

BYLAWS OF CENTRAL LOFTS CONDOMINIUM ASSOCIATION

ARTICLE I

CONDOMINIUM BYLAWS

The Condominium Bylaws of CENTRAL LOFTS, attached as a part of the Master Deed for the Project and recorded with the Register of Deeds of Van Buren County, Michigan, are incorporated by reference and adopted in their entirety as a part of the bylaws of this corporation.

ARTICLE II

MEETINGS AND QUORUMS

1. Membership meetings. The initial meeting of the members, in the absence of a special call by the board of directors, shall be held on the call of the Developer by the time required for the meeting in the Condominium Bylaws. At this 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 provided in these bylaws.
2. Annual meetings of members. After the initial meeting, an annual meeting of members shall be held each year at the date, time, and place that the board of directors designates. Notice of all annual meetings shall be given as provided in the Condominium Bylaws.
3. Delayed annual meeting of members. If, for any reason, the annual meeting is not held on the designated day, the meeting may be called and held as a special meeting with the same proceedings as at an annual meeting.
4. Special meetings of members. The President, a majority of the directors of the board, or a group of Co-Owners with at least 25 percent of the votes entitled to notice of the meeting may call special meetings of the members. Notice of special meetings shall be provided in the same manner as for annual meetings.
5. Organizational meetings of the board. At the same place and immediately following the annual meeting of members, the board as constituted on the final adjournment of that annual meeting shall convene to elect officers and transact any other business properly proposed. If a majority of the directors consent, the organizational meeting may be held at a different time and place.
6. Regular meetings of the board. In addition to its organizational meeting, the board may hold regular meetings at other times and places that it designates. Notice of regular meetings shall be given to each director personally or by mail, telephone, or telegraph at least five days before the meeting.

7. Special meetings of the board. The president or any two directors may call special meetings of the board by giving written notice to each director of the time, place, and purpose of the meeting at least three days before the meeting.
8. Notice and mailing. All written notices required by these bylaws shall state the authority under which they are issued (e.g., "by the order of the President" or "by the order of the board of directors") and shall bear the written, printed, or typed name and signature of the Secretary. Each such notice shall be deemed served when it has been deposited in the U.S. mail, with first class postage fully prepaid, plainly addressed to the addressee at the last address appearing in the membership records of the corporation.
9. Waiver of notice. Notice of the time, place, or purpose of any meeting of the members or of the board may be waived by telegram, cablegram, or other writing, either before or after the meeting has been held. Attendance at any meeting of the board constitutes a waiver of notice, unless a director attends for the purpose of objecting to the transaction of any business because the meeting has not been lawfully convened.
10. Quorum. A quorum of the members shall be as stated in the Condominium Bylaws. The majority of the directors in office or of the members of any committee 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 no more than 30 days, without notice other than an announcement at the meeting, until a quorum is present or represented.

ARTICLE III

THE BOARD OF DIRECTORS

1. Number and terms. The business, property, and affairs of the corporation shall be managed by a board of directors composed of five (5) members, at least one of whom shall be a Co-owner of a Commercial Unit (at such time that one or more Commercial Units exist). Each Co-Owner shall have the right to designate one person to serve on the board of directors. The number of persons composing the board may be changed by the unanimous vote of all of the Co-Owners. If a motion is not made and carried to increase or decrease the number of directors, the board shall consist of the same number of persons as composed the previous board of directors. However, until the initial meeting of the members as required by the Condominium bylaws, the directors named in the articles of incorporation and their successors shall serve. At the time of the first election of all directors by the Co-owners without appointment by the Developer, so as to establish staggered terms, a simple majority of the directors so elected (or those receiving the most votes, who comprise a simple majority) shall serve for a term

of two years, and the other(s) elected (or the other(s) receiving the least votes) shall serve for a term of one year. Thereafter, all directors shall serve two-year terms. The directors shall hold office until their successors have been elected and hold their first meeting.

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 beneficiary of the trust or, if a Co-Owner or such a beneficiary is a corporation, limited liability company, or a partnership, an officer, member, partner, or employee of the Co-Owner or beneficiary). If a director ceases to qualify during the director's term, that person shall cease to be a director, and the director's place on the board shall be deemed vacant.
3. Vacancies. Vacancies on the board may be filled by the affirmative vote of a majority of the remaining directors, even if there remains less than a quorum of the board. Each person elected to fill a vacancy shall remain a director until a successor has been elected and qualified. The term of the newly elected director shall equal that remaining for the director whose death or resignation created the vacancy.
4. Resignation and removal. A director may resign at any time, and such a resignation shall take effect when the association receives written notice or at a later time as stated in the notice of resignation. Any or all of the directors may be removed, with or without cause, by the unanimous vote of all of the Co-Owners, in number and in value.
5. Action by written consent. If all the directors consent in writing to any action to be taken by the corporation, either before or after the action, the action shall be a valid corporate action as if it had been authorized at a meeting of the board.
6. Powers and duties. In addition to the powers and duties imposed or permitted by law, by these bylaws, and by resolutions of the members of the association, the board of directors shall have all powers and duties necessary to administer the affairs of the Condominium as stated in the Condominium Bylaws.
7. Rules and regulations. The board of directors shall propose regulations for the use and enjoyment of the Units and the Common Elements of the Condominium and other rules and regulations as necessary to maintain and operate the Condominium. All such regulations and amendments to them shall be adopted and promulgated in the manner stated in the Condominium Bylaws. All rules and regulations imposed by the first board of directors before the initial meeting of members shall bind all subsequent members unless this provision is amended as provided in these bylaws.

