

EXHIBIT A

CONDOMINIUM BYLAWS

WHISKEY CREEK

ARTICLE I

CONDOMINIUM PROJECT

Section 1. Organization. Whiskey Creek, a campsite condominium project located in the Township of Logan, Mason County, Michigan (the "Project"), is being developed in successive segments so as to comprise a maximum of 285 campsite units (the "Units"). Upon the recording of the Master Deed, the management, maintenance, operation and administration of the Project shall be vested in an Association of Co-owners organized as a non-profit corporation under the laws of the State of Michigan (the "Association").

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

ARTICLE II

MEMBERSHIP AND VOTING

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

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

Section 3. Members Entitled to Vote. No Co-owner, other than the Developer, shall be entitled to vote at any meeting of the Association until he has presented written evidence of ownership of a Condominium Unit in the Project, nor shall he be entitled to vote (except for elections held pursuant to Article III, Section 4 hereof) prior to the Initial Meeting of Members. The Developer shall be entitled to vote only those Units to which it still holds title and for which it is paying the annual assessment in effect at the date on which the vote be cast.

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

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

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

### ARTICLE III

#### MEETINGS AND QUORUM

Section 1. Initial Meeting of Members. The initial meeting of the members of the members of the Association may be convened only by the Developer and may be called at any time after 50% or more of the Units in Phase I of the Project have been sold and the purchasers thereof qualified as members of the Association. In no event, however, shall such meeting be called later than 120 days after the

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

Section 2. Annual Meeting of Members. Thereafter, an annual meeting of the members shall be held in each year at the time and place specified in the Association By-Laws. At least 10 days prior to the date of an annual meeting, written notice of the time, place and purpose of such meeting shall be mailed to each member entitled to vote at the meeting; provided, that not less than 20 days written notice shall be provided to each member of any proposed amendment to these By-Laws or to other Condominium Documents.

Section 3. Advisory Committee. Not later than 120 days after conveyance of legal or equitable title to non-developer Co-owners of one-third of the Units that may be created, or one year after the initial conveyance of legal or equitable title to a non-developer Co-owner of a Unit in the Project, whichever first occurs up to three persons shall be selected by the Developer from among the non-developer Co-owners to serve as an Advisory Committee to the board of Directors. The Purpose of the Advisory Committee shall be to facilitate communication between the Board of Directors and the non-developer Co-owners and to aid in the ultimate transition of control to the Association. The members of the advisory Committee shall serve for one (1) year, or until their successors are selected, and the Advisory Committee shall automatically cease to exist at the Transitional Control Date. The Board of Directors and the Advisory Committee shall meet with each other at such times as may be requested by the Advisory Committee; provided, however, that there shall be not more than two such meetings each year unless both parties agree.

Section 4. Composition of Board. Not later than 120 days after conveyance of legal or equitable title to non-developer Co-owners of 25% of the Units that may be created, at least 1 Director and not less than one-fourth of the Board of Directors of the Association shall be elected by non-developer Co-owners. Not later than 120 days after conveyance of legal or equitable title to non-developer Co-owners of 50% of the Units that may be created, not less than one-third of the Board of Directors shall be elected by non-developer Co-owners. Not later than 120 days after conveyance of legal or equitable title to non-developer Co-owners of 75% of the units that may be created, and before conveyance of 90% of such units, the non-developer Co-owners shall elect all Directors on the Board except that the Developer shall have the right to designate at least one Director as long as the Developer owns and offers for

sale at least 10% of the units in the Project or as long as 10% of the Units remain that may be created.

Notwithstanding the formula provided above, 54 months after the first conveyance of legal or equitable title to a non-developer Co-owner of a Unit in the Project, if title to not less than 75% of the units that may be created has not been conveyed, the non-developer Co-owners shall have the right to elect a number of members of the Board of Directors of the Association equal to the percentage of units they hold, and the Developer has the right to elect a number of members of the Board equal to the percentage of Units which are owned by the Developer and for which assessments are payable by the Developer. This election may increase, but shall not reduce, the minimum election and designation rights otherwise established herein. Application of this provision does not require a change in the size of the Board as set forth in the corporate by-laws.

If the calculation of the percentage of members of the Board that the non-developer Co-owners have a right to elect hereunder, or if the product of the number of members of the Board multiplied by the percentage of units held by the non-developer Co-owners results in a right of non-developer Co-owners to elect a fractional number of members of the Board, then a fractional election right of 0.5 or greater shall be rounded up to the nearest whole which number shall be the number of members of the Board that the non-developer Co-owners shall have the right to elect.

