accessory building or outbuilding shall be occupied or used at any time as a residence, either temporary or permanent. No recreational vehicles, boats or trailers shall be parked or stored in any garage if such storage would prevent full closure of the door thereto or elsewhere on the Condominium property for more than 48 hours without the written approval of the Association, and no more than two (2) automobiles or other vehicles customarily used for transportation purposes shall be kept on the Condominium property by those persons residing in any Unit; provided, that no automobiles or similar vehicles which are not in operating condition shall be permitted at any time. No commercial vehicles or trucks shall be parked in or about the Condominium except for the making of deliveries or pick-ups in the normal course of business.

(j) The common elements shall not be used for the storage of supplies or personal property (except in limited common element garages or other areas specifically designated for such purpose), and trash or refuse shall be placed only in common trash receptacles located at the discretion of the Board of Directors. In general, no activity shall be carried on nor condition maintained by any Co-owner either in his Unit or upon the Common Elements which despoil the appearance of the Condominium.

Section 4. Rules of Conduct. Reasonable rules and regulations concerning the use of Condominium Units and Common Elements, limited and general, may be promulgated and amended by the Board. Copies of such rules and regulations shall be furnished by the Board to each Co-owner at least 10 days prior to their effective date, and may be revoked any time by the affirmative vote of more than 66% of all Co-owners in number and in value.

Section 5. 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 which in the sole discretion of the Board of Directors is appropriate to the nature of the breach as may be set forth in the Condominium Documents including, without limitation, the discontinuance of

services upon 7 days notice, the levying of fines against Co-owners after notice and hearing thereon and the imposition of late charges for non-payment 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, may recover the cost of the proceeding and such actual attorneys fees as may be determined by the court.

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

Section 6. Use by Developer. Until all Units in the entire Project have been sold by the Developer, and until each Unit sold by it is occupied by the purchasers thereof, the Developer shall have the right to maintain a sales office and/or model dwellings, a business office, a construction office and/or trucks and other construction equipment, storage areas and customary signs in connection therewith as may be reasonable to enable development and sale of the entire Project. The Developer shall restore any areas so utilized to habitable status upon termination of use.

ARTICLE VIII

MORTGAGES

Section 1. Mortgage of Condominium Units. Any Co-owner who mortgages a Condominium Unit shall notify the Association of the name and address of the mortgagee, and the Association shall maintain such information in a book entitled "Mortgagees of Units." At the written request of a mortgagee of any such Unit, the mortgagee shall be entitled to: (a) inspect the books and records relating to the Project during normal business hours, upon reasonable notice; (b) receive a copy of the annual financial statement of the Association which is prepared for the Association and distributed to the Owners; and (c) receive written notice of all meetings of the Association and be permitted to designate a representative to attend all such meetings. Failure, however, of the Association to provide any of the foregoing to a mortgagee who has so requested the same shall not affect the validity of any action or decision which is related thereto.

Section 2. Notice of Insurance. The Association shall notify each mortgagee appearing in said book of the name of each company insuring the condominium against fire, perils covered by extended coverage, and vandalism and malicious mischief and the amounts of such coverage.

Section 3. Rights of Mortgagee. Notwithstanding any other provision of the Condominium Documents, except as otherwise required by mandatory law or regulation, with respect to any first mortgage of record of a Condominium Unit:

(a) The holder of the mortgage is entitled, upon written request, to notification from the Association of any default by the mortgagor of such Condominium Unit in the performance of such mortgagor's obligations under the Condominium Documents which is not cured within thirty (30) days.

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

(c) The holder of any first mortgage which comes into possession of a Condominium Unit pursuant to the remedies provided in the mortgage, or by deed (or assignment) in lieu of foreclosure, shall take the property free of any claims for unpaid assessments or charges against the mortgaged Unit which accrue prior to the time such holder comes into possession thereof (except for claims for a pro rata share of such assessments or charges resulting from a pro rata re-allocation of such assessments charged to all Units including the mortgaged unit).

