

ASSOCIATION BY-LAWS  
OF  
MEADOWS EAST

ARTICLE I

CONDOMINIUM BY-LAWS

The Condominium By-Laws of Meadows East, a Condominium Project, as a part of the Master Deed pertaining to said Project and as recorded in the Office of the Register of Deeds of Ottawa County, Michigan are hereby incorporated by reference and adopted in their entirety as a part of the By-Laws of this association.

ARTICLE II

MEETINGS AND QUORUMS

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 or Michigan Condominium Act. 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 in each year at the principal office of the association or at such other convenient place as may be designated by the Board of Directors, on a date within fifteen (15) days of the anniversary date of the initial meeting. 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 date 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 one-third (33.3%) 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. Annual Organizational Meeting of Board. 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, fax, or telegram at least ten (10) 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 meetings.

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 or the Directors calling said meeting. 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 Association.

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, fax, letter, 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 for membership meetings 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, and the acts of a majority of the directors present at any meeting at which there is a quorum shall be the acts of the Board except as otherwise required by statute or by the Condominium Documents.

Section 11. Action by Unanimous Written Consent. If and when all the members shall unanimously consent in writing to any action to be taken by the association, either before or after the action,

such action shall be a valid association action as though it had been authorized at a meeting of the members.

### ARTICLE III

#### BOARD OF DIRECTORS

Section 1. Number and Term. The business, property and affairs of the Association shall be managed by a Board of Directors initially composed of three (3) persons. The size of the Board shall be between three and nine people, inclusive, with the actual size determined at the annual meeting of the members. Every director, except for members of the first Board, shall hold office for the term of one (1) year and until his successor is elected and qualified, or until his resignation or removal or until he ceases to be a co-owner. 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 provided herein, 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 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, other than those caused by the expiration of a board member's term, 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, removal, 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 three-fourths (3/4) of the Co-owners in number and in value.

Section 5. Action by Unanimous Written Consent. If and when all the directors shall severally or collectively consent in writing to any action to be taken by the Association, either before or after the action, such action shall be a valid association 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 must be approved by not less than a majority of members in number and in value before the same shall become effective, and members not present at meetings called to consider such rules and regulations or amendments thereto may express their approval or disapproval, before or after the meeting, in writing. All regulations 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 two-thirds (2/3) of all members of the Association.

#### 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 must be a member of the association, and shall hold office for the term of one year and until his successor is elected and qualified; provided, that any officer shall be subject to removal by a majority vote of the directors, with or without cause.

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

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 Association true minutes of the proceedings of all such meetings.

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 association funds and securities and shall keep in books belonging to the Association full and accurate account of all receipts and disbursements; he shall deposit all monies, securities and other valuable effects in the name of the Association in such depositories as may be designated for that purpose by the Board. He shall disburse such funds of the Association 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 Association.

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. Compensation. Officers shall receive no compensation for their services as officers unless expressly provided for in the resolutions duly adopted by not less than two-thirds (2/3) of all members of the Association.

## ARTICLE V

### INDEMNIFICATION

Section 1. Indemnification other than in Action by or in the Right of the Association. 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 Association) by reason of the fact that he is or was a director, officer, employee, or agent of the Association or is or was serving at the request of the Association as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, shall be indemnified by the Association against expenses (including attorney's fees), judgements, 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 interests of the Association, 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 judgement, 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 Association, 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 Association. 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 by or in the right of the Association to procure a judgement in its favor by reason of the fact that he is or was a director, officer, employee or agent of the association, or is or was serving at the request of the Association as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, shall be indemnified by the Association against expenses (including attorney's 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 Association, 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 Association 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 persons are 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 Association has been successful on the merits or otherwise in defense of any action, suit or proceedings referred to in Sections 1 and 2 of this Article, or in defense of any claim, issue, or matter therein, he shall be indemnified against expenses (including attorney's 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 Association 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, when a quorum of disinterested directors so directs, by independent legal counsel (who may be the regular legal counsel of the association) in a written opinion, or (3) by a two-thirds majority of members by number and value.

Section 5. Advancing of Expenses. Expenses incurred in defending a civil or criminal action, suit, or proceeding described in this Article may be paid by the Association in advance of the final disposition of such action, suit or proceedings as authorized by the Board of Directors in the manner provided in Section 4 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 Association 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 members 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 Association may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Association, or is or was serving at the request of the Association 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 Association would have the power to indemnify him against such liability under the provisions of this Article.

Section 8. Mergers and Divisions. For the purpose of this Article, references to the "Association" include all constituent corporations absorbed in a consolidation, merger, or division, as well as the resulting or surviving association so that any person who is or was 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 association as he would if he had served the resulting or surviving association 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 Association 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 of or on behalf of this Association without attestation, acknowledgement or seal.

Section 3. Fiscal Year. The fiscal year of the Association 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 by the affirmative vote of two-thirds (2/3) of the members of the Association in number and in value or by the written consent of all of the Board; provided, that any amendment made by the Board prior to the initial meeting of members as set forth herein shall be subject to the Condominium By-Laws incorporated herein by reference, which may be amended only in accordance with the provisions of the Master Deed for Meadows East.

Meadows East Condominium Association, Inc.

BY: Lee Dykema

Lee Dykema  
Its President



PREPARED BY:  
Donald A. Nicewander  
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EXHIBIT A  
CONDOMINIUM BYLAWS  
OF  
MEADOWS EAST

ARTICLE I  
THE CONDOMINIUM

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

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

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

ARTICLE II  
MEMBERSHIP AND VOTING

Section 1. Membership. Each co-owner of a Condominium unit, present and future, shall be a member of the Association during the

term of such ownership, and no other person or entity shall be entitled to a membership. Neither Association membership nor the share of a member in the Association funds and assets shall be assigned, pledged or transferred in any manner, except as an appurtenance to a Condominium unit and any attempted assignment, pledge or transfer in violation of this provision shall be wholly void.

Section 2. Voting Rights. Except as limited in the Master Deed and in these Bylaws, the members owning each unit shall collectively be entitled to one vote when voting by number and one vote, the value of which shall equal the total percentage of value assigned to the unit in the Master Deed, when voting by value. Voting, when required or permitted herein or elsewhere in the Condominium Documents, shall be by value, except in those instances where voting is specifically required to be by number, or both by value and by number, and no accumulation of votes shall be permitted.