After application of this formula, the Developer shall have the right to elect the remaining members of the Board. Application of this provision shall not eliminate the right of the Developer to designate at least one member as provided herein.

Section 5. Quorum of Members. The presence in person or by proxy of thirty-five (35%) percent of the Co-owners entitled to vote shall constitute a quorum of members. The written vote of any person furnished at or prior to any duly called meeting at which meeting said person is not otherwise present in person or by proxy shall be counted in determining the presence of a quorum with respect to the question upon which the vote is cast.

#### ARTICLE IV

##### ADMINISTRATION

Section 1. Board of Directors. The business, property and affairs of the association shall be managed and administered by a Board of Directors to be elected in the manner set forth in the Association By-Laws; provided, that the directors designated in the Articles of Incorporation shall serve until such time as their successors have been duly elected and qualified at the initial meeting of members. All actions of the first Board of Directors of the Association named in its Articles of Incorporation or any successor thereto elected by the Developer before the initial

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

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

- (a) Care, upkeep and maintenance of the common elements;
- (b) Development of an annual budget, and the determination, assessment and collection of amounts required for the operation and other affairs of the condominium;
- (c) Employment and dismissal of personnel as necessary for the efficient management and operation of the Condominium property;
- (d) Adoption and amendment of rules and regulations covering the details of the use of Condominium property;
- (e) Opening bank accounts, borrowing money and issuing evidences of indebtedness in furtherance of the purpose of the Condominium, and designating signatories required therefore;
- (f) Obtaining insurance for condominium property, the premiums of which shall be an expense of administration;
- (g) Granting concessions and licenses for the use of portions of the common elements for purposes not inconsistent with the provisions of the Act or of the Condominium Documents;
- (h) Authorizing the execution of contracts, deeds of conveyance, easements and rights-of-way affecting any real or personal property of the Condominium on behalf of the Co-owners;
- (i) Making repairs, additions and improvements to, or alterations of, the Condominium property, and repairs

to and restoration of the property in accordance with the other provisions of these By-Laws after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings;

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

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

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

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

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

emergency repairs necessary to prevent damage to other Units, the common elements or both.

Section 5. Reserve Fund. The Association shall maintain a reserve fund, to be used only for major repairs and replacement of the common elements, as required by Section 105 of the Act. Such fund shall be established in the minimum amount hereinafter set forth on or before the Transitional Control Date, and shall, to the extent possible, be maintained at a level which is equal to or greater than 10% of the then current annual budget of the Association on a noncumulative basis. The minimum reserve standard required by this Section may prove to be inadequate, and the Board shall carefully analyze the project from time to time in order to determine if a greater amount should be set aside or if additional reserve funds shall be established for other purposes.

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

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

Section 8. Officers. The Association By-Laws shall provide the designation, number, terms of office, qualifications, manner of election, duties, removal and replacement of officers of the Association and may contain any other provisions pertinent to officers of the Association not inconsistent herewith. Officers may be compensated, but only upon the affirmative vote of sixty-seven (67%) per cent or more of all Co-owners in number and in value.

Section 9. Indemnification. All directors and officers of the Association shall be entitled to indemnification against costs and expenses incurred as a result of actions (other than willful or wanton misconduct or gross negligence) taken or failed to be taken on behalf of the Association upon 10 days notice to all Co-owners, in the manner and to the extent provided by the Association By-Laws. In the event that no judicial determination as to indemni-

fication has been made, an opinion of independent counsel as to the property of indemnification shall be obtained if a majority of Co-owners vote to procure such an opinion.

## ARTICLE V

### ASSESSMENTS

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

Section 2. Determination of Assessments. The Board shall from time to time, and at least annually, adopt a budget for the Condominium; provided, however, that absent approval by a vote of 67% or more of the Co-owners in number and in value, no budget shall exceed 115% of the prior years budget. Each budget shall include a the estimated funds required to defray common expenses for which the Association has responsibility for the next ensuing year, including a reasonable allowance for contingencies and reserves, and shall allocate and assess such common charges against all Co-owners according to their respective common interests on January 1st of each year. Absent Co-owner approval as herein provided, such assessment shall be increased only in accordance with the following:

- (a) If the Board shall find the budget as originally adopted is insufficient to pay the costs of operation and maintenance of the common elements;
- (b) To provide for the replacement of existing common elements;
- (c) To provide for the purchase of additions to the common elements in an amount not exceeding \$10.00 per unit annually; or
- (d) In the event of emergency or unforeseen development.

