20051228-0155460 12/28/2005
P:19 of 66 F:$209.00 3:01PM
Mary Hollinrake T20050033681
Kent County MI Register SEAL

EXHIBIT A
CONDOMINIUM BYLAWS

RIVERTOWN PARK

TABLE OF CONTENTS

EXHIBIT A

CONDOMINIUM BYLAWS

Article 1. ASSOCIATION OF CO-OWNERS

1.1 Organization. Rivertown Park is a site condominium project located in the City of Wyoming, Kent County, Michigan being developed in a single phase consisting of five (5) Master 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 will keep current copies of the Master Deed, all amendments to the Master Deed, and other Condominium Documents for the Project available at reasonable hours for inspection by Co-owners, prospective purchasers, mortgagees and prospective mortgagees of Master Units in the Project. Developer contemplates that the Project will be further subdivided into Neighborhoods, each of which will be managed and administered by a Neighborhood Association, subject to the provisions of the Master Deed and these Condominium Bylaws.

1.2 Compliance. All present and future Co-owners, mortgagees, or other persons who may use the facilities of the Condominium in any manner (including Neighborhood Unit Owners) shall be subject to and comply with the provisions of the Act, the Master Deed and any amendments, the Condominium Bylaws, and the Articles of Incorporation, Association Bylaws, and other Condominium Documents which pertain to the use and operation of the Project. The acceptance of a deed of conveyance, or the act of occupying a Master Unit in the Project or any Neighborhood Unit shall constitute an acceptance of the terms of the Condominium Documents and an agreement to comply with their provisions.

Article 2. MEMBERSHIP AND VOTING

2.1 Membership. Each Co-owner of a Master Unit in the Project, during the period of ownership, shall be a member of the Association and no other person or entity will be entitled to membership. As noted in Section 3.1 of the Master Deed, initially the Co-owner of each Master Unit shall be the person holding title to the Master Unit; to the extent the Master Unit is further subdivided as a Neighborhood in accordance with Section 4.6 of the Master Deed, the applicable Neighborhood Association, acting through its board of directors, shall constitute the Co-owner of the applicable Master Unit. The Board of Directors of each Neighborhood Association shall designate one (1) individual from their Board to act on behalf of the Neighborhood Association Board and serve as a member of the Association Board. The share of a member in the funds and assets of the Association may be assigned, pledged or transferred only as an appurtenance to a Master Unit.

2.2 Voting Rights. Each Co-owner will be entitled to one vote for each Master Unit owned when voting by number and one vote, the value of which shall equal the total of the percentages of value assigned to the Master Unit or Master Units owned when voting by value. Voting shall be by number, except in those instances where voting is specifically required in the

20051228-0155460 12/28/2005
P:23 of 66 F:$209.00 3:01PM
Mary Hollinrake T200500336B1
Kent County MI Register SEAL

Master Deed or Bylaws to be by number and value, and no cumulation of votes shall be permitted.

2.3 **Eligibility to Vote.** No Co-owner, other than the Developer, will be entitled to vote at any meeting of the Association until the Co-owner has presented written evidence of ownership of a Master Unit in the Project, nor shall the Co-owner be entitled to vote (except for elections pursuant to Section 3.4) prior to the Initial Meeting of Members. A Co-owner shall be permitted to vote only if the Co-owner is not in default in payment of assessments levied against the Co-owner's Master Unit.

2.4 **Designation of Voting Representative.** The person entitled to cast the vote for each Master Unit and to receive all notices and other communications from the Association shall be designated by a certificate signed by the Co-owner of the Master Unit and filed with the Secretary of the Association. The certificate shall state the name and address of the individual representative designated, the number of the Master Unit owned, and the name and address of the person or persons, firm, corporation, partnership, association, trust or other legal entity who is the Master Unit owner. All certificates shall be valid until revoked, until superseded by a subsequent certificate or until a change has occurred in the ownership of the Master Unit.