Section 3. Persons Entitled to Vote. If one person owns a unit, he shall establish his membership in the Association and his right to vote by presenting evidence of his ownership. If a husband and wife own a unit jointly with rights of survivorship, or as tenants in the entirety, either of the two may exercise the unit's membership in the Association and cast the vote for the unit, unless the Association has been otherwise informed beforehand. If more than one person owns a unit, or the unit is leased, all of the record owners of the unit shall sign and file with the Secretary of the Association a certificate designating the person entitled to exercise the unit's membership in the Association, to cast the vote for the unit and to receive all notices and other communications from the Association. Such certificate shall state the name and address of the individual representative designated, the number or numbers of the unit or units owned, the name and address of the person or persons, firm, corporation, partnership, association, trust or other legal entity who is the co-owner thereof, and shall be signed and dated by all co-owners of record. All certificates shall be valid until revoked, until superseded by a subsequent certificate, or until a change occurs in the record ownership of the unit concerned. The Developer shall, at any meeting, be entitled to cast a vote on behalf of each unit he owns without submitting any proof of ownership.

For purposes of this Section 3, the Developer shall be deemed to own only completed units, as defined in Article V, Section 7, hereof.

Section 4. Method of Voting. Votes on a specific issue may be cast in person. In addition, any person entitled to vote at any meeting may also appear and vote (either specifically on an issue or by the general designation of a person to cast a vote) by

written proxy. Proxies may be made by any person entitled to vote. They shall be valid only for the particular meeting designated, and any adjournment thereof, and must be filed with the Association before the appointed time of the meeting.

Section 5. Majority. At any meeting of the members at which a quorum is present, fifty-one percent (51%) in value of the members voting, whether in person, by telecommunications or by proxy, on any particular matter, shall constitute a majority for the approval of such matter, except as otherwise required herein, by the Master Deed or by law.

### ARTICLE III

#### MEETINGS AND QUORUM

Section 1. First Meeting of Members. The first meeting of the members of the Association may be convened only by the Board of Directors and may be called at anytime upon ten (10) days' written notice to all members. In no event, however, shall the first meeting be held later than: (a) one hundred twenty (120) days after legal and equitable title to seventy-five percent (75%) of the Condominium Units has been conveyed to non-Developer co-owners; or (b) fifty-four (54) months after the first conveyance of legal or equitable title to a Condominium unit to a non-Developer co-owner, whichever first occurs.

The Board of Directors may call meetings of members of the Association for informational or other appropriate purposes prior to the first meeting of members, but no such meeting shall be construed as the first meeting of members.

Section 2. Advisory Committee. The Board of Directors shall establish an Advisory Committee of non-Developer members upon the passage of: (a) one hundred twenty (120) days after legal or equitable title to one-third (1/3) of the Condominium units has been conveyed to non-Developer co-owners; or (b) one (1) year after the first conveyance of legal or equitable title to a Condominium unit to a non-Developer co-owner, whichever first occurs. The Advisory Committee shall meet with the Board of Directors to facilitate communication with the non-Developer members and to aid in transferring control from the Developer to non-Developer members. The Advisory Committee shall be composed of not less than one (1) nor more than three (3) non-Developer members, who shall be appointed by the Board of Directors in any manner it selects, and who shall serve at the pleasure of the Board of Directors. The Advisory Committee shall automatically dissolve following the election of a majority of the Board of Directors by non-Developer co-owners. The Advisory Committee shall meet at least quarterly with the Board of Directors. Reasonable notice of such meetings shall be provided to all members of the Committee, and such

meetings may be open or closed, in the discretion of the Board of Directors.

Section 3. Annual Meetings of Members. Following the first meeting of members, and in addition to subsequent meetings called for the purpose of electing directors, as provided in Article IV, Section 1, below, an annual meeting of the members shall be held in each year at the time and place specified in the Association Bylaws. At least ten (10) days prior to the date of an annual meeting, written notice of the time, place and purpose of such meeting shall be sent by first class mail, postage prepaid, to each person entitled to vote at the meeting.

Section 4. Special Meetings of Members. It shall be the duty of the President to call a special meeting of the members upon a petition signed by one-third (1/3) of the members in number and presented to the Secretary of the Association or upon the direction of a majority of the Board of Directors. Notice of any special meeting shall state the time and place of such meeting and the purposes thereof and shall be given at least ten (10) days prior to the date of such meeting. No business shall be transacted at a special meeting except as stated in the notice.

Section 5. Quorum of Members. Unless otherwise provided herein, the presence, in person or by proxy, of fifty-one percent (51%) in number and value of the members entitled to vote shall constitute a quorum of members. If a quorum shall not be present at any meeting, the members present may adjourn the meeting for not more than thirty (30) days.

#### ARTICLE IV

##### ADMINISTRATION

Section 1. Board of Directors. The business, property and affairs of the Association shall be managed by a Board of Directors consisting of not less than three (3) persons and not more than nine (9) persons; provided, that until new directors are elected at the first meeting of members provided for in Article III, Section 1, hereof, the Directors designated in the Articles of Incorporation, or their successors, appointed as provided in the Association Bylaws, shall serve. The entire Board of Directors shall be elected at the first meeting of the Association, each annual meeting of the Association, and at any special meeting of the Association called by the Board of Directors for the particular purpose of electing directors, in the following manner:

(a) If legal or equitable title to more than seventy-five percent (75%) but not more than ninety percent (90%) of the Condominium units has been conveyed to non-Developer co-owners, and the Developer is the co-owner of and offers for sale at least ten percent (10%) of the Condominium units, or at least

ten percent (10%) of the Condominium units that may be created remain to be created or completed, then the Developer shall be entitled to designate one (1) of the directors, and the remaining directors shall be elected by non-Developer co-owners;

(b) Subject to subsection (c) below, if legal or equitable title has been conveyed to non-Developer co-owners of twenty-five percent (25%) of the units that may be created, at least one (1) director and not less than twenty-five percent (25%) of the board of directors of the association of co-owners shall be elected by non-Developer co-owners. If legal or equitable title has been conveyed to non-Developer co-owners of fifty percent (50%) of the units that may be created, not less than thirty-three and one-third percent (33 1/3%) of the board of directors shall be elected by non-Developer co-owners.

(c) If fifty-four (54) months have passed since the first conveyance of legal or equitable title to a Condominium unit to a non-Developer co-owner, and subsection (a) above does not apply, then the Developer shall not be entitled to designate any directors, but shall participate in the election provided for in subsection (d) of this Section, in the same manner as if the Developer were a non-Developer member of the Association.

(d) The Board must call a special meeting to elect directors within 120 days of the happening of each of the following events:

(1) The conveyance of legal or equitable title to twenty-five percent (25%) of the Condominium units to non-Developer co-owners, or fifty-four (54) months after the first conveyance of legal or equitable title to a Condominium unit to a non-Developer co-owner;

(2) The conveyance of legal or equitable title to fifty percent (50%) of the Condominium units to non-Developer co-owners; and

(3) The conveyance of legal or equitable title to seventy-five percent (75%) of the Condominium units to non-Developer co-owners.