8. Compensation. Directors shall receive no compensation for their services as directors unless expressly provided for in resolutions adopted by 60 percent or more of all Co-Owners, in number and in value.

ARTICLE IV

OFFICERS

1. Designation and terms. 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 business require. Each officer shall hold office for one year and until a successor is elected and qualified. No officer shall receive any compensation from the corporation for acting as an officer.
2. The President. The President shall be the chief executive officer of the corporation, and, subject to the control of the board of directors, in general shall supervise and control all of the business and affairs of the Corporation. The President shall preside over all meetings of the members and of the board and shall be an ex officio member of all standing committees.
3. The Secretary. The Secretary shall attend all meetings of the members, of the board, and of the executive committee and shall preserve, in records of the corporation, true minutes of the proceedings of all such meetings. The Secretary shall safely keep the seal of the corporation and shall have the authority to affix the seal to all documents on which its use is required. The Secretary shall give all notices required by statute, these bylaws, or resolutions and shall perform other duties that the board or the executive committee delegates to the Secretary.
4. The Treasurer. The Treasurer shall have custody of all corporate funds and securities and shall keep, in records of the corporation, full and accurate accounts of all receipts and disbursements. The Treasurer shall deposit all monies, securities, and other valuable property of the corporation in such depositories the board designates. The Treasurer shall disburse the funds of the corporation as the board orders, taking proper vouchers for such disbursements, and shall render to the President and directors at regular meetings of the board and whenever they request an account of all the Treasurer's transactions and of the financial condition of the corporation.
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 a vacancy shall remain an officer for a term equal to that remaining for the officer whose death or resignation creates the vacancy and until a successor is elected and qualified.

6. Resignation and removal. An officer may resign at any time, and such a resignation shall take effect when the association receives written notice or at a later time as stated 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

INDEMNIFICATION

1. Scope of indemnification. The corporation shall indemnify to the fullest extent authorized or permitted by the Michigan Nonprofit Corporation Act any person, estate, or personal representative who is made or threatened to be made a party to an action, suit, or proceeding (civil, criminal, administrative, or investigative) because the party is or was a director or an officer of the corporation or serves or served in any other enterprise at the request of the corporation. Parties who are not directors or officers of the corporation may be similarly indemnified for 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 apply to directors and officers who have ceased to render such service and shall benefit their heirs, personal representatives, executors, and administrators. The right of indemnification provided in this article shall not be exclusive, and the corporation may indemnify any person, by agreement or otherwise, on whatever conditions the board of directors of the corporation approves. Any agreement for the indemnification of a director, an officer, an employee, or another party may provide indemnification rights that are broader or otherwise different than those stated in the Michigan Nonprofit Corporation Act, unless such rights are otherwise prohibited by law.
2. Authorization of indemnification. Any indemnification under this article (unless ordered by a court) shall be made by the corporation only after 10 days' written notice to all Co-Owners of the facts surrounding the request for indemnification, when authorized in the specific case on a determination that the indemnification of the director, officer, employee, or agent is proper in the circumstances because the party has met the applicable standard of conduct stated in this article. Such a determination shall be made (a) by the board of directors by a majority vote of a quorum consisting of directors who were not parties to the action, suit, or proceeding; (b) if such a quorum is not obtainable or, even if it is obtainable, if 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 (c) by the members.
3. Advancing expenses. Expenses incurred in defending a civil or criminal action, suit, or proceeding described in provision 1 of this article may be paid by the corporation in advance of the final disposition of the action, suit, or proceeding as authorized by the board of directors on receipt of an undertaking by or on behalf of the director, an officer, an employee, or an agent to repay the amount unless it

is ultimately determined that the party is entitled to be indemnified by the corporation as authorized in this article.

4. Insurance. The corporation may purchase and maintain insurance on behalf of any party who is or was a director, an officer, an employee, or an agent of the corporation or who is or was serving at the request of the corporation as a director, an officer, an employee, or an agent of another corporation, partnership, joint venture, trust, or other enterprise against any liability asserted against the party and incurred by the party in such a capacity or arising out of the party's status as such, whether or not the corporation would have the power to indemnify the party against such liability under the provisions of this article.
5. Mergers. For the purpose 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, an officer, an employee, or an agent of such a constituent corporation or who is or was serving at the request of such a constituent corporation as a director, an officer, an employee, or an 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 that party would if the party had served the resulting or surviving corporation in the same capacity.

ARTICLE VI

GENERAL PROVISIONS

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 bylaws. However, the liability of any Co-Owner arising out of any contract made by the directors; for other acts of the directors, officers, or committees; or out of the indemnity provisions of Article V shall be limited to the proportion of the total liability equal to the percentage of value of the Co-Owner's Unit. Every agreement made by the directors, officers, committees, or managing agent on behalf of the Co-Owners shall provide that the persons signing the agreement are acting only as agents for the co-owners and shall have no personal liability under the agreement (except as Co-Owners) and that each Co-Owner's liability under the agreement shall be limited to the proportion of the total liability incurred equal to the percentage of value of the Co-Owner's Unit.
2. The signing of documents. All checks, drafts, and orders for the payment of money shall be signed in the name of the corporation by whatever officers or agents the board designates. If the signing of any contract, conveyance, or other document of title has been authorized without the specification of the signing

officers, the President or a Vice President may sign in the name of the corporation without attestation, acknowledgment, or seal.

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 administration expense.
4. Fiscal year. The fiscal year of the corporation shall be fixed by a resolution of the board.

ARTICLE VII

AMENDMENTS OF THE BYLAWS

These bylaws may be amended, added to, or repealed only in accordance with the provisions of the Master Deed for CENTRAL LOFTS.