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

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

Article 3. MEETINGS AND QUORUM

3.1 **Initial Meeting of Members.** The initial meeting of the members of the Association may be convened only by the Developer, and may be called at any time after two or more of the Master Units in the Project have been sold and the purchasers qualified as members of the Association. In no event, however, shall the initial meeting be called later than: (i) 120 days after the conveyance of legal or equitable title to non-developer Co-owners of 75% of the total number of Master Units in the Project; or (ii) 54 months after the first conveyance of legal or equitable title to a non-developer Co-owner of a Master Unit, whichever first occurs, at which meeting the eligible Co-owners may vote for the election of directors of the Association. The Developer may call meetings of members of the Association for informational or other appropriate purposes prior to the initial meeting, but no such informational meeting shall be construed as the initial meeting of members. Since the Developer contemplates the subdivision of Master Units into Neighborhoods, the Developer intends to hold the initial meeting of the members no later than (i) 120 days after the conveyance of legal or equitable title to non-developer Co-owners of 75% of the total number of Neighborhood Units planned for the Project;

20051228-0155460 12/28/2005
P:24 of 66 F:$209.00 3:01PM
Mary Hollinrake T20050033681
Kent County MI Register SEAL

or (ii) 54 months after the first conveyance of legal or equitable title to a non-developer Co-owner of a Neighborhood Unit, whichever occurs first.

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

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

3.4 **Board Composition.** The Board of Directors of the Association shall consist of not less than two (2) and not more than five (5) directors. Not later than 120 days after conveyance of legal or equitable title to non-developer Co-owners of 25% of the Master Units in the Project, 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 Master Units in the Project, 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 Master Units in the Project, and before conveyance of 90% of such Master 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 Master Units in the Project. To the extent that any Master Unit is subdivided into a Neighborhood, the Neighborhood Association, acting through its board of directors, shall be entitled to elect one (1) director to the Board.

3.5 **Owner Control.** If 75% of the Master Units in the Project have not been conveyed within 54 months after the first conveyance of legal or equitable title to a non-developer Co-owner, the non-developer Co-owners shall have the right to elect the percentage of members of the Board of Directors of the Association equal to the percentage of Master Units they hold, and the Developer will have the right to elect the percentage of members of the Board equal to the percentage of Master Units which are owned by the Developer. This election may increase, but shall not reduce, the minimum election and designation rights of

20051228-0155460 12/28/2005
P:25 of 66 F:$209.00 3:01PM
Mary Hollinrake T20050033681
Kent County MI Register SEAL

Directors otherwise established in Section 3.4. Application of this provision does not require a change in the size of the Board as designated in the Association bylaws.

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

3.7 Quorum of Members. The presence in person or by proxy of 51% of the Co-owners entitled to vote shall constitute a quorum of members. The written vote of any Co-owner furnished at or prior to a meeting, at which meeting such owner is not otherwise present in person or by proxy, shall be counted in determining the presence of a quorum with respect to the question upon which the vote is cast.

Article 4. ADMINISTRATION

4.1 Board of Directors. The business, property and affairs of the Association shall be managed by a board of directors (the "**Board of Directors**") to be elected in the manner described in these Bylaws; provided, that the directors designated in the Articles of Incorporation shall serve until such time as their successors have been duly elected and qualified at the initial meeting of members. All actions of the first Board of Directors designated in the Articles of Incorporation or any successors to such directors selected by the Developer before the initial meeting of members shall be binding upon the Association in the same manner as though such actions had been authorized by a Board of Directors elected by the members of the Association, so long as such actions are within the scope of the powers and duties which may be exercised by a Board of Directors as provided in the Condominium Documents. A service contract or management agreement entered into between the Association and the Developer or affiliates of the Developer shall be voidable without cause by the Board of Directors on the Transitional Control Date or within 90 days after the initial meeting has been held, and on 30 days notice at any time for cause.

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

(a) Care, upkeep and maintenance of the General Common Elements;

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

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

(d) Adoption and amendment of rules and regulations, not inconsistent with these Bylaws, governing the use of the Project;

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

(f) Obtaining insurance for the General Common Elements, the premiums of which shall be an expense of administration;

(g) Granting licenses for the use of the General 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 tile Co-owners,

(i) Making repairs, additions and improvements to, or alterations of, the General Common Elements, and repairs to and restoration of the General Common Elements 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 General 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 required by the Condominium Documents or the Act.

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

20051228-0155460 12/28/2005
P:27 of 66 F:$209.00 3:01PM
Mary Hollinrake T20050033681
Kent County MI Register SEAL

4.4 Maintenance, Repair and Replacement. The responsibility for maintenance, repair and replacement of Master Units and Common Elements (other than following casualty damage, which is described in Section 6.3 of the Bylaws) is as follows:

(a) All maintenance, repair and replacement of the structures and other improvements located within a Master Unit, or Limited Common Elements which are the responsibility of the Co-owner of a Master Unit as set forth in the Master Deed, shall be made by the Co-owner of the Master Unit; however, if a Master Unit has been subdivided in accordance with Section 4.6 of the Master Deed, then the applicable Neighborhood Association shall be responsible for ensuring that the appropriate Neighborhood Unit Owner undertakes the required maintenance, repair, and replacement as set forth above. Each Co-owner shall be responsible for all damages to the Common Elements resulting from such repairs or from any failure of the Co-owner to perform maintenance and repairs to a Master Unit.