A Board of Directors elected pursuant to these provisions, shall serve until the earlier of the next annual meeting of the Association or such time as it has been replaced in accordance with the provisions of these Condominium Bylaws and the Association Bylaws.

Section 2. Powers and Duties. The Board of Directors shall have all powers and duties necessary for the administration of the affairs of the Condominium and may do all things which are not prohibited by law or the Condominium Documents or required thereby

to be done by the members. The powers and duties to be exercised by the Board shall include, but shall not be limited to, the power and duty:

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

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

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

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

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

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

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

(h) To borrow money and issue evidences of indebtedness in furtherance of any and all of the purposes of the business of the Association, and to secure the same by mortgage, pledge or other lien on Association property; provided, however, that any such action shall first be approved by the affirmative vote of more than two-thirds (2/3) of the Association members in number and in value at a meeting of the members duly called;

(i) To establish such committees as is it deems necessary, convenient or desirable and to appoint persons thereto, to administer the Condominium and to delegate to such committees

any functions or responsibilities which are not by law or the Condominium Documents required to be performed by the Board;

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

(k) To enforce the provisions of the Master Deed and bylaws of the Condominium and of the Articles of Incorporation and such Bylaws, rules and regulations of this Association as may hereafter be adopted, and to sue on behalf of the Condominium or the members and to assert, defend or settle claims on behalf of the members with respect to the Condominium;

(l) To do anything required of or permitted to it as administrator of said Condominium by the Condominium Master Deed or Bylaws or by Act No. 59 of the Public Acts of 1978, as amended by Act No. 538 of the Public Acts of 1982, and Act 113 of the Public Acts of 1983, as amended; and

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

Neither the Board nor the Association shall, by act or omission, abandon, partition, subdivide, encumber, sell or transfer the common elements, or any of them unless at least two-thirds (2/3) of the mortgagees (based upon one vote for each mortgage owned) and two-thirds (2/3) of the members in number and value have consented thereto. The granting of easements for public utilities or for other public purposes consistent with the intended use of the common elements by the Condominium, shall not be deemed a transfer for these purposes.

Section 3. Managing Agent. The Board of Directors may employ, at a compensation established by it, a Managing Agent for the Condominium to perform such duties and services as the Board shall authorize, including, but not limited to, the powers and duties set forth in Section 2 of this Article. The Developer, or any related person or entity, may serve as Managing Agent if so appointed. In no event shall the Board be authorized to enter into a contract with a professional management agent, or a contract providing for services by the Developer or its affiliates, under



which the maximum term is greater than three (3) years or which is not terminable by the Association upon the transitional control date, or within ninety (90) days thereafter and upon thirty (30) days' written notice for cause. Upon the transitional control date, or within ninety (90) days thereafter, the Board of Directors may terminate a service or management contract with the Developer or its affiliates. In addition, the Board of Directors may terminate any management contract which extends beyond one (1) year after the transitional control date by providing notice of termination to the management agent at least thirty (30) days before the expiration of the one (1) year.

Section 4. Officers. The Association Bylaws shall provide for the designation, number, terms of office, qualifications, manner of election, duties, removal and replacement of the officers of the Association and may contain any other provisions pertinent to Association officers not inconsistent herewith. Officers may be compensated, but only upon the prior affirmative vote of two-thirds (2/3) of the members.

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

Section 6. Indemnification of Officers and Directors. The Association shall indemnify every Association, director and officer against all expenses (including attorney's fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him, pursuant to the provisions of the Association By-laws.

## ARTICLE V

### OPERATION OF THE PROPERTY

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

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

Section 3. Books of Account. The Association shall keep or cause to be kept detailed books or account showing all expenditures and receipts affecting the Condominium and its administration of the Condominium and which specify the operating expenses of the Condominium. Such books of account shall specify the maintenance and repair expenses of the common elements and any other expenses incurred on behalf of the Association and members. The members and their mortgagees may inspect the books of account during reasonable working hours on normal working days at a place the Association designates. At least once a year, the Association shall prepare and distribute to each member a statement of its financial condition the contents of which shall be defined by the Association. All books and records shall be audited or reviewed by independent accountants annually. Such audits need not be certified.

Section 4. Regular Monthly Assessments. The Board of Directors shall establish an annual budget in advance for each fiscal year for the Condominium, and such budget shall contain the Board's estimate of the funds required to defray the expenses of administration for the forthcoming year, as those items are defined by these Bylaws, and all other common expenses. The budget also shall allocate and assess all such common charges against all members in accordance with the percentage of value allocated to each unit by the Master Deed, without increase or decrease for the existence of any rights to the use of limited common elements appurtenant thereto. The common expenses shall consist, among other things, of such amounts as the Board may deem proper for the operation, management and maintenance of the Condominium property under the powers and duties delegated to it hereunder, and may include, without limitation, amounts to be set aside for working capital of the Condominium, for a general operating fund, for a reserve fund and for meeting any deficit in the common expense budget for any prior year. The budget shall establish an adequate reserve fund for maintenance, repair and replacement of the general and limited common elements, which fund shall be financed by regular monthly payments rather than by special assessments. The Board shall advise each member in writing of the amount of common charges payable by him and shall furnish copies of each budget on which such common charges are based to all members, although failure to deliver a copy of the budget to each member shall not

affect any member's liability for any existing or future assessments. Should the Board of Directors at any time determine, in its sole discretion, that the assessments levied are or may prove to be insufficient: (a) to pay the operation and management costs of the Condominium (b) to provide for the maintenance, repair or replacement of existing common elements, (c) to provide additions to the common elements not exceeding \$2,000 annually, or (d) to provide for emergencies, the Board may increase the general assessments or levy such additional assessment or assessments, and apportion them, as it deems necessary. Members shall pay all assessments levied in accordance with this Section 4 in twelve (12) equal monthly installments, commencing with acquisition of title to a unit by any means.

Section 5. Special Assessments. Special assessments, in addition to those provided for in Section 4 above, may be levied by the Board of Directors from time to time, following approval by the members as hereinafter provided, to meet other needs, requirements or desires of the Association, including, but not limited to: (a) assessments for capital improvements or additions to the common elements at a cost exceeding \$2,000 per year; (b) assessments for the purchase or lease of a unit in the Condominium pursuant to Article VIII, Section 3; (c) assessments to purchase a unit upon foreclosure of a lien for assessments, as described in Section 6 hereof; or (d) to provide for emergencies, the Board may increase the general assessments or levy such additional assessment or assessments, and apportion them, as it deems necessary. Members shall pay all assessments levied in accordance with this Section 5 in twelve (12) equal monthly installments, commencing with acquisition of title to a unit by any means.

