

HAWK NEST CONDOMINIUM

ASSOCIATION BYLAWS

ARTICLE I

VOTING

Section 1. Vote. Except as limited in these Association Bylaws, each Co-owner shall be entitled to one vote for each Condominium Unit owned.

Section 2. Eligibility to Vote. No Co-owner, other than the Developer, shall be entitled to vote at any meeting of the Association until he has presented evidence of ownership of a Unit to the Association. Except as provided in Article IV, Section 2 of these Bylaws, no Co-owner, other than the Developer, shall be entitled to vote prior to the date of the First Annual Meeting of members held in accordance with Section 2 of Article II. The vote of each Co-owner may be cast only by the individual representative designated by such Co-owner in the notice required in Section 3 of this Article, or by a proxy given by such individual representative. A Co-owner who is in default in the payment of any installment of the annual assessment shall be unable to vote at any meeting of the Association, so long as the default continues. The Developer shall be the only person entitled to vote at a meeting of the Association until the First Annual Meeting of members and shall be entitled to vote during such period notwithstanding the fact that the Developer may own no Units at some time or from time to time during such period. At and after the First Annual Meeting the Developer shall be entitled to one vote for each Unit which it owns.

Section 3. Designation of Voting Representative. Each Co-owner shall file a written notice with the Association designating the individual representative who shall vote at meetings of the Association and receive all notices and other communications from the Association on behalf of such Co-owner. Such notice shall state the name and address of the individual representative designated, the number or numbers of the Condominium Unit or Units owned by the Co-owner, and the name and address of each person, firm, corporation, partnership, association, trust or other entity who is the Co-owner. Such notice shall be signed and dated by the Co-owner. The individual representative designated may be changed by the Co-owner at any time by filing a new notice.

Section 4. Quorum. The presence in person or by proxy of 35% of the Co-owners in number qualified to vote shall constitute a quorum for holding a meeting of the members of the Association, except for voting on questions specifically required by the Condominium Documents to require a greater quorum. The written vote of any person furnished at or prior to any duly called meeting at which meeting such person is not otherwise present in person or by proxy shall be counted in determining the presence of a quorum with respect to the question upon which the vote is cast.

Section 5. Voting. Votes may be cast only in person or in a writing signed by the designated voting representative not present at a meeting in person or by proxy. A Co-owner who is in default in the payment of the annual assessment shall be unable to vote at any meeting of the Association, so long as such default continues. Proxies and any written votes must be filed with the Secretary of the Association at or before the appointed time of each meeting of the members of the Association. Cumulative voting shall not be permitted.

Section 6. Majority. A majority, except where otherwise provided, shall consist of more than 50% in value of those qualified to vote and present in person or by proxy (or written vote, if applicable) at a meeting of the members of the Association.

ARTICLE II

MEETINGS

Section 1. Place of Meeting. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the Co-owners as may be designated by the Board. Meetings of the Association shall be conducted in accordance with Roberts Rule of Order or some other generally recognized manual of parliamentary procedure, when not otherwise in conflict with the Condominium Documents or the laws of Michigan.

Section 2. First Annual Meeting. The First Annual Meeting of members of the Association may be convened only by the Developer and may be called at any time after the conveyance of legal or equitable title of a Unit in the Condominium to a non-Developer Co-owner. In no event, however, shall such meeting be called later than 120 days after the conveyance of legal or equitable title to non-Developer Co-owners of 75% in number of all Units in the Condominium, or 54 months after the first conveyance of legal or equitable title to a non-Developer Co-owner of a Unit in the Project, whichever first occurs. The Developer may call meetings of members for informative or other appropriate purposes prior to the First Annual Meeting of members and no such meeting shall be construed as the First Annual Meeting of the members. The date, time and place of such meeting shall be set by the Board, and at least 10 days prior written notice shall be given to each Co-owner of record. Mailing notice to a representative or Co-owner at the address shown in the notice required by Article I, Section 3, shall be deemed served upon mailing.

Section 3. Annual Meetings. Annual meetings of members of the Association shall be held on the third Thursday of March, and each succeeding year after the year in which the First Annual Meeting is held, at such time and place as shall be determined by the Board. At such meetings there shall be elected by ballot of the Co-owners, a Board, in accordance

with the requirements of this Article. The Co-owners may also transact at annual meetings such other business of the Association as may properly come before them.