(b) All maintenance, repair and replacement of the General Common Elements, whether located inside or outside the Master Units, and to Limited Common Elements to the extent required by the Master Deed, shall be made by the Association and shall be charged to all the Co-owners as a common expense unless necessitated by the negligence, misuse or neglect of a particular Co-owner or Neighborhood Unit Owner, in which case the expense shall be charged to the responsible Co-owner or Neighborhood Unit Owner. The Association or its agent shall have access to each Master Unit (but not to the interior of any residence or garage within a Master Unit) from time to time during reasonable hours, upon notice to the occupant, for the purpose of maintenance, repair or replacement of any of the Common Elements which are the responsibility of the Association located within or accessible only from a Master Unit. The Association or its agents shall also have access to each Master Unit at all times without notice for making emergency repairs necessary to prevent damage to other Master Units and/or to the Common Elements.

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

4.6 Construction Liens. A construction lien arising as a result of work performed on a Master Unit or on an appurtenant Limited Common Element shall attach only to the Master Unit upon which the work was performed, and a lien for work authorized by the Developer or principal contractor shall attach only to Master Units owned by the Developer at the time of recording the lien. A construction lien for work authorized by the Association shall attach to

20051228-0155460 12/28/2005
P:28 of 66 F:$209.00 3:01PM
Mary Hollinrake T20050033681
Kent County MI Register SEAL

each Master Unit only to the proportionate extent that the Co-owner of such Master Unit is required to contribute to the expenses of administration. No construction lien shall arise or attach to a Condominium Master Unit for work performed on the General Common Elements not contracted for by the Association or the Developer.

4.7 Managing Agent. The Board may employ a management company or managing agent at a compensation established by the Board to perform such duties and services as the Board shall authorize, including, but not limited to, the powers and duties described in Section 4.2. The Developer or any person or entity related to the Developer may serve as managing agent if so appointed; provided, however, that any compensation so paid to the Developer shall be at competitive rates.

4.8 Officers. The Association Bylaws shall provide the designation, number, terms of office, qualifications, manner of election, duties, removal and replacement of officers of the Association and may contain any other provisions pertinent to officers of the Association not inconsistent with these Bylaws. Officers may be compensated, but only upon the affirmative vote of 67% percent or more of all Co-owners.

4.9 Indemnification. All directors and officers of the Association shall be entitled to indemnification against costs and expenses incurred as a result of actions (other than 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 Bylaws. In the event that no judicial determination as to indemnification has been made, an opinion of independent counsel as to the propriety of indemnification shall be obtained if a majority of Co-owners vote to procure such an opinion.

Article 5. ASSESSMENTS

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

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

(a) Initial Budget. The Board of Directors of the Association shall establish an initial budget in advance for each fiscal year, which budget will project all expenses for the coming year that may be required for the proper operation, management and maintenance of the Condominium Project, including

20051228-0155460 12/28/2005
P:29 of 66 F:$209.00 3:01PM
Mary Hollinrake T20050033681
Kent County MI Register SEAL

a reasonable allowance for contingencies and reserves. The annual assessment to be levied against each Master Unit in the Project shall then be determined on the basis of the budget. Copies of the budget will be delivered to each Co-owner, although the failure to deliver such a copy to each Co-owner will not affect or in any way diminish the liability of a Co-owner for any existing or future assessment.

(b) Budget Adjustments. Should the Board of Directors determine at any time, in its sole discretion, that the initial assessments levied are insufficient: (1) to pay the costs of operation and maintenance of the Common Elements; (2) to provide for the replacement of existing Common Elements; (3) to provide for additions to the Common Elements not exceeding $10,000.00 annually; or (4) to respond to an emergency or unforeseen development; the Board is authorized to increase the initial assessment or to levy such additional assessments as it deems to be necessary for such purpose(s). The discretionary authority of the Board of Directors to levy additional assessments will rest solely with the Board of Directors for the benefit of the Association and its members, and may not be attached by or subject to specific performance by any creditors of the Association.