Section 4. Additional Notification. When notice is to be given to a Mortgagee, the Board of Directors shall also give such notice to the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Veterans Administration, the Federal Housing Administration, the Farmer's Home Administration, the Government National Mortgage Association and any other public or private secondary mortgage market entity participating in purchasing or guarantying mortgages of Units in the Condominium if the Board of Directors has notice of such participation.

ARTICLE IX

LEASES

Section 1. Notice of Lease. A Co-owner, including the Developer, desiring to rent or lease a Condominium Unit for a period of more than thirty (30) consecutive days, shall disclose that fact in writing to the Association at least ten (10) days before presenting a lease form to a prospective tenant and, at the same time, shall supply the Association with a copy of the exact lease form for its review for compliance with the Condominium Documents. No Unit shall be rented or leased for a period of less than ninety (90) days without the prior written consent of the Association.

Section 2. Terms of Lease. Tenants or non Co-owner occupants shall comply with all the conditions of the Condominium Documents of the Project, and all lease and rental agreements shall so state.

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

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

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

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

Section 4. Assessments. When a Co-owner is in arrearage 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 such notice, shall deduct from rental payments due the Co-owner the full arrearage and future assessments as they fall due and shall pay them to the Association. Such deductions shall not be a breach of the rental agreement or lease by the tenant.

ARTICLE X

ARBITRATION

Section 1. Submission to Arbitration. Any dispute, claim or grievance arising out of or relating to the interpretation or application of the Consolidating Master Deed, By-Laws or other Condominium Documents, or to any disputes, claims or grievances arising among or between the Co-owners or between such owners and the Association may, upon the election and written consent of the parties to any such dispute, claim or grievance, and written notice to the Association, be submitted to arbitration by the Arbitration Association and the parties thereto shall accept the Arbitrator's award as final and binding. All arbitration hereunder shall proceed in accordance with Sections 5001-5065 of Act 236 of the Public Acts of 1961, as amended, which may be supplemented by reasonable rules of the Arbitration Association.

Section 2. Disputes Involving the Developer. A contract to settle by arbitration may also be executed by the Developer and any claimant with respect to any claim against the Developer that might be the subject of a civil action, provided that:

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

(b) At the exclusive option of the Association of Co-owners, a contract to settle by arbitration shall be executed by the Developer with respect to any claim that might be the subject of a civil action against the Devel-

oper, which claim arises out of or relates to the Common Elements of the Project, if the amount of the claim is \$10,000.00 or less.

Section 3. Preservation of Rights. Election by any Co-owner or by the Association to submit any such dispute, claim or grievance to arbitration shall preclude such party from litigating such dispute, claim or grievance in the courts. Provided, however, that except as otherwise set forth in this Article, no interested party shall be precluded from petitioning the Courts to resolve any dispute, claim or grievance in the absence of an election to arbitrate.