Section 4. Special Meetings. It shall be the duty of the President to call a special meeting of the Co-owners as directed by resolution of the Board or upon a petition signed by 1/3 of the Co-owners presented to the Secretary of the Association. Notice of any special meeting shall state the time and place of such meeting and the purposes thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 5. Notice of Meetings. It shall be the duty of the Secretary (or other Association officer in the Secretary's absence) to serve a notice of each annual or special meeting, stating the purpose of the meeting as well as the time and place where it is to be held, upon each Co-owner of record, at least 10 days but not more than 60 days prior to any such meeting. Mailing notice to a representative or Co-owner at the address shown in the notice required by Article I, Section 3 shall be deemed served upon mailing. Any member may, by written waiver of notice signed by such member, waive such notice, and such waiver, when filed in the records of the Association, shall be deemed due notice.

Section 6. Adjournment. If any meeting of Co-owners cannot be held because a quorum is not in attendance, the Co-owners who are present may adjourn the meeting to a time not less than 48 hours from the time the original meeting was called.

Section 7. Order of Business. The order of business at all meetings of the members shall be as follows: (a) roll call to determine the voting power represented at the meeting; (b) proof of notice of meeting or waiver of notice; (c) reading of minutes of preceding meeting; (d) reports of officers; (e) reports of committees; (f) appointment of inspectors of election (at annual meetings or special meetings held for the purpose of electing Directors or officers); (g) election of Directors (at annual meeting or special meetings held for such purpose); (h) unfinished business; and (i) new business. Meetings of members shall be chaired by the most senior officer of the Association present at such meeting. For purposes of this Section, the order of seniority of officers shall be President, Vice President, Treasurer and Secretary.

Section 8. Action Without Meeting. Any action which may be taken at a meeting of the members (except for election or removal of Directors) may be taken without a meeting by written ballot of the members. Ballots shall be solicited in the same manner as provided in Section 5 for giving of notice of meetings of members. Such solicitations shall specify (a) the number of responses needed to meet the quorum requirements; (b) the percentage of approvals necessary to approve the action; and (c) the time by which ballots must be received in order to be counted. The form of written ballot shall afford an opportunity to specify a choice between approval and disapproval of each matter. Approval by written ballot shall be constituted by receipt, within the time period specified in the solicitation, of (i) a number of ballots which equals or exceeds the quorum which would be required if the

action were taken at a meeting; and (ii) a number of approvals which equals or exceeds the number of votes which would be required for approval if the action were taken at a meeting at which the total number of votes cast was the same as the total number of ballots cast.

Section 9. Consent of Absentees. The transactions at any meeting of members, either annual or special, however called and noticed, shall be as valid as though made at a meeting duly held after regular call and notice, if a quorum is present either in person or by proxy; and if, either before or after the meeting, each of the members not present in person or by proxy signs a written waiver of notice, or a consent to the holding of such meeting, or an approval of the minutes of the meeting. All such waivers, consents or approvals shall be filed with the corporate records and made a part of the minutes of the meeting.

Section 10. Minutes, Presumption of Notice. Minutes or a similar record of the proceedings of meetings of members, when signed by the President or Secretary, shall be presumed truthful as evidence of the matters set forth in the minutes. A recitation in the minutes of any such meeting that notice of the meeting was properly given shall be prima facie evidence that such notice was given.

ARTICLE III

ADVISORY COMMITTEE

Within one year after conveyance of legal or equitable title to the first Unit in the Condominium to a purchaser, or within 120 days after conveyance to purchasers of 1/3 of the total number of Units that may be created, whichever first occurs, the Developer shall cause to be established, an Advisory Committee, consisting of at least 3 non-Developer Co-owners. The Advisory Committee shall be established and maintained in any manner the Developer deems advisable, except that if more than 50% in number of the non-Developer Co-owners petition the Board for an election to select the Advisory Committee, then an election shall be held. The purpose of the Advisory Committee shall be to facilitate communications between the temporary Board and the other Co-owners and to aid in the transition of control of the Association from the Developer to Co-owners. The Advisory Committee shall cease to exist automatically when the non-Developer Co-owners have the voting strength to elect a majority of the Board. The Developer may remove and replace, at its discretion and at any time, any member of the Advisory Committee who has not been elected by the Co-owners.

ARTICLE IV

BOARD OF DIRECTORS

Section 1. Number and Qualification of Directors. Until the appointed of the first non-Developer Co-owners to the Board, the Board shall be comprised of two members. Thereafter Board shall be comprised of five members, all of whom must be members of the Association or officers, partners, trustees, employees or agents of members of the Association. Directors shall serve without compensation.

Section 2. Election of Directors.

(a) First Board of Directors. The first Board, or its successors as selected by the Developer, shall manage the affairs of the Association until the appointment of the first non-Developer Co-owners to the Board. Elections for non-Developer Co-owner directors shall be held as provided in subsections (b) and (c) below.