(c) Special Assessments. Special assessments, in excess of those permitted by subsections (a) and (b), may be made by the Board of Directors from time to time with the approval of the Co-owners as provided in this subsection to meet other needs or requirements of the Association, including but not limited to: (1) assessments for additions to the Common Elements costing more than $10,000.00 in any year; (2) assessments to purchase a Master Unit upon foreclosure of the lien described in Section 5.5: or (3) assessments for any other appropriate purpose not specifically described. Special assessments referred to in this subsection (but not including those assessments referred to in subsections (a) and (b), which will be levied in the sole discretion of the Board of Directors) will not be levied without the prior approval of 67% or more in number and in value of all Co-owners. The authority to levy assessments pursuant to this subsection is solely for the benefit of the Association and its members and may not be attached by or subject to specific performance by ally creditors of the Association.

5.3 Apportionment of Assessments. All assessments levied against the Master Unit Co-owners or Neighborhood Associations to cover expenses of administration shall be apportioned among and paid by the Co-owners in accordance with the Percentage of Value allocated to each Master Unit in the Master Deed and any other assessment provisions in the Master Deed, without increase or decrease for the existence of any rights to the use of Limited Common Elements appurtenant to a Master Unit. Unless the Board shall elect some other periodic payment schedule, annual assessments will be payable by Co-owners in twelve (12) monthly installments, commencing with the acceptance of a deed to a Master Unit, or with the acquisition of title to a Master Unit by any other means. The payment of an assessment will be in default if the assessment, or any part, is not received by the Association in full on or before the due date for such payment established by rule or regulation of the Association.

20051228-0155460 12/28/2005
P:30 of 66 F:$209.00 3:01PM
Mary Hollinrake T20050033681
Kent County MI Register SEAL

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

5.5 Collection of Assessments. Each Co-owner shall be obligated for the payment of all assessments levied upon the Co-owner's Master Unit during the time that person is the Co-owner of the Master Unit, and no Co-owner may become exempt from liability for the Co-owner's contribution toward the expenses of administration by waiver of the use or enjoyment of any of the Common Elements, or by the abandonment of a Master Unit. To the extent that a Master Unit has been subdivided into a Neighborhood, the Board may, at its option, elect to invoice either the Neighborhood Association or the Neighborhood Unit Owners individually for the assessment (or applicable portion of the assessments) provided for in this Article 5.

(a) Legal Remedies. In the event of default by any Co-owner in paying the assessed common charges, the Board may declare all unpaid installments of the annual assessment for the pertinent fiscal year to be immediately due and payable. In addition, the Board may impose reasonable fines or charge interest at the legal rate on such assessments from and after the due date. Unpaid assessments, together with interest on the unpaid assessments, collection and late charges, advances made by the Association for taxes or other liens to protect its lien, attorney fees and fines in accordance with the Condominium Documents shall constitute a lien on the Master Unit prior to all other liens except tax liens in favor of any state or federal taxing authority and sums unpaid upon a mortgage of record recorded prior to the recording of any notice of lien by the Association, and the Association may enforce the collection of all sums due by suit at law for a money judgment or by foreclosure of the liens securing payment in the manner provided by Section 108 of the Act. In a foreclosure proceeding, whether by advertisement or by judicial action, the Co-owner or anyone claiming under the Co-owner shall be liable for assessments charged against the Master Unit that become due before the redemption period expires, together with interest, advances made by the Association for taxes or other liens to protect its lien, costs and reasonable attorney fees incurred in their collection. If the Board elects to invoice individual Neighborhood Unit Owners for their share of the assessments described in this Article 5, then the right of the Board to enforce the legal remedies provided in this Section 5.5, including the right to place a lien on a Master Unit, shall be limited to the particular Neighborhood Unit owned by the Neighborhood Unit Owner.

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

(c) **Self-Help.** The Association may enter upon the Common Elements, Limited or General, to remove and abate any condition constituting a violation, or may discontinue the furnishing of services to a Co-owner in default under any of the provisions of the Condominium Documents upon 7 days written notice to such Co-owner of the Association's 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 the default continues; provided, that this provision shall not operate to deprive any Co-owner of ingress and egress to and from the Co-owner's Master Unit.

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

5.6 Financial Responsibility of the Developer. The responsibility of the Developer for assessments is as follows:

(a) **Pre-Turnover Expenses.** Prior to the Transitional Control Date, it will be the Developer's responsibility to keep the books balanced, but the Developer shall not be responsible for the payment of general or special assessments. At the time of the Transitional Control Date, the Developer will be liable for the funding of any continuing deficit of the Association which was incurred prior to the Transitional Control Date.