Any increase in assessments other than or in addition to the foregoing shall be considered as a special assessment requiring



approval by a vote of 67% or more of the Co-owners in number and in value.

Section 3. Levy of Assessments. All assessments levied against the Co-owners to cover expenses of administration shall be apportioned among the Co-owners on an equal basis, payable in advance on January, 1 of each year, without increase or decrease for the existence of any rights to the use of limited common elements appurtenant thereto. The Board of Directors, including the first Board appointed by the Developer, may relieve a Unit Owner (including the Developer) whose unit remains unoccupied during the entire camping season, from the payment of all or some portion of his respective allocable share of the Association budget. The purpose of this section is to provide fair and reasonable relief from some part of the association assessments for non-resident owners until such owners actually begin to utilize the common elements on a regular basis.

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

Section 4. Collection of Assessments. Each Co-owner shall be obligated for the payments of all assessments levied with regard to his Unit during the time that he is the owner thereof, and no Co-owner 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. In the event of default by any Co-owner in paying the assessed common charges, the Board may declare all unpaid quarterly installments of the annual assessment for the pertinent fiscal year immediately due and payable. In addition, the Board may impose reasonable fines or charge interest at the legal rate on such assessment from the due date thereof. Unpaid assessments shall constitute a lien on the Unit prior to all other liens except tax liens in favor of any state or federal taxing authority and sums unpaid upon a first mortgage of record recorded prior to the recording of any notice of lien by the Association, and the association may enforce the collection thereof by suit at law for a money judgment or by foreclosure of the liens securing payment in the manner provided by Section 108 of the Act. In an action for foreclosure, a receiver may be appointed and reasonable rental for the Unit may be collected from the Co-owner thereof or anyone

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

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

The Association may also enter upon the common elements, limited or general, or upon the condominium Units as necessary to remove and abate any condition, and may discontinue the furnishing of electrical service and/or any other services furnished by the association to a Co-owner in default under any of the provisions of the Condominium Documents upon 7 days written notice to such Co-owner of its intent to do so. A Co-owner in default shall not be entitled to utilize any of the general common elements of the Project and shall not be entitled to vote at any meeting of the association so long as such default continues; provided that this provision shall not operate to deprive any Co-owner of ingress and egress to and from his Unit.

All payments on account of installments of assessments in default shall be applied in the following manner: first, to costs of collection and enforcement of payment, including reasonable attorney fees; second, to any interest charges and/or fines for late payment on such installments; and third, to installments in default in order of their due dates.

Section 5. Obligation of the Developer. Until such time as the regular annual 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. Such payments shall be in lieu of all other assessment liabilities.

After the time at which the regular annual assessments paid by Co-owners other than the Developer are sufficient to support the total 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 owned by the Developer, together with a reasonable share of the costs of administration which indirectly benefit the Developer based upon the ratio of Units owned by the Developer from time-to-time to the total number of Units in the Project. Provided, that if a Unit owned by the Developer is leased or otherwise occupied for all or part of the rental season in any year by a person holding under or through the Developer, the Developer shall pay the regular annual assessment with respect to such Unit.

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 finance litigation or other claims against the Developer, any cost of investigation and preparing such litigation or claims or any similar related cost.

## ARTICLE VI

### TAXES, INSURANCE AND REPAIR

Section 1. Taxes. All special assessments and property taxes shall be assessed against the individual Units and not against the total property of the Project or any part thereof, except for the year in which the Project or any phase thereof was established subsequent to the tax day. Taxes and special assessments which become a lien against the property of the Condominium in any such year shall be expenses of administration and shall be assessed against the Units in proportion to the number of votes in the Association assigned to each Unit. Special assessments and property taxes in any year in which the property existed as an established Project on the tax day shall be assessed against the individual Units notwithstanding any subsequent vacation of the Project.