(b) Appointment of Non-Developer Co-owners to Board Prior to First Annual Meeting. Not later than 120 days after conveyance of legal or equitable title to non-Developer Co-owners of 25% in number of the Units that may be created, one of the three directors shall be selected by non-Developer Co-owners. When the required percentage of conveyances has been met, the Developer shall notify the non-Developer Co-owners and request that they hold a meeting and elect the required director. Upon certification by the Co-owners to the Developer of the director so elected, the Developer shall immediately appoint such director to the Board to serve until the First Annual Meeting unless he is removed pursuant to Section 7 of this Article or he resigns or becomes incapacitated.

(c) Election of Directors at and After First Annual Meeting.

(i) Not later than 120 days after conveyance of legal or equitable title to non-Developer Co-owners of 75% in number of the Units that may be created, and before the conveyance of 90% of such Units, the non-Developer Co-owners shall elect all directors on the Board, except that the Developer shall have the right to designate at least one director as long as the Developer owns and offers for sale at least 10% of the Units in the Project or as long as 10% of the Units that may be created remain to be created. Whenever the 75% conveyance level is achieved, a meeting of Co-owners shall be convened to implement this provision, even if the First Annual Meeting has already occurred.

(ii) Regardless of the percentage of Units that have been conveyed, upon the expiration of 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 a number of members of the Board equal to the percentage of Units they own, and the Developer the right

to elect a number of members to the Board equal to the percentage of Units that are owned by the Developer and for which full assessments are paid by the Developer. This election may increase, but shall not reduce, the minimum election and designation rights otherwise established in subsection (i). Application of this subsection does not require a change in the size of the Board.

(iii) If the percentage of members of the Board that the non-Developer Co-owners have the right to elect under subsection (ii), or if the product of the number of members of the Board multiplied by the percentage of Units held by the non-Developer Co-owners under subsection (b) 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 next whole number, which number shall be the number of members of the Board that the non-Developer Co-owners have the right to elect. After application of this formula, the Developer shall have the right to elect the remaining members of the Board. Application of this subsection shall not eliminate the right of the Developer to designate one director as provided in subsection (i).

(iv) At the First Annual Meeting, two directors shall be elected for a term of two years, and one director shall be elected for a term of one year. At such meeting all nominees shall stand for election as one slate, and the two persons receiving the highest number of votes shall be elected for a term of two years, and the one person receiving the next highest number of votes shall be elected for a term of one year. At each following annual meeting, either one or two directors shall be elected depending upon the number of directors whose terms expire. After the First Annual Meeting, the term of office (except for one of the directors elected at the First Annual Meeting) of each director shall be two years. The directors shall hold office until their successors have been elected and hold their first meeting.

(v) Once the Co-owners have the right to elect a majority of the Board, annual meetings of Co-owners to elect directors and conduct other business shall be held in accordance with the provisions of Article II, Section 3.

Section 3. Powers and Duties. The Board shall have the powers and duties necessary for the administration of the affairs of the Association and may do all acts and things not prohibited by the Condominium Documents or required to be done by the Co-owners.

Section 4. Other Duties. In addition to duties imposed by these Bylaws or any further duties which may be imposed by resolution of the members of the Association, the Board shall be responsible specifically for the following:

(a) To manage and administer the affairs of and to maintain the Condominium Project and the Common Elements.

(b) To levy and collect assessments from the members of the Association using the proceeds for the purposes of the Association.

(c) To carry insurance and collect and allocate the proceeds.

(d) To rebuild improvements after casualty.

(e) To contract for and employ persons, firms, corporations or other agents to assist in the management, operation, maintenance and administration of the Condominium Project.

(f) To acquire, maintain, improve, operate, manage, sell, convey, assign, mortgage or lease any real or personal property (including any Unit in the Condominium and easements, rights-of-way and licenses) on behalf of the Association for its purposes.

(g) To borrow money and issue evidences of indebtedness in carrying out any purposes of the Association, and to secure the indebtedness by mortgage, pledge, or other lien on property owned by the Association; provided, however, that any such action shall also be approved by affirmative vote of 75% of all of the members of the Association in number and in value.

(h) To enforce the Rules and Regulations of the Association, of any.

(i) To establish such committees as it deems necessary, convenient or desirable, and to appoint persons thereto for the purpose of administration of the Condominium, and to delegate to such committees any functions or responsibilities which are not by law or the Condominium Documents required to be performed by the Board.

(j) To enforce the provisions of the Condominium Documents.