(b) **Post-Turnover Expenses.** After the Transitional Control Date has occurred, and continuing for any remaining Development and Sales Period, the Developer shall not be responsible for the payment of either general or special assessments levied by the Association on Master Units owned by the Developer until construction of at least one (1) building on a Master Unit owned by Developer is completed.

(c) Exempted Transactions. Under no circumstances will the Developer be responsible for the payment of any portion of any assessment which is levied for deferred maintenance, reserves for replacement, capital improvements, or additions, or to finance litigation or other claims against the Developer.

Article 6. TAXES, INSURANCE AND REPAIR

6.1 Real Property Taxes. Real property taxes and assessments shall be levied against the individual Master Units or Neighborhood Unit (if applicable) and not against the Property of the Project, except for the calendar year in which the Project was established. Taxes and assessments which become a lien against the Property in the year in which the Project was established shall be expenses of administration and shall be assessed against the Master Units located on the land with respect to which the tax or assessment was levied in proportion to the Percentage of Value assigned to each Master Unit. Real property taxes and assessments levied in any year in which a vacation of the Project occurs shall be assessed only against the individual Master Units. For tax and special assessment purposes no Master Unit shall be combined with any other Master Unit or Master Units, and no assessment of any fraction of a Master Unit or combination of any Master Unit with other whole or partial Master Units shall be made, nor shall any division or split of the assessment or taxes of a single Master Unit be made, whether the Master Unit is owned by an individual or multiple Co-owners. Taxes for real property improvements made to or within a specific Master Unit shall be assessed against that Master Unit only, and each Master Unit shall be treated as a separate, single parcel of real property for purposes of property taxes and special assessments.

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

(a) Common Element Insurance. The General Common Elements of the Project shall be insured by the Association against casualties covered by a standard extended coverage endorsement, to the extent deemed applicable and appropriate, in an amount to be determined annually by the Board of Directors. The Association shall not be responsible in any way for maintaining insurance with respect to the Limited Common Elements, the Master Units themselves or any improvements located within the Master Units.

20051228-0155460 12/28/2005
P:33 of 66 F:$209.00 3:01PM
Mary Hollinrake T20050033681
Kent County MI Register SEAL

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

(c) Power of Attorney. The Board of Directors is irrevocably appointed as the agent for each Co-owner, each mortgagee, other named insureds and their beneficiaries and any other holder of a lien or other interest in the Condominium or the 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.

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

6.3 Reconstruction and Repair. If any part of the Condominium Property is damaged or destroyed by fire or other casualty, the decision as to whether or not it will be reconstructed or repaired will be made in the following manner:

(a) General Common Elements. If the damaged property is a General Common Element, the damaged property shall be repaired or rebuilt.

(b) Limited Common Elements. If the damaged property is a Limited Common Element consisting of a Recreational Facility, the damaged property shall be repaired or rebuilt.

(c) Reconstruction Standards. Any reconstruction or repair shall be substantially in accordance with the Master Deed and the original plans and specifications for the improvements located within the Master Unit, unless prior written approval for changes is obtained from the Review Committee.

(d) Procedure and Timing. Immediately after the occurrence of a casualty causing damage which is to be reconstructed or repaired by the Association, the Association shall obtain reliable and detailed estimates of the cost to place the damaged property in a condition as good as that existing before the damage. If the proceeds of insurance are not sufficient to cover the estimated cost of reconstruction or repair required to be performed by the Association, or if at any time during such reconstruction or repair the funds for the payment of such costs by the Association are insufficient, assessment shall be levied against all Co-owners in sufficient amounts to provide funds to pay the estimated or actual costs of reconstruction or repair. This provision shall not be construed to require the replacement of mature trees and vegetation with equivalent trees or vegetation.

20051228-0155460 12/28/2005
P:34 of 66 F:$209.00 3:01PM
Mary Hollinrake T20050033681
Kent County MI Register SEAL

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

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

(b) Common Elements. In the event of the taking of all or any portion of the General Common Elements, the condemnation proceeds relative to the taking shall be paid to the Association for use for rebuilding, repair and replacement, and/or distribution to its members.

(c) Amendment to Master Deed. In the event the Project continues after the taking by eminent domain, the remaining portion of the Project shall be resurveyed and the Master Deed amended accordingly and, if any Master Unit shall have been taken, Article 5 of the Master Deed shall also be amended to reflect the taking and to proportionately readjust the Percentages of Value of the remaining Co-owners based upon the continuing total value of the Condominium of 100%. The amendment may be completed by an officer of the Association duly authorized by the Board of Directors without the necessity of execution or specific approval by any Co-owner.