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

Section 2. Insurance. The Association shall be appointed as Attorney-in-Fact for each Co-owner to act in connection with insurance matters and shall be required to obtain and maintain, to the extent appropriate given the nature of the common elements of the Project, fire and extended casualty coverage, vandalism and malicious mischief endorsements, and liability insurance and compensation insurance pertinent to the ownership, use and

maintenance of the common elements of the Project. All such insurance shall be purchased by the Board of Directors for the benefit of the association, the Co-owners, their mortgagees and the Developer, as their interests may appear. Such insurance, other than title insurance, shall be carried and administered in accordance with the following provisions:

(a) All such insurance shall be purchased by the Board of Directors for the benefit of the Association, the Co-owners, the mortgagees and the Developer, as their interests may appear. The Association and all Co-owners shall use their best efforts to see that all property and liability insurance carried by the Association or any Co-owner shall contain appropriate provisions whereby the insurer waives its rights of subrogation as to any claims against any Co-owner or the Association.

(b) Each Co-owner shall be responsible for obtaining fire and extended coverage and vandalism and malicious mischief insurance with respect to his recreational unit and all improvements constructed or installed within the perimeter of his Condominium Unit, and for his other personal property located therein or elsewhere on the Condominium Project. Each Co-owner shall also be obligated to obtain insurance coverage for his personal liability for occurrences within the perimeter of his Condominium Unit or within the recreational unit located thereon. The Association shall, under no circumstances, have any obligation to obtain any of the insurance coverage described in this sub-paragraph, nor any liability to any person for failure to do so.

(c) The Association may maintain, if desired, adequate fidelity coverage to protect against dishonest acts by its officers, directors, trustees and employees and all others who are responsible for handling funds of the Association.

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

(e) Each individual Co-owner shall indemnify and hold harmless every other Co-owner, the Association and the Developer for all damages, costs and judgments including actual attorney fees, which any indemnified party may suffer as a result of defending claims arising out of an occurrence on or within such individual Co-

owner's Unit or appurtenant limited common elements. This provision shall not be construed to give an insurer any subrogation right or other right or claim against any individual Co-owner, the Association or the Developer.

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

Section 3. Reconstruction and Repair. If the Condominium Project or any of its general common elements are destroyed or damaged, in whole or in part, the same shall be reconstructed or repaired in accordance with the following provisions:

(a) If any general common element is damaged, the property shall be rebuilt or repaired substantially in accordance with the Master Deed and the plans and specifications for the Project to a condition as comparable as possible to that existing prior to damage unless the Co-owners unanimously decide to the contrary.

(b) If the damage is to a recreational unit or to any other improvement located within the perimeter of Condominium Unit with respect to which the Co-owner is obligated to maintain insurance coverage, it shall be the responsibility of the Co-owner to repair such damage as set forth herein. In all other cases, the responsibility for reconstruction, and repair shall be that of the Association.

(c) In the event of any substantial damage to or destruction of any Condominium Unit or any part of the common elements, the Association shall promptly notify each institutional holder of a first mortgage lien on any of the Units in the Condominium.

(d) The Association shall be responsible for any incidental damage to any improvements located within the perimeter of a Unit caused by the destruction of the general common elements. Immediately after a casualty 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 replace the damaged property to a condition as good as that existing before the damage. If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction or repair 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 Co-owners for the cost of reconstruction

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

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

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

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

(c) If portions of a Unit are taken by eminent domain, the court shall determine the fair market value of the portions of the Unit not taken. The undivided interest for each Unit in the common elements appertaining to the condominium units shall be reduced in proportion to the diminution in the fair market value of the unit resulting from the taking.

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

(d) If the taking of the portion of a Unit makes it impractical to use the remaining portion of that Unit for a lawful purpose permitted by the condominium Documents, then the entire undivided interest in the common elements appertaining to that Unit shall thenceforth appertain to the remaining Units in the Project, being allocated to them in proportion to their respected undivided interest in the common elements. The remaining portion shall thenceforth be a common element. The court shall enter an order reflecting re-allocation of undivided interests produced thereby, and the award shall include just compensation to the Co-owner of the Unit for the Co-owners entire undivided interest in the common elements and for the entire condominium Unit.

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

## ARTICLE VII

### USE AND OCCUPANCY RESTRICTIONS

Section 1. Recreational Use. Condominium Units shall be used exclusively for recreational purposes and other purposes customarily incidental thereto. No recreational unit shall be parked or placed within the perimeters of a Condominium Unit without the prior written consent of the Board of Directors, which consent may be withheld for aesthetic or other reasons including the age and condition of the vehicle to be located within the Unit. No tent shall be placed within a Unit or occupied for more than 72 hours without the consent of the Association, and camping trailers with pop-up attachments shall not be used for longer than four (4) years from the initial date of occupancy.