Section 6. Collection of Assessments. Each member, whether one or more persons, shall be and shall remain personally obligated for the payment of all assessments levied with regard to his unit during the time that he is the owner thereof, and no member may exempt himself from liability for his contribution toward the expenses of administration by waiver of the use or enjoyment of any of the common elements or by the abandonment of his unit. If any member defaults in paying assessed common charges, interest at the maximum legal rate shall be charged on such assessments from the due date thereof and further penalties or proceedings may be instituted by the Board of Directors in its discretion. If such assessment, or any part thereof, is not paid on or before the due date established by the Board of Directors for such payment, then such payment shall be in default. The Board of Directors may, but need not, report such a default to any mortgage of record. Any mortgagee of a Condominium unit may consider a default in the payment of any assessment a default in the payment of its mortgage. Unpaid assessments shall constitute a lien upon the unit prior to all other liens except tax liens and sums unpaid on a first mortgage of record.

The Association may enforce collection of delinquent assessments by a suit at law for a money judgment or by foreclosure of the lien that secures payment of assessments. Each member, and every other person, except a first mortgagee, who from time to time has any interest in the Condominium, shall be deemed to have granted to the Association the unqualified right to elect to foreclose such lien either by judicial action or by advertisement (in accordance with the provisions of Chapter 32 of the Michigan Revised Judicature Act, as amended). The provisions of Michigan law pertaining to foreclosure of mortgages by judicial action and by advertisement, as the same may be amended from time to time; are incorporated herein by reference for the purposes of establishing the alternative procedures to be followed in lien foreclosure actions and the rights and obligations of the parties to such actions. The Association is hereby granted what is commonly known as a "power of sale." Each member and every other person, except a first mortgagee, who from time to time has any interest in the Condominium shall be deemed to have authorized and empowered the Association to sell or to cause to be sold at public auction the unit with respect to which the assessment is delinquent and to receive, hold and distribute the proceeds of such sale in accordance with the priorities established by applicable law. Each member acknowledges that when he acquired title to his unit, he was notified of the provisions of this section and that he voluntarily, intelligently and knowingly waived notice of any proceedings brought by the Association to foreclose by advertisement the lien for nonpayment of assessments and a hearing on the same prior to the sale of the subject unit. Notwithstanding the foregoing, neither a judicial foreclosure action nor a suit at law for a money judgment shall be commenced, nor shall any notice of foreclosure by advertisement be published, until ten (10) days have expired after the mailing, by certified mail, return receipt requested and postage prepaid, addressed to the delinquent member at his last known address, of a written notice that an assessment, or any part thereof, levied against his unit is delinquent and that the Association may invoke any of its remedies hereunder if the default is not cured within ten (10) days after the date of mailing. A written affidavit of an authorized representative of the Association that sets forth (a) the affiant's capacity to make the affidavit, (b) the statutory and other authority for the lien, (c) the amount outstanding (exclusive of interest, costs, attorney fees and future assessments), (d) the legal description of the subject unit, and (e) the name of the member of record, shall accompany such written notice. Such affidavit shall be recorded in the Office of the Ottawa County Register of Deeds prior to the commencement of any foreclosure proceeding, but it need not have been recorded as of the date of mailing the notice. If the delinquency is not cured within the ten (10) day period, the Association may take such remedial action as may be available to it hereunder or under Michigan law. In the event the Association elects to foreclose the lien by advertisement, the Association shall so notify the representative of the delinquent member

designated in Article II, Section 3, above, and shall inform such representative that he may request a judicial hearing by bringing suit against the Association. The expenses incurred in collecting unpaid assessments, including interest, costs, reasonable attorney's fees (not limited to statutory fees) and advances for taxes or other liens paid by the Association to protect its lien, shall be chargeable to the member in default and shall be secured by the lien on his unit. If any member defaults in the payment of any installment of the annual assessment levied against his unit, the Association shall have the right to declare all unpaid installments of the annual assessment for the pertinent fiscal year immediately due and payable. In a judicial foreclosure action, the court may appoint a receiver to collect a reasonable rental for the unit from the member owning it or any persons claiming under him, and each member hereby covenants to the appointment of such a receiver. The Association may also stop furnishing any services to a member in default upon seven (7) days' written notice to such member of its intent to do so. A member in default on the payment of any assessment shall not be entitled to vote at any meeting of the Association so long as such default continues.

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

The Association may purchase a unit at any foreclosure sale hereunder.

#### Section 7. Obligations of the Developer.

Until such time as the regular monthly assessments paid by Co-owners other than the Developer shall be sufficient to support the total costs of administration (excluding reserves), the Developer shall pay the balance of such administrative costs on account of

the units owned by it, whether constructed or not. Such payments shall be in lieu of all other assessment liabilities.

After the time at which the regular monthly assessments paid by Co-owners other than the Developer are sufficient to support the costs of administration (excluding reserves), the Developer shall be assessed by the Association for actual costs, if any, incurred by the Association which are directly attributable to the Units being constructed by the Developer, together with a reasonable share of costs of administration which indirectly benefit the Developer (other than costs attributable to the maintenance of dwellings), based upon the ratio of completed units owned by the Developer from time-to-time to the total number of completed units in the Project. For purposes of this paragraph, a "completed" unit shall mean a Unit which meets all requirements for "substantial completion" under Section 103b(4) of the Act and which is eligible for the issuance of a Certificate of Occupancy or its equivalent by the local governmental authority. Provided, that if a Unit owned by the 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.

In no event shall the Developer be responsible for the payment of any assessment for or with respect to deferred maintenance, reserves, capital improvements or additions, whether general or special, except with respect to occupied units owned by it, nor for any assessment levied in whole or in part to purchase a unit from the Developer or to finance litigation or other claims against the Developer, any cost of investigation and preparing such litigation or claim or any similar related cost.

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

Each member shall provide the Association means of access to his unit and any limited common elements appurtenant thereto during all periods of absence, and if such member fails to provide means of access, the Association may gain access in such manner as may be

reasonable under the circumstances and shall not be liable to such member for any necessary damage to his unit and any limited common elements appurtenant thereto caused thereby or for the repair or replacement of any doors or windows damaged in gaining such access, the costs of which damages shall be borne by such member. Unless otherwise provided herein or in the Master Deed, damage to a unit or its contents caused by the repair or maintenance activities of the Association, or by the common elements, shall be repaired at the expense of the Association.