ARTICLE XI

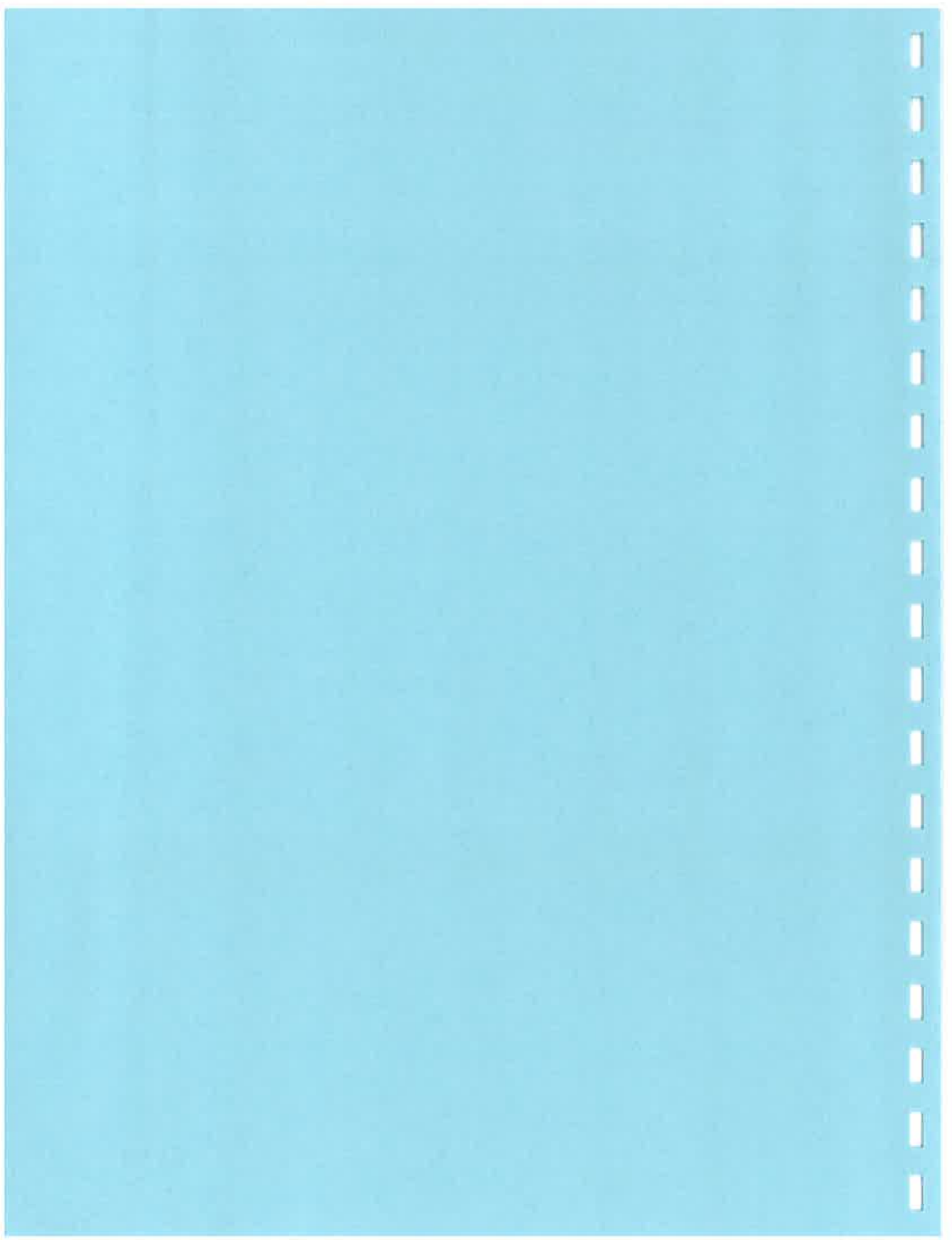
MISCELLANEOUS PROVISIONS

Section 1. Severability. In the event that any of the terms, provisions, or covenants of these By-Laws or any Condominium Document are held to be partially or wholly invalid or unenforceable for any reason whatsoever, such holding shall not affect, alter, modify or impair in any manner whatsoever any of the other terms, provisions or covenants of such documents or the remaining portions of any terms, provisions or covenants held to be partially invalid or unenforceable, and in such event the document shall be construed in all respects as if such invalid or unenforceable provisions were omitted.

Section 2. Notices. Notices provided for in the Act, Master Deed or By-Laws shall be in writing, and shall be addressed to the Association at 3333 Midland, S.E., Grand Rapids, Michigan 49506, or to any Co-owner at the address set forth in the deed of conveyance, or at such other address as may hereinafter be provided.

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

Section 3. Amendment. These By-Laws may be amended, altered, changed, added to or repealed only in the manner set forth in Article VII of the Consolidating Master Deed of Mulford Place Condominium.



ASSOCIATION BY-LAWS
OF
MULFORD PLACE CONDOMINIUM ASSOCIATION

ARTICLE I.

CONDOMINIUM BY-LAWS

The Condominium By-Laws of Mulford Place Condominium, a Condominium Project, attached as a part of the Master Deed pertaining to said Project and recorded in the Office of the Register of Deeds of Kent County, Michigan, are hereby incorporated by reference and adopted in their entirety as a part of the By-Laws of this corporation.

ARTICLE II.

MEETINGS AND QUORUM

Section 1. Membership Meetings. The initial meeting of the members, absent a special call by the Board of Directors, shall be held on call of the Developer at or before the time required for such meeting by the Condominium By-Laws. At such meeting, the directors elected at the First Meeting of Incorporators shall resign and a new Board of Directors shall be elected by the members as herein provided.