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

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

Article 7. CONSTRUCTION REQUIREMENTS

7.1 Design Standards. Design standards for structures to be constructed within the Project are addressed in this Article. Design standards promote quality, value and stability for Master Unit Co-owners. The standards in this Article are intended to promote consistency of architecture and landscape design and to enhance and preserve real estate values.

7.2 Developer Approvals. So long as the Developer owns any Master Unit or any Neighborhood Unit, no residences, buildings, fences, walls, drives, walks or other improvements shall be commenced, erected or maintained, nor shall any addition to, or external change in the

20051228-0155460 12/28/2005
P:35 of 66 F:$209.00 3:01PM
Mary Hollinrake T20050033681
Kent County MI Register SEAL

appearance of any structure be made (including color and design), nor shall any hedges, trees, plantings or landscaping modifications be made, until plans or specifications acceptable to the Developer, showing the nature, kind, shape, height, materials, color scheme, location and approximate cost of such structure or improvement and the grading and landscaping plan of the area to be affected, shall have been submitted to and approved in writing by Developer. The Developer shall have the right to refuse to approve any plans or specifications, including the grading and landscaping plans, which are not suitable or desirable in its opinion for aesthetic or other reasons. In passing upon such specifications, grading or landscaping plans, the Developer shall have the right to take into consideration the suitability of the proposed structure, improvement or modification, the site upon which it is proposed to erect the same, and the degree of harmony with the Condominium as a whole.

7.3 **Review Committee.** An architectural review committee (the "**Review Committee**") has been or will be established by the Developer. The mission of the Review Committee is to ensure that all plans submitted for review, and all subsequent exterior changes or modifications, meet the criteria established in the design standards. The design standards for the Project are intended to provide a compatible neighborhood image.

7.4 **Architectural Review.** Once the Developer no longer owns any Master Unit or Neighborhood Unit, no residence, structure or other improvements shall be constructed within a Master Unit or elsewhere on the Property, nor shall any exterior modification be made to any existing residence, structure or improvement, unless plans and specifications containing such detail as the Review Committee may reasonably require have first been approved in writing by the Review Committee. The Review Committee shall have the right to refuse to approve any plans and specifications, color or material applications, grading or landscaping plans, or building location plans which are not suitable or desirable in its opinion for aesthetic or other reasons. In passing on such plans and specifications the Review Committee shall have the right to take into consideration the suitability of the proposed structure, improvement or modification, the site on which it is proposed to be constructed, the proposed location of any improvement within the Master Unit, the location of structures within adjoining Master Units and the degree of harmony with the Condominium as a whole.

7.5 **Approval of Contractor.** All residences and other structures shall be constructed only by residential home builders licensed by the State of Michigan and approved in writing by the Developer, or, once the Developer no longer owns any Master Unit or Neighborhood Unit, by the Review Committee. If building construction is intended to commence within 3 months after the date of plan approval, the name of the proposed residential builder must be submitted at the time the plans and specifications are submitted. If construction is to be delayed beyond 3 months, the name of the proposed residential builder must be submitted for approval at least 60 days prior to the commencement of construction. In its approval process, the Review Committee may take into consideration the qualifications of the proposed builder along with its reputation in the community before deciding whether or not that builder will be approved for participation in the Project. Construction of all other improvements, including swimming pools and landscaping, must also be done by contractors approved in writing by the Review Committee.

20051228-0155460 12/28/2005
P:36 of 66 F:$209.00 3:01PM
Mary Hollinrake T20050033681
Kent County MI Register SEAL

7.6 **Specific Requirements.** Any structures constructed on any Master Unit or on any Neighborhood Unit shall comply with the requirements contained within any master deed establishing the Neighborhood.

7.7 **Open Areas and Conservation Easement.** Certain areas of the Project are designated as "**Conservation Easement**" or "**Open Area**" on the Neighborhood Plan attached as Exhibit B. No construction is permitted to occur within these areas.

7.8 **Codes and Ordinances.** In addition to the construction requirements contained in this Article, all buildings and other structures must comply with applicable building, mechanical, electrical and plumbing codes of the applicable jurisdictions in effect at the time the building or structure is erected.

7.9 **Reserved Developer Rights**. The purpose of Article 7 is to assure the continued maintenance of the Condominium as an attractive and harmonious residential development, and its provisions shall be binding upon both the Association and upon all Co-owners in the Project. The Developer (or any residential builder to whom the Developer has assigned such rights) shall have the right to maintain a model master unit, sales office, advertising display signs, storage areas and reasonable parking incident to its sales efforts and such access to, from and over the Property as may be reasonable to enable development and sale of the entire Project.