All park models and travel trailers must be skirted with permanently installed aluminum, wood or vinyl skirting, and Fifth wheels with clip-on plastic skirting, within 180 days after arrival on site in the Project and all slide-outs and tip-outs installed on such Units must be similarly skirted within such 180 day period.

Section 2. Common Areas. The common elements shall be used only by the Co-owners of Units in the Condominium and by their agents, tenants, family members, invitees and licensees for access, ingress to and egress from the respective Units and for septic system drain fields and other purposes incidental to the use of the

Units. Sidewalks, yards, landscaped areas, driveways, roads and parking areas shall not be obstructed in any way nor used for purposes other than those for which they are reasonably and obviously intended. No bicycles, vehicles, chairs or benches shall be left unattended on or about the common elements, and all use of beaches and recreational facilities shall be limited to such times and in such manner as the Association may determine by duly adopted rules and regulations.

Section 3. Unit Improvements. The Developer intends that a recreational unit of the type permitted by Section 1 of this Article and other improvements permitted hereby may be located within the perimeters of each Condominium Unit by individual Co-owners. The age, style and appearance of the initial recreational unit and improvements shall be subject to approval of the Developer, and that of any later changes in a recreational unit or improvement to approval of the Association or any aesthetic committee established by the Association, to ensure that all recreational units and other living areas are maintained in "like new" condition.

Section 4. Specific Prohibitions. Without limiting the generality of the forgoing provisions, use of the Project and all common elements by any Co-owner shall be subject to the following restrictions:

- (a) No more than six (6) persons (including family members and guests) shall occupy or reside in a single recreational unit within the Project without the express prior written approval of the Association, and teenagers or younger children shall not be permitted to occupy a Unit without the presence of their parents. A companion unit may be placed in Units of sufficient size on a temporary basis with the prior consent of the Association, but not more than one recreational vehicle shall permanently occupy any Unit in the Project.

In the event that a violation of this restriction by a family in occupancy of a Unit results from the birth or adoption of a child, or the marriage or remarriage of a family member, this restriction shall be suspended as to such family for a period of one year to provide such family a reasonable time in which to cure such violation or otherwise dispose of the Unit.

- (b) Outbuildings not exceeding 12 feet by 16 feet in size, screened porches, decks, patios and carports are permitted on the Condominium sites, but no improvement, including those listed above, shall be placed or erected on any Condominium site without the prior written approval of the Association. Each Co-owner is responsible for obtaining all approvals and permits, including a building permit, required by any governmental



authority prior to the construction of any improvement on a Condominium site, and neither the Developer nor the Association shall have any responsibility therefor. All construction not performed by the Unit owner must be done only by licensed, insured contractors, and a copy of a current license and proof of insurance (including contractors public liability) shall be filed with the Association before work is commenced. Recreational units must also be situated only on the pad or at another location within the Unit which has been approved by the Association. No additional patios shall be constructed on any Unit without prior consent of the Association.

(c) No co-owner shall make any alterations, additions or improvements to any common element, nor remove any tree or live growth, nor make any other changes to the appearance of his Unit without the prior written approval of the Association. No trees or other live growth of five (5") inches or larger in diameter shall be removed from any Unit, and no fences, railroad ties or screening devices of any kind, either temporary or permanent, shall be placed around the perimeter of any Condominium Unit without prior Association approval.

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

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

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

(g) No Co-owner shall display, hang or store any clothing, sheets, blankets, laundry or other articles (other than swim suits and/or beach towels) outside a recreational unit without the prior written permission of the Board or the written permission of the Managing Agent. The foregoing restriction shall not be construed

to prohibit a Co-owner from placing and maintaining outdoor furniture and decorative foliage of a customary nature and appearance on a porch, patio or deck attached to his recreational unit.

(h) No more than two (2) domestic animals (excluding horses) may be kept in any Unit without the prior written consent of the Association, which consent, if given, shall be revocable at any time by the Board of Directors thereof. Pets permitted by the Association shall be kept only in compliance with the rules and regulations promulgated by the Board of Directors from time to time, and must at all times be kept under such care and restraint as not to be obnoxious on account of noise, odor or unsanitary conditions. No animal shall be permitted to run loose upon the common elements, limited or general, and the owner of each pet shall be responsible for cleaning up after it.