All other maintenance and repair obligations shall, as provided in the Master Deed, rest on the individual member. Each member shall maintain his unit and any limited common elements appurtenant thereto for which he has maintenance responsibility in a safe, clean and sanitary condition. Each member shall also use due care to avoid damaging any of the common elements including, but not limited to, the telephone, water, gas, plumbing, electrical or other utility conduits and systems and any other elements in any unit which are appurtenant to or which may affect any other unit. Each member shall be responsible for damages or costs to the Association resulting from negligent damage to or misuse of any of the common elements by him, his family, guests, agents or invitees, unless such damages or costs are actually reimbursed from insurance carried by the Association, in which case there shall be no such responsibility (if reimbursement to the Association is excluded by virtue of a deductible provision, the responsible member shall bear the expense to the extent of the deductible amount, anything else in these Bylaws to the contrary notwithstanding). Any costs or damages to the Association that are herein or elsewhere in the Condominium Documents assigned to the individual member may be assessed to and collected from the responsible member in the manner provided for regular assessments in Article V, Section 4, hereof.

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

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

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

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

Section 12. Statement of Unpaid Assessments. Pursuant to the provisions of the Act, the purchaser of any unit may request a statement from the Association as to the outstanding amount of any unpaid assessments thereon, whether regular or special. Upon written request to the Association accompanied by a copy of the executed purchase agreement pursuant to which the purchaser holds a right to acquire a unit, the Association shall provide a written statement of such unpaid assessments as may exist or a statement that none exist, which statement shall be binding upon the Association for the period stated therein. Upon the payment of that sum within the period stated, the Association's lien for assessments as to such unit shall be deemed satisfied; provided, however, that the failure of a purchaser to request such statement at least five (5) days prior to the closing of the purchase of such unit shall render any unpaid assessments and the lien securing the same fully enforceable against such purchaser and the unit itself.

#### ARTICLE VI

#### INSURANCE; REPAIR OR REPLACEMENT; CONDEMNATION; CONSTRUCTION LIENS

Section 1. Insurance. The Association shall carry fire and extended coverage, vandalism, malicious mischief and liability insurance, workmen's compensation insurance, if applicable, and such other insurance coverage as the Board may determine to be appropriate with respect to the ownership, use and maintenance of the general and limited common elements of the Condominium and the administration of Condominium affairs. Such insurance shall be carried and administered in accordance with the following provisions:



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

(b) All common elements of the Condominium 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 foundation and excavation costs, as determined annually by the Board of Directors of the Association. Such coverage shall also include interior walls within any unit and the pipes, wires, conduits and ducts contained therein and shall further include all fixtures, equipment and trim within a unit which were furnished with the unit by the Developer (or such replacements thereof as do not exceed the cost of such original items). Any improvements a member makes within his unit shall be covered by insurance obtained by him at his expense; provided that, if the Association elects to include such improvements under its insurance coverage, any additional premium cost to the Association attributable thereto shall be assessed to and borne solely by said member and collected as a part of the assessment levied against said member under Article V, Section 4, hereof.

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

(d) All premiums upon insurance policies purchased by the Association pursuant to these Bylaws shall be expenses of administration, except as otherwise provided in subsection (b) above.

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

(f) All insurance carried by the Association shall, to the extent possible, provide for crosscoverage of claims by one insured against another.

Section 2. Appointment of Association. Each member, by ownership of a unit in the Condominium, shall be deemed to appoint the Association as his true and lawful attorney-in-fact to act in connection with all matters concerning insurance pertinent to the Condominium, his unit and the common elements appurtenant thereto. Without limitation on the generality of the foregoing, the Association as said attorney shall have full power and authority to purchase and maintain such insurance; to collect and remit premiums therefor, to collect proceeds and to distribute the same to the Association, the members and respective mortgagees, as their interest may appear (subject always to the Condominium Documents), to execute releases of liability and to execute all documents and to do all things on behalf of such members and the Condominium as shall be necessary or convenient to accomplish the foregoing.

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

(a) If a common element or a unit is damaged, such property shall be rebuilt or repaired if any Condominium unit is tenantable, unless the members unanimously vote that the Condominium shall be terminated and each holder of a mortgage lien on any Condominium unit has given its prior written approval of such termination.

(b) If the Condominium is so damaged that no unit is tenantable, the damaged property shall not be rebuilt and the Condominium shall be terminated, unless seventy-five percent (75%) or more of the members and mortgagees in number and seventy-five percent (75%) of the members in value agree to reconstruction by vote or in writing within ninety (90) days after the destruction.

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

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

(e) Each member shall be responsible for the reconstruction and repair of the interior of his unit, including, but not limited to, floor coverings, wall coverings, window shades, draperies, interior walls (but not any common elements therein), interior trim, furniture, light fixtures and all appliances, whether freestanding or built-in, and items deemed to be the responsibility of the individual member by Article V C of the Master Deed. If damages to interior walls within a unit or to pipes, wires, conduits, ducts or other common elements therein is covered by insurance held by the Association, then the reconstruction or repair thereof shall be the responsibility of the Association in accordance with subsection (f). If any other interior portion of a unit, or item therein, is covered by insurance held by the Association for the benefit of the member, the member shall be entitled to receive the proceeds of insurance relative thereto, and if there is a mortgagee endorsement, the proceeds shall be payable to the member and the mortgagee jointly, without any change to the obligations set forth in this subsection (e).

(f) The Association shall be responsible for the reconstruction and repair of the common elements, and for any incidental damage to a unit and the contents thereof caused by such common elements or the reconstruction or repair thereof. Immediately after a casualty occurs causing damage to property for which the Association has the responsibility of maintenance, repair and reconstruction, the Association shall obtain reliable and detailed estimates of the cost to return the damaged property to a condition as good as that existing before the damage.

(g) Any insurance proceeds received, whether by the Association or a member, shall be used for reconstruction or repair when reconstruction or repair is required by these Bylaws. If the insurance proceeds are not sufficient to pay the estimated costs of reconstruction or repair required to be performed by the Association, or if at any time during such reconstruction or

repair, or upon completion of such reconstruction or repair, the funds for the payment of the costs thereof are insufficient, assessments shall be made against all members for the cost of reconstruction or repair of the damaged property in sufficient amounts to provide funds to pay the estimated or actual costs of repair. Such assessments shall be levied in the same manner as the regular monthly assessment, as set forth in Article V, Section 4, hereof.