7.10 **Review Committee Appointment.** Once the Developer no longer owns any Master Unit or Neighborhood Unit, if rights of appointment have not previously been assigned to the Association, the Developer representatives shall resign from the Review Committee and the Board of Directors of the Association shall appoint 3 new members to the Review Committee. In each succeeding year, or at such other intervals as the Board of Directors may decide, the Board of Directors shall appoint or re-appoint the 3 members to serve on the Review Committee.

Article 8. USE AND OCCUPANCY RESTRICTIONS

8.1 **Residential Use.** Condominium Master Units shall be used exclusively for residential occupancy. Unit 2 is expressly permitted to be used for the operation of a senior citizen housing facility, including the provision of those ancillary services that are customarily provided in senior citizen housing facilities.

8.2 **Common Areas.** The Common Elements shall be used only by the Co-owners of Master Units in the Condominium and by their agents, tenants, family members, invitees and licensees for access, ingress to and egress from the respective Master Units and for other purposes incidental to use of the Master Units; provided, that any parking areas or other Common Elements designed for a specific purpose shall be used only for those purposes or other uses approved by the Board. The use, maintenance and operation of the Common Elements shall not be obstructed, damaged or unreasonably interfered with by any Co-owner, and shall be subject to any lease or easement presently in existence or entered into by the Board at some future date which affects all or any part of the Common Elements.

8.3 Use and Occupancy Restrictions. In addition to the general requirements of Sections 8.1 and 8.2, the use of the Project and its Common Elements by any Co-owner and by any Neighborhood Unit owner shall be subject to the following specific restrictions:

(a) Limitation on Access to Rivertown Crossings Mall and Wilsontown Mall. One of the roadways within the Project provides access for automobiles from the Project to the adjacent Rivertown Crossings Mall and Wilsontown Mall, near the northwest corner of the Project. The Developer has entered into easement agreements with the owners of Rivertown Crossings Mall and Wilsontown Mall to provide for automobile access to the roadways on the Rivertown Crossings Mall and the Wilsontown Mall as described in more detail in Section 2.2 of the Master Deed (the "**Mall Access Easements**"). The Mall Access Easements prohibit non-motorized traffic and truck access of the roadways within Rivertown Crossings Mall and Wilsontown Mall from the Project. No Co-owner or Neighborhood Unit Owner shall take any action or permit any action that results in a violation or breach of the Mall Access Easements. In particular, **IF ANY INDIVIDUAL BICYCLES, WALKS, ROLLER BLADES, SKATE BOARDS, OR OTHERWISE PROCEEDS IN A NON-MOTORIZED MANNER, OR DRIVES A COMMERCIAL OR DELIVERY TRUCK FROM THE PROJECT TO RIVERTOWN CROSSINGS MALL OR TO WILSONTOWN MALL, OR PERMITS OTHERS TO WALK, BICYCLE, ROLLER BLADE, SKATE BOARD OR DRIVE A COMMERCIAL OR DELIVERY TRUCK TO THOSE PROPERTIES, THEN THAT INDIVIDUAL SHALL BE SUBJECT TO A FINE FOR THE FIRST VIOLATION OF UP TO ONE THOUSAND DOLLARS ($1,000.00)**. The Board of Directors shall have the right to establish additional penalties in the event of additional violations of these provisions. To the extent that an individual does not pay any fine assessed by the Board of Directors within the time period established by the Board of Directors, then the Board of Directors may exercise any of the remedies described in Section 5.5 of the Bylaws, including placing a lien against any real property owned by the individual within the Project.

(b) Compliance with Neighborhood Master Deed. To the extent that any Master Unit is subdivided into a Neighborhood, each Neighborhood Unit Owner shall comply with the use and occupancy restrictions set forth in the master deed for the Neighborhood.

(c) Use of Common Elements. The General Common Elements shall not be used for the storage of supplies or personal property (except for such short periods of time as may be reasonably necessary to permit the placement of trash for collection the next day). No vehicles shall be parked on or along any roadway (except in the event of approved parties or receptions generating a need for off-site parking), and Co-owners shall not personally use or obstruct any guest parking areas which may be located on the Common Elements of the Project without the prior consent of the Association. No Co-owner shall in any way

20051228-0155460 12/28/2005
P:38 of 66 F:$209.00 3:01PM
Mary Hollinrake T20050033681
Kent County MI Register SEAL

restrict access to any utility line or other area that must be accessible to service the Common Elements or which affects an Association responsibility in any way. In general, no activity shall be carried on nor condition maintained by any Co-owner either in the Co-owner's Master Unit or upon the Common Elements which despoils the appearance of the Condominium.