The Association may charge any Co-owner maintaining animals a reasonable additional assessment to be collected in the manner provided in these bylaws if the Association determines such assessment to be necessary to defray the maintenance costs to the Association of accommodating animals within the Condominium. The Association may also, without liability to the owner thereof, remove or cause any animal to be removed from the Condominium which it determines to be in violation of the restrictions imposed by this section or which otherwise proves to be in annoyance to other residents.

Any person who causes or permits any animal to be brought or kept on the Condominium property shall indemnify and hold harmless the Association for any loss, damage or liability which the Association may sustain as a result of the presence of such animal on the Condominium property.

(i) No more than one (1) motorized vehicle, boat or trailer (other than a recreational unit) shall be parked or stored within the perimeters of a Condominium Unit for more than 24 hours without the prior written approval of the Association, nor shall any maintenance or repair be performed on any vehicle or boat while on the Unit. No more than two (2) automobiles or other vehicles customarily used for transportation purposes shall be kept on any Unit by those persons residing in any Unit; provided, that a third automobile or other vehicle will be permitted outside the Unit if parked in designated visitor parking areas and not along or adjacent to any drive or within the roadway right-of-way adjacent thereto. No commercial vehicles or trucks shall be parked in or about the Condominium except for

the making of deliveries or pickups in the normal course of business.

(j) No Co-owner shall use, or permit the use by any occupant, agent, tenant, invitee, guest or member of his family of any firearm, air rifles, pellet guns, B-B guns, bows and arrows, sling-shots, fireworks (other than hand-held sparklers) or other dangerous weapons, projectiles or devices anywhere on or about the Condominium Project. The Whiskey Creek recreation area is a nature preserve in which the discharge of firearms of any kind is prohibited, subject to the imposition of fines. No barbecue pits shall be constructed or open fires permitted within a Unit or on the common elements without the express prior written approval of the Association or its manager.

(k) The common elements shall not be used for the storage of supplies or personal property, and trash or refuse shall be placed only in common trash receptacles located at the discretion of the Board of Directors. In general, no activity shall be carried on nor condition maintained by any Co-owner either in his Unit or upon the common elements which despoil the appearance of the Condominium.

(l) Absent an election to arbitrate pursuant to Article X of these Bylaws, a dispute or question as to whether a violation or any specific prohibition contained in this Article has occurred shall be submitted to the Board of Directors of the Association, which shall conduct a hearing and render a decision thereon in writing, which decision shall be binding upon all owners and other persons having an interest in the Condominium Project.

Section 5. Rules of Conduct. Reasonable rules and regulations concerning the use and rental of Condominium Units and Common Elements, limited and general, may be promulgated and amended by the Board. Copies of such rules and regulations shall be furnished by the Board to each Co-owner at least 10 days Prior to their effective date, and may be revoked any time by the affirmative vote of more than 66% of all Co-owners in number.

Section 6. Remedies on Breach. A default by a Co-owner or non Co-owner occupant shall entitle the Association to the following relief:

(a) Failure to comply with any restriction on use and occupancy contained herein or of any other term or provision of the Condominium Documents shall be grounds for relief, which may include an action to recover sums due for damages, injunctive relief, foreclosure of lien

or any other remedy which in the sole discretion of the Board of Directors is appropriate to the nature of the breach as may be set forth in the Condominium Documents including, without limitation, the discontinuance of services-upon 7 days notice, the levying of fines against Co-owners after notice and hearing thereon and the imposition of late charges for non-payment of assessments. All such remedies shall be deemed to be cumulative and shall not be considered as an election of remedies.

(b) In a proceeding arising, because of an alleged default by a Co-owner, the Association, if successful, may recover the cost of the proceeding and such actual attorneys fees as may be determined by the court.

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

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

Section 7. Use by Developer. During the period of sale by the Developer of any Units, the Developer and its agents, employees, contractors and subcontractors, and their respective agents and employees, shall be entitled to access, ingress to and egress from any part of the Project as may be reasonably required for the purpose of said sale of Units. Until all Units in the entire Project have been sold by the Developer, and until each Unit sold by it is occupied by the purchasers thereof, the Developer shall have the right to maintain a business and/or sales office, storage areas and customary signs in connection therewith as may be reasonable to enable development and sale of the entire Project. The Developer shall restore any areas so utilized to habitable status upon termination of use.