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

(a) The Association, acting through its Board of Directors, may negotiate on behalf of all members for any taking of common elements. Any negotiated settlement shall be subject to the approval of two-thirds (2/3) or more of the members and mortgagees in number and two-thirds (2/3) of the members in value and shall thereupon be binding on all members.

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

(c) If any condemnation award shall become payable to any member whose unit is not wholly taken by eminent domain, then such award shall be paid by the condemning authority to the Association on behalf of such member and his mortgagee, as their interests may appear. If only a part of any unit is taken, the Association shall, if practical, use the award to rebuild the same to the extent necessary to make it habitable and remit the balance of the condemnation proceeds attributable to such unit to the owner and mortgagee thereof, as their interests may appear.

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

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

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

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

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

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

(a) Except as provided below, a construction lien for work performed on a Condominium unit or upon a limited common element may attach only to the unit upon or for the benefit of which the work was performed.

(b) A construction lien for work authorized by the Developer and performed upon the common elements may attach only to units owned by the Developer at the time of recording of the claim of lien.

(c) A construction lien for work authorized by the Association may attach to each unit only to the proportional extent

that the member owning the unit is required to contribute to the expenses of administration as provided by the Condominium Documents.

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

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

Section 6. Mortgagees. Nothing contained in the Condominium Documents shall be construed to give a Condominium unit owner, or any other party, priority over any rights of mortgagees of Condominium units pursuant to their mortgages in the case of a distribution to Condominium unit owners of insurance proceeds or condemnation awards for losses to or a taking of Condominium units, common elements or both.

## ARTICLE VII

### USE AND OCCUPANCY RESTRICTIONS: ENFORCEMENT

Section 1. Establishment of Restrictions. In order to provide for congenial occupancy of the Condominium, and for the protection of the value of the units, the use of Condominium property shall be subject to the following limitations.

(a) No Condominium unit shall be used for other than residential purposes in accordance with all applicable zoning ordinances and other local state and/or federal laws, rules and regulations. No unit will be used or occupied by other than a single family, its temporary guests, and family servants, and no unit will be used for other than a residential use.

(b) No member shall alter the exterior appearance or structurally modify his unit (including interior walls through or in which there exist easements for support or utilities) or change any of the limited or general common elements from the way it or they were originally constructed by the Developer, including, without limitation, painting the exterior or erecting antennae, lights, satellite dishes, aerials, awnings, doors, shutters or other exterior attachments or modifications, nor shall any member damage, modify or make attachments to common element walls between units, which alterations in any way impair the sound-conditioning properties thereof, without the written approval of the Board of Directors. The Board of Directors, in its sole discretion, may disapprove any such request. However it may only approve such alterations as do not impair the structural soundness, safety,

utility, or integrity of the Condominium. The Board of Directors may appoint an Environmental Control Committee and may delegate to it responsibility for establishing rules relating to the appearance of units and common areas, and the approval of the construction, maintenance and repair thereof. Even after approval, a member shall be responsible for all damages to any other units and their contents or to the common elements, resulting from any such alteration.

(c) No immoral, improper, unlawful or offensive activity shall be carried on in any unit or upon the limited or general common elements, nor shall anything be done which may be or become an annoyance or a nuisance to the members, nor shall any unreasonably noisy activity be carried on in any unit or on the common elements. No member owning any unit shall do or permit anything to be done or keep or permit to be kept in his unit or on the common elements anything that will increase the insurance rate on the Condominium without the written approval of the Association. Each member who is the cause thereof shall pay to the Association the increased cost of insurance premiums resulting from any such activity or the maintenance of any such condition.

(d) Neither the limited nor the general common elements shall be used to store supplies, materials, personal property, trash or refuse of any kind, except as provided in duly adopted Association rules and regulations. Trash removal shall be the responsibility of each Unit owner, subject to the following restrictions: all trash, garbage, and other waste is to be kept only in sanitary containers inside garages or otherwise within fully enclosed areas at all times and will not be permitted to remain elsewhere on the Condominium premises, except for such short periods of time as may be reasonably necessary to permit periodic collection. All trash, garbage and other waste must be removed from the Condominium premises at least once each week. Garage doors shall be kept closed at all times except as may be reasonably necessary to gain access to and from the garage. In general, no activity shall be carried on nor condition maintained by a member, either in his unit or upon the common elements, which spoils the appearance of the Condominium.

(e) Sidewalks, yards, landscaped areas, driveways, roads, parking areas, halls, stairs and, in general, all of the general common elements shall not be obstructed in any way nor shall they be used for purposes other than for which they are reasonably and obviously intended. No parking shall be allowed in private drives. Parking is allowed in driveway adjacent to Unit but not for a period of more than twenty-four (24) hours.

(f) No member shall use, or permit any occupant, agent, employee, invitee or guest to use, any firearms, air rifles, pellet guns, BB guns, bows and arrows or other similar dangerous weapons,

projections or devices anywhere on or about the Condominium Premises.

(g) No signs or other advertising devices shall be displayed which are visible from the exterior of a residential unit or on the common elements, including "For Sale" and "For Rent" signs, without written permission from the Association.

(h) In order to maintain a consistent exterior appearance at the Condominium, no member shall use or permit the use of any drape, drape liner or window covering visible from the exterior side of any window in the Condominium that is other than white.

(i) Pets are not allowed in the Project. If a condominium owner owns a pet at the time of purchase of a Unit, however, the pet will be allowed, subject to the following restrictions:

(1) Any animal must have such care and restraint so as not to be obnoxious or offensive on account of noise, odor, or unsanitary conditions.

(2) No dog may be outside a residence at any time unless the dog is accompanied by an attendant who shall have such dog firmly held by collar and leash.

(3) No person owning, harboring, or having in his possession any cat shall permit or allow such cat to run at large or in any yard or enclosure on the Condominium premises, except the person's Unit.

(4) No savage or dangerous animal will be kept in any Condominium unit.

(5) Owners will have full responsibility for any damage to persons or property caused by his or her pet.

(6) The owner is required to properly dispose of the waste his or her animal deposits on any property.

(7) No dog which barks and can be heard on any frequent or continuing basis will be kept in any residence or on any of the Common Elements.

(j) No recreational vehicles, house trailers, commercial vehicles, boat trailers, boats, campers, camping vehicles, camping trailers, snowmobiles, snowmobile trailers or vehicles other than automobiles or light trucks may be parked or stored upon the premises of the Condominium at any time, except while loading or unloading said equipment, which shall not exceed twenty-four hours.