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

8.4 Zoning Compliance. In addition to the restrictions contained in Article 8, the use of any Master Unit or structure located on the Property must satisfy the requirements of the zoning ordinances of the municipality in which the Project is located in effect at the time of the contemplated use, unless a variance for such use is obtained from any unit of government with jurisdiction over the use of the Master Unit and Property.

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

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

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

8.8 Remedies on Breach. In addition to the remedies granted by Section 5.5 for the collection of assessments, the Association shall have the right, in the event of a violation of the restrictions on use and occupancy imposed by this Article 8, to enter the Master Unit and to remove or correct the cause of the violation. Such entry will not constitute a trespass, and the Co-owner of the Master Unit will reimburse the Association for all costs of the removal or correction. Failure to enforce any of the restrictions contained in this Article will not constitute a waiver of the right of the Association to enforce restrictions in the future.

8.9 Reserved Rights of Developer. The restrictions contained in this Article shall not apply to the commercial activities of the Developer so long as the Developer owns any Master Unit or Neighborhood Unit within the Project. The Developer shall also have the right to maintain a sales office, advertising display sign, storage areas and reasonable parking incident to its sales efforts and such access to, from and over the Property as may be reasonable to enable development and sale of the entire Project.

8.10 Assignment and Succession. Any or all of the rights granted to or reserved by the Developer in the Condominium Documents or by law, may be assigned by it to any other entity or to the Association. Any such assignment or transfer shall be made by an appropriate document in writing, signed by the Developer and recorded in the Register of Deeds Office for the county in which the Project is located. Upon such qualification, the assignee will have the same rights and powers as those granted to or reserved by the Developer in the Condominium Documents.

Article 9. MORTGAGES

9.1 Notice to Association. Any Co-owner who mortgages a Master Unit shall notify the Association of the name and address of the mortgagee (referenced in this Article as the "Mortgagees"). The information relating to Mortgagees will be made available to the Developer or its successors as needed for the purpose of obtaining consent from, or giving notice to Mortgagees concerning actions requiring consent or notice to Mortgagees under the Condominium Documents or the Act.

9.2 Rights of Mortgagees. Except as otherwise required by applicable law or regulations, a Mortgagee of a Master Unit will be granted the following rights:

(a) Inspection and Notice. Upon written request to the Association, a Mortgagee will be entitled to: (i) inspect the books and records relating to the Project upon reasonable notice; (ii) receive a copy of the annual financial statement which is distributed to Co-owners; (iii) notice of any default under the Condominium Documents by its mortgagor in the performance of the mortgagor's obligations which is not cured within 30 days; and (iv) notice of all meetings of the Association and its right to designate a representative to attend the meetings.

(b) Exemption from Restrictions. A Mortgagee which comes into possession of a Master Unit pursuant to the remedies provided in the mortgage or by deed (or assignment) in lieu of foreclosure, shall be exempt from any option or "right of first refusal" on the sale of the mortgaged Master Unit in the Condominium Documents.

9.3 Additional Notification. When notice is to be given to a Mortgagee, if so requested, the Board of Directors shall also give such notice to the Federal Home Loan Mortgage

Corporation, the Federal National Mortgage Association, the Veterans Administration, the Federal Housing Administration, the Farmer's Home Administration, the Government National Mortgage Association and any other public or private secondary mortgage market entity participating in purchasing or guarantying mortgages of Master Units in the Condominium.

Article 10. ARBITRATION

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

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

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

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

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

Article 11. OTHER PROVISIONS

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

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

11.3 Notices. Notices provided for in the Act, Master Deed or Bylaws shall be in writing, and shall be addressed to the Association at its registered office in the State of Michigan, and to any Co-owner at the address contained in the deed of conveyance, or at such other address as may subsequently be provided. The Association may designate a different address for notices to it by giving written notice of such change of address to all Co-owners. Any Co-owner may designate a different address for notices 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.

11.4 Amendment. These Bylaws may be amended, altered, changed, added to or repealed only in the manner prescribed by Article 9 of the Master Deed.

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

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

(2) these Condominium Bylaws;

(3) the Articles of Incorporation of the Association;

(4) the Association Bylaws; and

(5) the Rules and Regulations of the Association.