Section 2. Annual Meeting of Members. Thereafter, the annual meeting of members shall be held on each year at such date, time and place as may be designated by the Board of Directors. Notice of all annual meetings shall be as provided in the Condominium By-Laws.

Section 3. Delayed Annual Meeting of Members. If, for any reason, the annual meeting shall not be held on the day so designated, such meeting may be called and held as a special meeting with the same proceedings as at an annual meeting.

Section 4. Special Meetings of Members. Special meetings of the members may be called by the President or by a majority of the directors of the Board, or by Co-Owners having at least 20% of the votes entitled to notice of the meeting. Notice of special meetings shall be provided in the same manner as for annual meetings.

Section 5. Organizational Meeting of Board. At the place of holding, and immediately following the annual meeting of members, the Board as constituted upon final adjournment of such annual meeting shall convene for the purpose of electing officers and transacting any other business properly proposed; provided, that

the organizational meeting in any year may be held at a different time and place by consent of a majority of the Directors.

Section 6. Regular Meetings of the Board. In addition to its organizational meeting, the Board may hold regular meetings at such other times and places as it shall from time to time determine. Notice of regular meetings shall be given to each director personally or by mail, telephone or telegraph at least five (5) days prior to the date of such meeting.

Section 7. Special Meetings of Board. Special meetings of the Board may be called by the President or by any two Directors by written notice to each Director of the time, place and purpose of such meeting, at least three (3) days prior to the date of such meeting.

Section 8. Notice and Mailing. All written notices required to be given by any provision of these By-Laws shall state the authority pursuant to which they are issued (as, "by order of the President," or "by order of the Board of Directors", as the case may be) and shall bear the written, printed or typed signature of the Secretary. Each such notice shall be deemed duly served when it has been deposited in the United States mail, with postage fully prepaid, plainly addressed to the addressee at his, her or its last address appearing upon the membership records of the Corporation.

Section 9. Waiver of Notice. Notice of the time, place and purpose of any meeting of the members or of the Board may be waived by telegram, cablegram or other writing, either before or after such meeting has been held. Attendance at any meeting of the Board constitutes a waiver of notice, except where a Director attends for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

Section 10. Quorum. A quorum of the members shall be as set forth in the Condominium By-Laws. A majority of the directors then in office, or of the members of any Committee thereof, shall constitute a quorum for the transaction of business. Members or directors present or represented at any such meeting may continue to do business until adjournment, notwithstanding the withdrawal of enough persons to leave less than a quorum, and may adjourn the meeting for not more than thirty (30) days, without notice other than announcement at the meeting, until a quorum shall be present or represented.

ARTICLE III.

BOARD OF DIRECTORS

Section 1. Number and Term. The business, property and affairs of the Corporation shall be managed by a Board of Directors composed of not less than three (3) nor more than seven

(7). Every Director, except for members of the first Board, shall hold office for the term of three (3) years and until his successor is elected and qualified, or until his resignation or removal. At least one-third of the entire membership of the Board shall be elected each year at the annual meeting of members; provided, that until the initial meeting of the members as required by the Condominium By-Laws, the Directors named in the Articles of Incorporation and their successors shall serve.

Section 2. Qualification. Except for members of the first Board, each Director shall be a Co-Owner or the spouse of a Co-Owner (or, if a Co-Owner is a trustee of a trust, a Director may be a beneficiary of such trust, and if a Co-Owner or such a beneficiary is a corporation or a partnership, a Director may be an officer, partner or employee of such Co-Owner or beneficiary). If a Director shall cease to meet such qualifications during his term, he shall thereupon cease to be a Director and his place on the Board shall be deemed vacant.

Section 3. Vacancies. Vacancies in the Board may be filled by the affirmative vote of a majority of the remaining Director or Directors, even though less than a quorum of the Board. Each person elected to fill a vacancy shall remain a Director until his successor has been duly elected and qualified, which election shall be for a term equal to that remaining of the Director whose death or resignation has created the vacancy.