(k) Reasonable regulations consistent with the Act, the Master Deed and these Bylaws, concerning the use of the common elements may be made and amended from time to time by any Board of Directors of the Association, including the Board of Directors established in the Articles of Incorporation (and its successors). Copies of all such regulations and amendments thereto shall be furnished to all members and shall become effective ten (10) days after mailing or delivery thereof to the designated voting representative of each member. Any such regulation or amendment may be revoked at any time by the affirmative vote of more than fifty percent (50%) of all members in number and in value at any duly convened meeting of the Association, except that the members may not revoke any regulation or amendment prior to the first meeting of the Association.

(l) No member shall perform any landscaping or plant any trees or shrubs or place any ornamental materials upon the common elements without the express written approval of the Board of Directors.

(m) None of the restrictions contained in this Article shall apply to the commercial activities or signs or billboards, if any, of the Developer during the development and sales period as defined hereinafter, or of the Association in furtherance of its powers and purposes set forth herein and in its Articles of Incorporation and Bylaws as the same may be amended from time to time. For the purposes of this subsection, the development and sales period shall be deemed to continue so long as Developer owns any unit which he offered for sale or so long as any additional unit may be created in the Condominium. Until all units that may be created in the Condominium have been sold by Developer, Developer shall have the right to maintain a sales office, a business office, a construction office, model units, storage areas, reasonable parking incident to the foregoing and such access to, from and over the project as may be reasonable to enable development and sale of the entire project by Developer.

Section 2. Enforcement. Failure to comply with any of the terms of the Act, the Master Deed, these Condominium Bylaws, the Articles of Incorporation, Bylaws or Rules and Regulations of the Association, shall be grounds for relief, which may include, without limitation, an action to recover sums due for such damages (including actual attorney's fees), injunctive relief, and any other remedy that may be appropriate to the nature of the breach. The failure of the Association to enforce any right, provision, covenant or condition which may be granted by the Act, the Master Deed, these Bylaws, the Articles of Incorporation, Bylaws or Rules and Regulations of the Association, shall not constitute a waiver of the right of the Association to enforce such right, provision, covenant or condition in the future.

ARTICLE VIIIAPPROVAL OF TRANSFER OR LEASE

Section 1. Approval Required. No member owning any unit may transfer or dispose of his unit or any interest therein in any manner, except by mortgage as provided in Article IX hereof, nor may any such transfer or disposal occur by operation of law, except to another member, without the prior approval of the Board of Directors. Any transfer or disposal in violation of this Article shall be wholly void.

Section 2. Notices of Desire and Intent.

(a) A member who desires to rent or lease his Condominium unit for any term shall provide notice of such desire to the Board of Directors at least ten (10) days before presenting a lease form to a potential tenant. At the same time, the member shall provide to the Board a copy of the exact lease form proposed so that the Board may review it for compliance with the Condominium Documents. Tenants and nonco-owner occupants shall comply with all of the conditions of the Act and the Condominium Documents, and all leases and rental agreements shall so state. The Board shall advise the member of any deficiencies in the lease form and the member shall correct such deficiencies as directed by the Board before presenting a copy of the lease form to a potential tenant. If the Developer desires to rent or lease a Condominium unit before the transitional control date, it shall notify either the Advisory Committee or each co-owner in writing.

(b) A member who intends to sell or lease his unit, or any interest therein, shall give written notice of such intention to the Board of Directors, together with the name and address of the intended purchaser or tenant, the terms and conditions of the proposed transaction (including an executed copy of the exact form of lease or sale contract) and such other information concerning the intended sale or lease as the Board may reasonably require. The giving of such notice of intent shall constitute a warranty and representation by the member to the Association as hereinafter provided that such member believes the proposal to be bona fide in all respects. No proposed transaction shall be considered by the Board under this Article, and no notice of a proposed transaction shall be deemed given, which is not evidenced by an exact copy of the agreement of sale or lease, subject to the approval and right of first refusal contained herein. Such agreement must be executed by the selling or leasing member and the proposed purchaser or tenant and must contain all pertinent terms of the sale or lease proposed to be made. If the notice and information herein required is not presented to the Board, then at any time after learning of a transaction or event transferring ownership or possession of a unit, the Board may, without notice, disapprove the transaction or new ownership.

Section 3. Approval or Disapproval. Within ten (10) days after receipt of a notice of intent as described in subsection 2(b) of this Article, the Board must request any additional information it deems pertinent to approve or disapprove the transaction. Within thirty (30) days after receipt of all requested information, the Board must either approve or disapprove the proposed transaction. If approved, the approval shall be stated in a certificate executed by the President and Secretary in recordable form, and shall be delivered to the purchaser or tenant. If disapproved, and the proposed lease otherwise complies with the provisions of this Article, the Association shall offer to purchase or lease, or provide another purchaser or tenant acceptable to it, on terms not less favorable to the seller or landlord than those originally proposed, and the seller or landlord shall be bound to consummate the transaction with such approved purchaser or permit the approved tenant to enter into possession within thirty (30) days thereafter. If the Association shall fail to purchase or lease, or to provide a purchaser or tenant, in the event of disapproval, then, notwithstanding said disapproval, the transaction shall be deemed to have been approved and a certificate of approval to have been furnished as provided for herein.

In the event of a transfer, or attempted transfer, by operation of law, the Board shall have thirty (30) days after its receipt of notice thereof, together with all information requested by it, to purchase the unit for its fair market value in accordance with the terms of this Section.

Section 4. Exempt Transactions. The Developer shall not be subject to this Article for the initial sale or, prior to the first meeting of members of the Association, as defined in Article III, Section 1, for the lease of any Condominium unit, nor shall this Article apply to a public or private sale held pursuant to foreclosure of a mortgage, transfer of title to a mortgagee by deed in lieu of foreclosure or similar remedy, or transfer of title pursuant to any other remedy contained in a mortgage, to the first subsequent transfer of title by any mortgagee or other person acquiring ownership by any of these means or to any lease by a mortgagee. Transfer by bona fide gift, devise or inheritance shall not be subject to this Article, provided that a member who has obtained his title by gift, devise or inheritance shall give notice to the Board of Directors of the acquisition, together with such personal information as the Board may reasonably require and a certified copy of the instrument evidencing his title.

Section 5. Additional Restrictions on Leasing. No member shall lease less than an entire unit in the Condominium and no co-owner shall be permitted to lease a unit, except under written lease, the initial term of which is at least six (6) months. In addition, no co-owner shall lease any unit to more than two (2) persons who are not all members of the same immediate family. The

Board may, except to the extent prohibited by law, require a security deposit from any proposed tenant as a condition to the approval of any lease.

Section 6. Nonco-owner Compliance.

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

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

(i) The Association shall advise the appropriate member by certified mail of the alleged violation by a person occupying his unit.