## ARTICLE VIII

### MORTGAGES

Section 1. Mortgage of Condominium Units. Any Co-owner who mortgages a Condominium Unit shall notify the Association of the name and address of the mortgagee, and the Association shall maintain such information in a book entitled "Mortgagees of Units." At the written request of a mortgagee of any such Unit, the mortgagee shall be entitled to: (a) inspect the books and records relating to the Project during normal business hours, upon reasonable notice; (b) receive a copy of the annual financial statement

of the Association which is prepared for the Association and distributed to the Owners; and (c) receive written notice of all meetings of the Association and be permitted to designate a representative to attend all such meetings. Failure, however, of the Association to provide any of the foregoing to a mortgagee who has so requested the same shall not affect the validity of any action or decision which is related thereto.

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

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

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

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

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

Section 4. Additional Notification. When notice is to be given to a Mortgagee, the Board of Directors shall also give such notice to the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Veterans Administration, the Federal Housing Administration, the Farmer's Home Administration, the Government National Mortgage Association and any other public

or private secondary mortgage market entity participating in purchasing or guaranteeing mortgages of Units in the Condominium if the Board of Directors has notice of such participation.

## ARTICLE IX

### LEASES

Section 1. Notice of Lease. A Co-owner, including the Developer, desiring to rent or lease a Condominium Unit for a period of more than thirty (30) consecutive days, shall disclose that fact in writing to the Association at least ten (10) days before the lease commencement date. All leases shall be on a standard lease form prescribed by the Association, and shall be arranged through the Association's management agent. Except as hereafter provided, no Unit shall be rented or leased for a period less than thirty (30) days, whether vacant or occupied by a recreational vehicle; provided, however, that the Developer shall be entitled to rent unsold vacant Units on a daily basis.

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

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

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

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

## ARTICLE X

### TRANSFER OF UNITS

Section 1. Unrestricted Transfers. An individual Co-owner may, without restriction hereunder, sell, give, devise or otherwise transfer his Unit, or any interest therein.

Section 2. Notice to Association. Whenever a Co-owner shall sell, give, devise or otherwise transfer his Unit, or any interest therein, said Co-owner shall give written notice to the Association within five (5) days after consummating such transfer. Such notice shall be accompanied by a copy of the sales agreement, deed or other documents effecting the transfer.

## ARTICLE XI

### ARBITRATION

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

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

- (a) At the exclusive option of a Purchaser, Co-owner or person occupying a restricted Unit in the Project, a contract to settle by arbitration shall be executed by the Developer with respect to any claims that might be the subject of a civil action against the Developer, which claim involves an

amount less than \$2,500.00 and arises out of or relates to a purchase agreement, Condominium Unit or the Project.

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

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

## ARTICLE XII

### MISCELLANEOUS PROVISIONS

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

Section 2. Notices. Notices provided for in the Act, Master Deed or By-Laws shall be in writing, and shall be addressed to the Association c/o Hr. Mark E. Todd, 5030 Custer Road, Sippy, Michigan 49405, or to any Co-owner at the address set forth in the deed of conveyance, or at such other address as may hereinafter be provided.

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

Section 3. Amendment. These By-Laws may be amended, altered, changed added to or repealed only in the manner set forth in Article VIII of the Master Deed of Whiskey Creek.



ASSOCIATION BY-LAWS  
OF  
WHISKEY CREEK CONDOMINIUM ASSOCIATION

ARTICLE I.

CONDOMINIUM BY-LAWS

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

ARTICLE II.

MEETINGS AND QUORUM

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

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

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

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

Section 5. Organizational Meeting of Board. At the place of holding, and immediately following the annual meeting of members, the Board as constituted upon final adjournment of such annual meeting shall convene for the purpose of electing officers and transacting any other business properly, proposed; provided, that the organizational meeting in any year may be held at a different time and place by consent of a majority of the Directors.

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

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

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

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

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

### ARTICLE III.

#### BOARD OF DIRECTORS

Section 1. Number and Term. The business, property and affairs of the Corporation shall be managed by a Board of Directors composed of not less than three (3) nor more than seven (7) members. The number of persons comprising each subsequent Board shall be determined by vote of the members prior to the establishment of each such Board; provided, however, that if a motion is not made and carried to increase or decrease the number of directors, then the Board shall consist of the same number of persons as theretofore comprised the full Board of Directors. In addition, the members may, by resolution duly made and passed, provide that in lieu of annually electing all directors, the directors shall be divided into 2 or 3 classes, each to be as nearly equal in number as

possible, with terms of office such that the term of directors in the first class will expire at the first annual meeting following their election, that of the second class to expire at the second annual meeting after their election, and that of the third class, if any, to expire at the third annual meeting after their election. At each annual meeting after such classification of the Board of Directors, a number of directors equal to the number of the class whose term is expiring shall be elected to hold office until the second succeeding annual meeting if there are 2 classes, or until the third succeeding annual meeting if there are 3 classes. Provided, however, that until the initial meeting of the members as required by the Condominium By-Laws, the directors named in the Articles of Incorporation and their successors shall serve.