Section 4. Resignation and Removal. A Director may resign at any time and such resignation shall take effect upon receipt of written notice by the Association, or at such subsequent time as may be set forth in the notice of resignation. Any or all the Directors may be removed, with or without cause, by the vote of a majority of the Co-Owners in number and in value.

Section 5. Action by Written Consent. If and when all the Directors shall severally or collectively consent in writing to any action to be taken by the Corporation, either before or after the action, such action shall be as valid corporate action as though it had been authorized at a meeting of the Board.

Section 6. Powers and Duties. In addition to the powers and duties imposed or permitted by law, by these By-Laws or by resolution of the members of the Association, the Board of Directors shall have all powers and duties necessary for the administration of the affairs of the Condominium as set forth in the Condominium By-Laws.

Section 7. Rules and Regulations. The Board of Directors shall propose regulations respecting the use and enjoyment of the Units and common elements of the Condominium and such other rules and regulations as may be necessary for the maintenance and operation of the Condominium. All such regulations and amendments thereto shall be adopted and promulgated in the manner set forth in the Condominium By-Laws; provided, that all rules and regula-

tions imposed by the first Board of Directors prior to the initial meeting of members shall be binding upon all subsequent members unless duly amended as provided herein.

Section 8. Compensation. Directors shall receive no compensation for their services as directors unless expressly provided for in resolutions duly adopted by not less than sixty percent (60%) of all Co-Owners in number and in value.

ARTICLE IV.

OFFICERS

Section 1. Designation and Term. The Board shall elect a President, a Secretary and a Treasurer, and may also elect one or more Vice-Presidents, Assistant Secretaries and Assistant Treasurers, as the needs of the business may require. Each officer shall hold office for the term of one year and until his successor is elected and qualified. No officer shall receive any compensation from the Corporation for acting as such.

Section 2. The President. The President shall be the chief executive officer of the Corporation. He shall preside over all meetings of the members and of the Board, and shall be ex officio a member of all standing committees.

Section 3. The Secretary. The Secretary shall attend all meetings of the members, of the Board, and of the executive committee, and shall preserve in books of the Corporation true minutes of the proceedings of all such meetings. He shall safely keep in his custody the seal of the Corporation and shall have authority to affix the seal to all instruments where its use is required. He shall give all notices required by statute, By-Law or resolution and shall perform such other duties as may be delegated to him by the Board or by the executive committee.

Section 4. The Treasurer. The Treasurer shall have custody of all corporate funds and securities and shall keep in books belonging to the Corporation full and accurate accounts of all receipts and disbursements; he shall deposit all monies, securities and other valuable effects in the name of the Corporation in such depositories as may be designated for that purpose by the Board. He shall disburse such funds of the corporation as may be ordered by the Board, taking proper vouchers for such disbursements, and shall render to the President and Directors at regular meetings of the Board, and whenever requested by them, an account of all his transactions as Treasurer and of the financial condition of the Corporation.

Section 5. Vacancies. Vacancies in any office may be filled by the affirmative vote of a majority of the remaining members of the Board at any regular or special meeting. Each person appointed to fill the vacancy shall remain an officer for a term equal to that remaining of the officer whose death or resignation

has created the vacancy, and until his successor has been duly elected and qualified.

Section 6. Resignation and Removal. An officer may resign at any time and such resignation shall take effect upon receipt of written notice by the Association, or at such subsequent time as may be set forth in the notice of resignation. Any or all the officers may be removed, with or without cause, by the vote of a majority of the Board of Directors.

ARTICLE V.

INDEMNIFICATION

Section 1. Indemnification Other Than in Action by or in the Right of the Corporation. Any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative (other than an action by or in the right of the corporation) by reason of the fact that he is or was a director, officer, employee, or agent of the corporation or is or was serving at the request of the corporation as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, shall be indemnified by the corporation against expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit, or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interest of the corporation, or its members, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the corporation, or its members, or, with respect to any criminal action or proceeding, that he had reasonable cause to believe that his conduct was unlawful.

Section 2. Indemnification in Actions by or in the Right of the Corporation. Any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that he is or was a director, officer, employee, or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise shall be indemnified by the corporation against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation, or its members,

except that no indemnification shall be made in respect of any claim, issue, or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the corporation unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper.