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

(iii) If after fifteen (15) days the Association believes that the alleged breach has not been cured or may be repeated, it may institute on its behalf, or derivatively by the members on behalf of the Association if it is under the control of the Developer, an action for eviction against the nonco-owner occupant and, simultaneously, for money damages, including actual attorney's fees, against the member and nonco-owner occupant for the breach of the conditions of the Condominium Documents or of the Act. The relief set forth in this section may be by any appropriate proceeding. The Association may hold both the nonco-owner occupant and the member liable for any damage caused to the Condominium.

ARTICLE IX

MORTGAGES

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

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

Section 3. Notice of Default. The Association may, but shall not be required to, give to the holder of any mortgage covering any unit in the project written notification of any default in the performance of the obligations of the member owning such unit that is not cured within sixty (60) days.

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

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

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

## ARTICLE X

### AMENDMENTS

Section 1. Proposal. Amendments to these Bylaws may be proposed by the Board of Directors of the Association acting upon the vote of a majority of the Directors or by one-third (1/3) or more in number of the members by an instrument in writing signed by them.

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

Section 3. Vote Required. These Condominium Bylaws may be amended by an affirmative vote of two-thirds (2/3) of all members and mortgagees in number and two-thirds (2/3) of all members in value at any regular meeting, or at a special meeting called for such purpose. For purposes of such voting, each mortgagee shall have one (1) vote for each mortgage held.

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

Section 5. Amendments Concerning Leases. Provisions in these Bylaws relating to the ability or terms under which a member may rent his unit may not be modified and amended without the consent of each affected member and mortgagee.

Section 6. Effective Date. Any amendment to these Bylaws (but not the Association Bylaws) shall become effective upon the recording of such amendment in the Office of the Register of Deeds in the county where the Condominium is located. Without the prior written approval of a majority of the holders of mortgage liens on any unit in the Condominium, no amendment to these Bylaws shall become effective which involves any change, direct or indirect, in Article I, Section 2; Article V, Sections 3, 4 and 6; Article VI; Article IX; and Article X, Sections 3 and 6; or to any other provision hereof that alters or changes materially the rights of any member or mortgagee.

Section 7. Costs of Amendment. Any person or persons causing or requesting an amendment to these Condominium Bylaws shall be responsible for the costs and expenses of considering, adopting, preparing and recording such amendment, if requested by the Board of Directors. The costs and expenses relating to all other amendments adopted pursuant hereto shall be expenses of administration.

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

#### ARTICLE XI

#### DEFINITIONS

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

ARTICLE XIIREMEDIES FOR DEFAULT

Section 1. Relief Available. Any default by a member shall entitle the Association or another member or members to the following relief:

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

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

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

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

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

Section 3. Rights Cumulative. All rights, remedies and privileges granted to the Association or any member or members pursuant to any terms, provisions, covenants or conditions of the Condominium Documents shall be deemed to be cumulative and the exercise of any one or more shall not be deemed to constitute an

election of remedies, nor shall it preclude the party exercising the same from exercising such other and additional rights, remedies or privileges as may be available to such party at law or in equity.

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

### ARTICLE XIII

#### ARBITRATION

Section 1. Submission to Arbitration. Any dispute, claim or grievance arising out of or relating to the interpretation of application of the Master Deed, Bylaws or other condominium documents, or to any disputes, claims or grievances arising among or between the members or between such members and the Association shall, upon the election and written consent of all the parties to any such dispute, claim or grievance, and written notice to the Association, be submitted to arbitration, and the parties thereto shall accept the Arbiter's decision as final and binding. The Commercial Arbitration Rules of the American Arbitration Association, as amended and in effect from time to time hereafter, shall be applicable to such arbitration.

The arbiter may be either an attorney acceptable to both parties or a panel of three (3) individuals, at least one (1) of whom shall be an attorney. The panel shall be composed of one (1) individual appointed by the member and one (1) individual appointed by the Board of Directors of the Association. These two panelists will then promptly agree on the third member of the panel. No member who is a natural person may appoint himself or a member of his household to the panel. No corporate member may appoint one of its directors, officers or employees to the panel. Neither may a member serve on behalf of the Board.

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

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



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

ARTICLE XIV

SEVERABILITY

If any of the terms, provisions, or covenants of these Bylaws or the Condominium Documents are held to be partially or wholly invalid or unenforceable for any reason 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.

ARTICLE XV

CONFLICTING PROVISIONS

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

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

DATED: August 14, 1995

WITNESSES:

Green Meadow Farms Partnership  
Developer

Gail Ikero  
GAIL IKERO

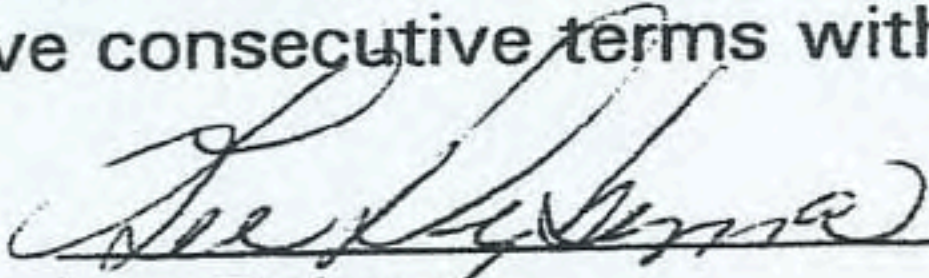
By: Lee Dykema  
Lee Dykema  
Its Authorized Partner

Kristin Van Solkema  
KRISTIN VAN SOLKEMA

AMENDMENT TO THE BYLAWS OF  
MEADOWS EAST CONDOMINIUM ASSOCIATION, INC.

This amendment, effective September 1, 1995, is for purposes of amending the Bylaws of Meadows East Condominium Association, Inc., effective August 23, 1995. Article III, Section 1 is hereby deleted and replaced by the following:

" Section 1. Number and Term. The business, property and affairs of the Association shall be managed by a Board of Directors initially composed of three (3) persons. At the transitional control meeting, the Association Members will elect five (5) persons to the board, and the board thereafter shall continue to be composed of five (5) persons. The terms will be staggered so that the terms of a portion of the directors will expire each year. The first year, the term of office for the three candidates who receive the highest number of votes will be two (2) years; and the term of office for the remaining two candidates will be one (1) year. Thereafter, all terms will be for a period of two (2) years. A director shall hold office until his successor is elected and qualified, or until his resignation or removal or until he ceases to be a co-owner. A director may serve consecutive terms without limit."

  
\_\_\_\_\_  
Lee Dykema  
President