

ASSOCIATION BY-LAWS OF THE TRAILS OF SIERRAFIELD CONDOMINIUM ASSOCIATION

ARTICLE I CONDOMINIUM BY-LAWS

The Condominium By-Laws of The Trails of Sierrafield, a Condominium Project located in the Township of Byron, Kent County, Michigan, attached as a part of the Master Deed pertaining to said Project 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 annual meeting of members shall be held at a place and time specified by resolution of the Board of Directors.

Section 2. 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 3. 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-Owner's 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 4. 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 of the board in any year may be held at a different time and place by consent of a majority of the Directors.

Section 5. 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 fax at least five (5) days prior to the date of such meeting.

Section 6. Special Meetings of Board. Special meetings of the Board may be called by the President or by any two Directors by written notice to each Director of the time, place and purpose of such meeting, at least three (3) days prior to the date of such meeting.

Section 7. Notice and Mailing. All written notices required to be given by any provision of these By-Laws shall be deemed duly served when it has been deposited in the United States mail, with postage fully prepaid, plainly addressed to the addressee at his, her or its last address appearing upon the membership records of the Association.

Section 8. 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 9. 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 Association shall be managed by a three (3) member Board of Directors.

Section 2. Resignation. A Director may resign at any time and such resignation shall take effect upon receipt of written notice by the Association, or at such subsequent time as may be set forth in the notice of resignation.

Section 3. 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 Association,

either before or after the action, such action shall be as valid a corporate action as though it has been authorized at a meeting of the Board.

Section 4. 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 5. Quorum. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, there is less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice. The joinder of the Director in the action of a meeting by signing and concurring in the minutes thereof, shall constitute the presence of such Director for purposes of determining a quorum.

Section 6. 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.

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. The President must be a member of the Board of Directors. 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 Association for acting as such.

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

Section 3. The Secretary. The Secretary shall attend all meetings of the members and of the Board, and shall preserve in books of the Association true minutes of

the proceedings of all such meetings. He shall safely keep in his custody the seal of the Association 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 Association full and accurate accounts of all receipts and disbursements; he shall deposit all monies, securities and other valuable effects in the name of the Association in such depositories as may be designated for that purpose by the Board. He shall disburse such funds of the Association as may be ordered by the Board, taking proper vouchers for such disbursements, and shall render to the President and Directors at regular meetings of the Board, and whenever required by them, an account of all his transactions as Treasurer and of the financial condition of the Association. Unless otherwise provided by resolution of the Board, the Treasurer shall prepare and execute all Michigan annual reports and tax returns on behalf of the Association.

Section 5. Other Duties. The officers shall have such other duties, powers and responsibilities as shall, from time to time, be authorized by the Board of Directors.

Section 6. 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 the 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 7. 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 of the officers may be removed, with or without cause, by the vote of a majority of the Board of Directors.

ARTICLE V

FINANCE

Section 1. Fiscal Year. The fiscal year of the Association shall be an annual period commencing on such date as may be initially determined by the Directors. The

commencement date of the fiscal year shall be subject to change by the Directors for accounting reasons or other good cause.

Section 2. Bank. The funds of the Association shall be deposited in such bank or banks as may be designated by the Directors and shall be withdrawn only upon the check or order of such officers, directors, employees or agents as are designated by resolution of the Board of Directors from time to time.

ARTICLE VI INDEMNIFICATION

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

Section 2. Indemnification in Actions by or in the Right of the Association. Any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action or suit by or in the right of the Association to procure a judgment in its favor by reason of the fact that he is or was a director, officer, employee, or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee, or agent of another Association, partnership, joint venture, trust, or other enterprise shall be indemnified by the Association against expenses (including attorneys fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably

believed to be in or not opposed to the best interest of the corporation, or its members, except that no indemnification shall be made in respect of any claim, issue, or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the Association unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper.

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

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

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

Section 6. Indemnification Hereunder Not Exclusive. The indemnification provided by this Article shall not be deemed exclusive of any other rights to which a party seeking indemnification may be entitled under any by-law, agreement, vote of members or disinterested directors, or otherwise, both as to action in his official capacity and as to

action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee, or agent and shall inure to the benefit of the heirs, executors, and administrators of such a person.

Section 7. Insurance. The 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.

ARTICLE VII GENERAL PROVISIONS

Section 1. Execution of Instruments. 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 Association without attestation, acknowledgment or seal.

Section 2. 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 3. Amendment Procedures. Amendments to these By-laws may be proposed by the Developer, the Board of Directors acting upon the vote of a majority of the Directors, or by one-third or more in number of the members of instrument in writing signed by them. Prior to the Transitional Control Date, these by-laws may be amended by the Board of Directors. After the Transitional Control Date, these By-Laws may only be amended by a majority vote of those members entitled to vote. A copy of each amendment to the By-laws shall be furnished to every member of the Association after adoption; provided however, that any amendment to these By-laws that is adopted in accordance with this Article shall be binding upon all persons who have an interest in the Project, regardless of whether such persons actually receive a copy of the amendment.

Section 4. Conflicting Provisions. In the event of a conflict between the provisions of the Act (or other laws of the State of Michigan) and any of Condominium Documents, the Act (or other laws of the States of Michigan) shall govern; in the event of

any conflict between the provisions of any one or more Condominium Documents, the following order of priority shall prevail and the provisions of the Condominium Document having the highest priority shall govern:

- (a) the Master Deed, including the Condominium Subdivision Plan but excluding the Condominium By-Laws;
- (b) the Condominium By-Laws;
- (c) the Articles of Incorporation of the Association;
- (d) these Association By-Laws;
- (e) the Rules and Regulations of the Association.