Section 3. Expenses. To the extent that a director, officer, employee, or agent of the corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Sections 1 or 2 of this Article, or in defense of any claim, issue, or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

Section 4. Authorization of Indemnification. Any indemnification under this Article (unless ordered by a court) shall be made by the corporation only after ten (10) days written notice to all Co-Owners of the facts surrounding the request for indemnification, when authorized in the specific case upon a determination that indemnification of the director, officer, employee, or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in this Article. Such determination shall be made (1) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, or (2) if such a quorum is not obtainable, or, even if obtainable, when a quorum of disinterested directors so directs, by independent legal counsel (who may be the regular counsel of the corporation) in a written opinion, or (3) by the members.

Section 5. Advancing of Expenses. Expenses incurred in defending a civil or criminal action, suit, or proceeding described in Section 1 or 2 of this Article may be paid by the corporation in advance of the final disposition of such action, suit, or proceeding as authorized by the Board of Directors in the manner provided in Section 3 upon receipt of an undertaking by or on behalf of the director, officer, employee, or agent to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the corporation as authorized in this Article.

Section 6. Indemnification Hereunder Not Exclusive. The indemnification provided by this Article shall not be deemed exclusive of any other rights to which a party seeking indemnification may be entitled under any by-law, agreement, vote of stockholders or disinterested directors, or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee, or

agent, and shall inure to the benefit of the heirs, executors, and administrators of such a person.

Section 7. Insurance. The corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, or other enterprise against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the corporation would have the power to indemnify him against such liability under the provisions of this Article.

Section 8. Mergers. For the purposes of this Article, references to the "corporation" include all constituent corporations absorbed in a consolidation or merger, as well as the resulting or surviving corporation, so that any person who is or was a director, officer, employee, or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, shall stand in the same position under the provisions of this Article with respect to the resulting or surviving corporation as he would if he had served the resulting or surviving corporation in the same capacity.

ARTICLE VI.

GENERAL PROVISIONS

Section 1. Liability of Members. The Association and the Board shall have the power to raise and the responsibility for raising, by special assessment or otherwise, any sums required to discharge its obligations under these By-Laws; provided, however, that the liability of any Co-Owner arising out of any contract made by or other acts of the Directors, officers or committee, or out of the aforesaid indemnity provisions, shall be limited to such proportion of the total liability hereunder as said Co-Owner's percentage of value in the common elements bears to the total percentage interest of all Co-Owners in the common elements. Every agreement made by the Directors, officers, committees or managing agent on behalf of the Co-Owners shall provide that the persons executing the same are acting only as agents for the Co-Owners and shall have no personal liability thereunder (except as a Co-Owner), and that each Co-Owner's liability thereunder shall be limited to such proportion of the total liability incurred as his percentage of interest in the common elements bears to the total percentage interest of all Co-Owners in the common elements.

Section 2. Execution of Instruments. All checks, drafts, and orders for payment of money shall be signed in the name of the Corporation by such officer or officers or agent or agents as the

Board shall from time to time designate for that purpose. When the execution of any contract, conveyance or other instrument of title has been authorized without specification of the executing officers, the President, or a Vice-President, if any, may undertake the execution in the name or on behalf of this Corporation without attestation, acknowledgment or seal.

Section 3. Fidelity Bonds. The Association may require that all officers, employees and others who are responsible for handling funds obtain adequate fidelity coverage to protect against dishonest acts, the cost of which shall be an expense of administration.

Section 4. Seal. The seal of the Corporation shall have inscribed thereon the name of the Corporation and the words "Corporate Seal, Michigan". The seal may be used by causing it or a facsimile thereof to be impressed or affixed or in any manner reproduced.

Section 5. Fiscal Year. The fiscal year of the Corporation shall be fixed by resolution of the Board.

ARTICLE VII.

AMENDMENT OF BY-LAWS

Section 1. Amendment Procedures. These By-Laws may be amended, altered, changed, added to or repealed only in accordance with the provisions of the Master Deed for Mulford Place Condominium.