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

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

Section 4. Resignation and Removal. A Director may resign at any time and 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 the majority of the co-owners in number and in value.

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

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

Section 7. Rules and Regulations. The Board of Directors shall propose regulations respecting the use and enjoyment of the Units and common elements of the Condominium and such other rules and regulations as may be necessary for the maintenance and operation of the Condominium. All such regulations and amendments thereto shall be adopted and promulgated in the manner set forth in the Condominium By-Laws; provided, that all rules and 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 sixty percent (60%) of all Co-Owners in number and in value.

#### ARTICLE IV.

##### OFFICERS

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

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

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

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

Section 5. Vacancies. Vacancies in any office may be filled by the affirmative vote of a majority of the remaining members of the Board at any regular or special meeting. Each person appointed to fill the vacancy shall remain an officer for a term equal to that remaining of the officer whose death or resignation has created the vacancy, and until his successor has been duly elected and qualified.

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

## ARTICLE V.

### INDEMNIFICATION

Section 1. Scope of Indemnification. The corporation shall indemnify to the fullest extent authorized or permitted by the Michigan Nonprofit Corporation Act, as amended, any person, or his or her estate or personal representative, who is made or threatened to be made a party to an action, suit or proceeding (whether civil, criminal, administrative or investigative) because such person is or was a director or officer of the corporation or serves or served in any other enterprise at the request of the corporation. Persons who are not directors or officers of the corporation may be similarly indemnified in respect of services rendered to the corporation or at the request of the corporation to the extent authorized at any time by the board of directors of the corporation. The provisions of this Article shall be applicable to Directors and officers who have ceased to render such service and shall inure to the benefit of their heirs, personal representatives, executors, and administrators. The right of indemnify provided herein shall not be exclusive, and the corporation may provide indemnification to any person, by agreement or otherwise, on such terms and conditions as the board of directors of the corporation may approve. Any agreement for indemnification of any director, officer, employee or any other person may provide indemnification rights which are broader or otherwise different than those set forth in the Michigan Nonprofit Corporation Act, unless otherwise prohibited by law.

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

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

determined that he is entitled to be indemnified by the corporation as authorized in this Article.

Section 4. Insurance. The corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, or other enterprise against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the corporation would have the power to indemnify him against such liability under the provisions of this Article.

Section 5. Mergers. For the purposes of this Article, references to the "corporation" include all constituent corporations absorbed in a consolidation or merger, as well as the resulting or surviving corporation so that any person who is or was a director, officer, employee, or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, shall stand in the same position under the provisions of this Article with respect to the resulting or surviving corporation as he would if he had served the resulting or surviving corporation in the same capacity.

#### ARTICLE VI.

#### GENERAL PROVISIONS

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

Section 2. Execution of Instruments. All checks, drafts, and orders for payment of money shall be signed in the name of the Corporation by such officer or officers or agent or agents as the Board shall from time to time designate for that purpose. When the execution of any contract, conveyance or other instrument of title has been authorized without specification of the executing officers, the President, or a Vice-President, if any, may undertake the execution in the name or on behalf of this Corporation without attestation, acknowledgement or seal.

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

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

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

ARTICLE VII.

AMENDMENT OF BY-LAWS

Section 1.      Amendment Procedures.      The power to amend or repeal these Association By-Laws, or to adopt new Association By-Laws, has been reserved exclusively to the members of the Association; provided, however, that until the initial meeting of members has been held these By-Laws may be amended by the unanimous action of the directors appointed in the Articles of Incorporation or their successors. Amendments may be proposed by the Board of Directors or by petitions signed by at least twenty (20%) percent of the members, but shall not be effective until approved by a majority of the members voting at any regular or special meeting of members at which a quorum is present. A description of any proposed amendment shall accompany the notice of any regular or special meeting at which such proposed amendment is to be voted upon.