Section 5. Management Agent. The Board may employ for the Association, a professional management agent (which may include the Developer or any related person or entity), at reasonable compensation established by the Board to perform such duties and services as the Board shall authorize, including, but not limited to, the duties listed in Sections 3 and 4 of this Article. The Board may delegate to its management agent any other duties or powers which are by law or by the Condominium Documents required to be performed by or have the approval of the Board or the members of the Association. In no event shall the Board be authorized to enter into any contract with a professional management agent or any other contract providing for services by the Developer in which the maximum term is greater than three years, or which is not terminable by the Association upon 90 days written notice to the other party and no such contract shall violate the provisions of Section 55 of the Act.

Section 6. Vacancies. Vacancies in the Board which occur after the Transitional Control Date caused by any reason other than the removal of a director by a vote of the members of the Association shall be filled by vote of the majority of the remaining directors, even though they may constitute less than a quorum, except that the Developer shall be solely entitled to fill the vacancy of any director whom it is permitted in the first instance to designate. Each person so elected shall be a director until a successor is elected at the next annual meeting of the members of the Association. Vacancies among non-Developer Co-owners elected directors which occur prior to the Transitional Control Date may be filled only through election by non-Developer Co-owners and shall be filled in the manner specified in Section 2(b) of this Article.

Section 7. Removal. At any regular or special meeting of the Association duly called with due notice of the removal action proposed to be taken, any one or more of the directors may be removed with or without cause by the affirmative vote of more than 50% in number of all of the Co-owners and a successor may then and there be elected to fill any vacancy thus created. The quorum requirement for the purpose of filling such vacancy shall be the normal 35% requirement set forth in Article I, Section 4. Any director whose removal has been proposed by the Co-owners shall be given an opportunity to be heard at the meeting. The Developer may remove and replace any or all of the directors selected by it at any time or from time to time in its sole discretion. Likewise, any director selected by the non-Developer Co-owners to serve before the First Annual Meeting may be removed before the First Annual Meeting in the same manner set forth in this paragraph for removal of directors generally.

Section 8. First Meeting. The first meeting of a newly elected Board shall be held within 10 days of election at such place as shall be fixed by the directors at the meeting at which such directors were elected, and no notice shall be necessary to the newly elected directors in order to legally constitute its meeting, providing a majority of the whole Board shall be present.

Section 9. Regular Meetings. Regular meetings of the Board may be held at such times and places as shall be determined from time to time by a majority of the directors, but at least two such meetings shall be held during each fiscal year. Notice of regular meetings of the Board shall be given to each director personally, by mail or telephone, at least 10 days prior to the date named for such meeting.

Section 10. Special Meetings. Special meetings of the Board may be called by the President on three days notice to each director given personally, by mail or telephone, which notice shall state the time, place, and purpose of the meeting. Special meetings of the Board shall be called by the President or Secretary in like manner and on like notice on the written request of two directors.

Section 11. Waiver of Notice. Before or at any meeting of the Board, any directors may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meetings of the Board shall be deemed a waiver of notice by him of the time and place thereof. If all the directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 12. Quorum. At all meetings of the Board, 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. If, at any meeting of the Board, there is less than a quorum present, the majority of those present may adjourn the meeting to a subsequent time upon 24 hours prior written notice delivered to all directors not present. 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 joining of a director in the action of a meeting by signing and concurring in the minutes of the meeting, shall constitute the presence of such director for purposes of determining a quorum.

Section 13. First Board of Directors. The actions of the first Board or any successors selected or elected before the Transitional Control Date shall be binding upon the Association so long as such actions are within the scope of the powers and duties which may be exercised generally by the Board as provided in the Condominium Documents.

Section 14. Fidelity Bonds. The Board may require that all officers and employees of the Association handling or responsible for Association funds furnish adequate fidelity bonds. The premiums on the bonds shall be expenses of administration.

ARTICLE V

OFFICERS

Section 1. Officers. The principal officers of the Association shall be a President, who shall be a member of the Board, a Vice President, a Secretary and a Treasurer. Any two offices except that of President and Vice President may be held by one person.

(a) President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board. He shall have all of the general powers and duties which are usually vested in the office of the President of an association, including, but not limited to, the power to appoint committees from among the members of the Association from time to time as he may in his discretion deem appropriate to assist in the conduct of the affairs of the Association.

(b) Vice President. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board.

(c) Secretary. The Secretary shall keep the minutes of all meetings of the Board and the minutes of all meetings of the members of the Association; he shall have charge of the corporate seal, if any, and of such books and papers as the Board may direct; and he shall, in general, perform all duties incident to the office of the Secretary.

(d) Treasurer. The Treasurer shall have responsibility for the Association's funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He shall be responsible for the deposit of all monies and other valuable effects in the name and to the credit of the Association, and in such depositories as may, from time to time, be designated by the Board.

Section 2. Election. The officers of the Association shall be elected annually by the Board at the organizational meeting of each new Board and shall hold office at the pleasure of the Board.

Section 3. Removal. Upon affirmative vote of a majority of the members of the Board, any officer may be removed either with or without cause, and his successor elected at any regular meeting of the Board, or at any special meeting of the Board called for such purpose. No such removal action may be taken, however, unless the matter shall have been included in the notice of such meeting. The officer who is proposed to be removed shall be given an opportunity to be heard at the meeting.

Section 4. Duties. The officers shall have such other duties, powers and responsibilities as shall, from time to time, be authorized by the Board.

ARTICLE VI

SEAL

The Association may (but need not) have a seal. If the Board determines that the Association shall have a seal, then it shall have inscribed thereon the name of the Association, the words "corporate seal," and "Michigan."

ARTICLE VII

FINANCE

Section 1. Records. The Association shall keep detailed books of account showing all expenditures and receipts of administration, and which shall specify the maintenance and repair expenses of the Common Elements and any other expenses incurred by or on behalf of the Association and the Co-owners. Such accounts and all other Association records shall be open for inspection by the Co-owners and their mortgagees during reasonable working hours. The Association shall prepare and distribute to each Co-owner, at least once a year, a financial statement, the contents of which shall be defined by the Association. The books of account shall be reviewed annually by qualified independent accountants. Any holder of a first mortgage lien on any Unit in the Condominium shall be entitled to receive a copy of such annual financial statement within 90 days following the end of the Association's fiscal year upon request therefore. Any accounting expenses shall be expenses of administration.

Section 2. Fiscal Year. The fiscal year of the Association shall be a calendar year, unless changed by action of the Board for accounting reasons or other good cause.

Section 3. Bank. Funds of the Association shall be initially deposited in such bank or savings association as may be designated by the Board and shall be withdrawn only upon the check or order of such officers, employees or agents as are designated by resolution of the Board from time to time. The funds may be invested from time to time in accounts or deposit certificates of such bank or savings association as are insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation and may also be invested in interest-bearing obligations of the United States Government.

ARTICLE VIII

INDEMNIFICATION

The Association shall indemnify any person who was or is a party to or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative by reason of the fact that he or she is or was a director or officer of the Association against expenses (including attorney's fees), judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding if the person acted in good faith and in a manner that the person 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, if the person had no reasonable cause to believe that the conduct was unlawful.

ARTICLE IX

MORTGAGES

Section 1. Notice to Association. Any Co-owner who mortgages his Unit shall notify the Association of the name and address of the mortgagee. The Association shall maintain such information in a book entitled "Mortgages of Units" (the "Book"). The Association may, at the written request of a mortgagee of any Unit, report any unpaid assessments for such Unit. The Association shall give the holder of any first mortgage covering any Unit in the Project written notification of any default by the Co-owner of such Unit in the performance of the obligations of the Co-owner under the Condominium Documents that is not cured within 30 days.

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

Section 3. Notification of Meetings. Upon written request submitted to the Association, any holder of a first mortgage lien on any Unit in the Condominium shall be entitled to receive written notification of every meeting of the members of the Association and designate a representative to attend any such meeting.

ARTICLE X

AMENDMENTS

Section 1. Proposal. Amendments to these Bylaws may be proposed by the Board of Directors of the Association acting upon the vote of the majority of the Directors or may be proposed by 1/3 or more in number of the Co-owners, in writing and signed by them.

Section 2. Meeting. Upon the proposal of any amendments, a meeting for consideration of the same shall be duly called in accordance with the provisions of these Bylaws.

Section 3. Voting. These Bylaws may be amended by the Co-owners at any regular meeting, annual meeting or special meeting called for such purpose by an affirmative vote of 66-2/3% of all Co-owners in number. No consent of the mortgagees shall be required to amend these Bylaws unless such amendment would materially alter or change the rights of such mortgagees, in which event the approval of 66-2/3% of the mortgagees shall also be required with each mortgagee having one vote for each mortgage held.

Section 4. By Developer. Prior to the First Annual Meeting, these Bylaws may be amended by the Developer without approval from any other person so long as any such amendment does not materially alter or change the right of a Co-owner or mortgagee.

Section 5. Binding. A copy of each amendment to the Bylaws shall be furnished to every member of the Association after adoption; provided, however, that any amendment to these Bylaws that is adopted in accordance with this Article shall be binding upon all persons who have an interest in the Project irrespective of whether such persons actually receive a copy of the amendment.