

Michigan Department of Energy, Labor & Economic Growth

Filing Endorsement

This is to Certify that the CERTIFICATE OF AMENDMENT - CORPORATION

for

RED CEDAR PHASE I, INC.

ID NUMBER: 700477

received by facsimile transmission on July 8, 2010 is hereby endorsed

Filed on July 8, 2010 by the Administrator.

The document is effective on the date filed, unless a subsequent effective date within 90 days after received date is stated in the document.



In testimony whereof, I have hereunto set my hand and affixed the Seal of the Department, in the City of Lansing, this 8TH day of July, 2010.

Director

BCS/CD-516 (Rev. 12/03)

COMPLETE ONLY ONE OF THE FOLLOWING:

4. (For amendments adopted by unanimous consent of Incorporators before the first meeting of the board of directors or trustees.)

The foregoing amendment to the Articles of Incorporation was duly adopted on the _____ day of _____, _____, in accordance with the provisions of the Act by the unanimous consent of the incorporator(s) before the first meeting of the Board of Directors or Trustees.

Signed this _____ day of _____

(Signature)

(Signature)

(Type or Print Name)

(Type or Print Name)

(Signature)

(Signature)

(Type or Print Name)

(Type or Print Name)

5. (For profit and nonprofit corporations whose Articles state the corporation is organized on a stock or on a membership basis.)

The foregoing amendment to the Articles of Incorporation was duly adopted on the _____ 16th day of _____ March _____, 2010, by the shareholders if a profit corporation, or by the shareholders or members if a nonprofit corporation (check one of the following)

- at a meeting the necessary votes were cast in favor of the amendment.
- by written consent of the shareholders or members having not less than the minimum number of votes required by statute in accordance with Section 407(1) and (2) of the Act if a nonprofit corporation, or Section 407(1) of the Act if a profit corporation. Written notice to shareholders or members who have not consented in writing has been given. (Note: Written consent by less than all of the shareholders or members is permitted only if such provision appears in the Articles of Incorporation.)
- by written consent of all the shareholders or members entitled to vote in accordance with section 407(3) of the Act if a nonprofit corporation, or Section 407(2) of the Act if a profit corporation.
- by consents given by electronic transmission in accordance with Section 407(3) if a profit corporation.
- by the board of a profit corporation pursuant to section 811(2).

Profit Corporations and Professional Service Corporations

Signed this _____ day of _____

By _____
(Signature of an authorized officer or agent)

(Type or Print Name)

Nonprofit Corporations

Signed this 16th day of March 2010

By David Coddington
(Signature President, Vice-President, Chairman or Vice-Chairperson)

David Coddington, President

(Type or Print Name)

ARTICLE VIII

FINANCING OF OPERATIONS

(f) It shall be the duty of the Board of Directors to act promptly in the taking of any and all necessary action against any Member who defaults in the payment of any monetary obligation owed to the Corporation. The Board shall determine which remedies to invoke as provided in the Bylaws at Article IV and/or Article IX.

ARTICLE XX

DURATION, NONLIABILITY OF VOLUNTEER DIRECTORS AND OFFICERS

The Corporation's term is perpetual.

A volunteer Officer or Director of the Corporation shall not be personally liable to the Corporation or its members for monetary damages for a breach of fiduciary duty as an Officer or Director, except for liability:

- (a) for any breach of an Officer's or Director's duty of loyalty to the Corporation or its members;
- (b) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law;
- (c) resulting from a violation of MCLA 450.2551(1);
- (d) for any transaction from which the Officer or Director derived an improper personal benefit;
- (e) an act or omission occurring before the effective date if the provision grants limited liability.
- (f) for any act or omission that is grossly negligent.

The Corporation assumes liability for all acts or omissions of volunteer Officers and Directors occurring on or after the date of these Restated Articles of Incorporation if all of the following are met:

- (i) The volunteer was acting or reasonably believed he or she was acting within the scope of his or her authority.
- (ii) The volunteer was acting in good faith.
- (iii) The volunteer's conduct did not amount to gross negligence or willful and wanton misconduct.
- (iv) The volunteer's conduct was not an intentional tort.
- (v) The volunteer's conduct was not a tort arising out of the ownership, maintenance, or use of a motor vehicle for which tort liability may be imposed as provided in Section 3135 of the insurance code of 1956, Act No. 218 of the Public Acts of 1956, being Section 500.3135 of the Michigan Compiled Laws.

If the Michigan Nonprofit Corporation Act is amended to authorize corporate action further eliminating or limiting the personal liability of Officers or Directors, then the liability of the Officers and Directors of the Corporation shall be eliminated or limited to the fullest extent permitted by the Act, as so amended.

Any repeal, modification or adoption of any provision in these Articles of Incorporation inconsistent with this Article shall not adversely affect any right or protection of the Officers and Directors of the Corporation existing at the time of such repeal, modification or adoption.

RED CEDAR PHASE I, INC.

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RED CEDAR PHASE I, INC.

AMENDED AND RESTATED BYLAWS

ARTICLE I MEMBERSHIP

Section 1. Membership. The Corporation is organized upon a non-stock basis. There is one class of Membership.

Section 2. Rights and Privileges. Each Regular Member ("Member"), while in good standing, shall enjoy all rights and privileges set forth in the Articles of Incorporation, these Bylaws and the Rules and Regulations properly adopted by the Directors of the Corporation. Such rights and privileges shall include, but are not limited to, the use of all common facilities, the right to peacefully occupy and enjoy the townhouse apartment unit incident to the Member's Certificate (whether purchased outright or on an installment basis), and the right to the benefit of any and all written representations and warranties given to the Corporation by the developer of the townhouse units and by the Landlord under the Corporation's ground lease. Each Member in good standing shall be entitled to the strict enforcement by the Officers and Directors of the Corporation of his rights and privileges and of the obligations of the other Members.

Section 3. Requirements for Regular Membership. In addition to those requirements for Regular Membership specifically set forth in the Articles of Incorporation of the Corporation, there are established the following additional requirements under the authority of Article VIII (1) of such Articles:

- a) The prospective purchaser shall, by offer to purchase or other appropriate written instrument, evidence his/her willingness to abide by all of the provisions of the Articles of Incorporation, these Bylaws, and the Rules and Regulations of the Corporation;
- b) He/She shall demonstrate his/her financial ability to perform those obligations incident to Membership in the Corporation including his/her ability to satisfy any unpaid portion of an installment purchase contract related to his Certificate of Membership;
- c) Prior to occupancy of his/her unit, he/she shall pay all sums required of him/her for his/her Certificate of Membership or shall execute or assume an installment purchase contract for such certificate and pay any sums required;
- d) Prior to occupancy, he/she shall assume all responsibilities to the Corporation for maintenance charges and he/she shall agree to pay such

charges as revised from time to time by the Board of Directors; and he/she shall create any escrow or deposit fund required by the Corporation or other entity with respect to the use or occupancy of his/her dwelling unit;

e) Subsequent to the execution of all written documents required by the Corporation, he/she shall lawfully take and maintain possession of the dwelling unit assigned to him/her;

f) "Family" shall mean and include only the parents, grandparents, brothers, sisters, aunts, uncles and one friend of the qualifying Member or his/her spouse, and the spouses of such classes, and only the spouse, children, grandchildren, nephews or nieces of the qualifying Member or his/her spouse.

Section 4. Joint Ownership of Single Certificate. Individuals who are husband and wife, one of whom is a Qualifying Member, or two individuals not husband and wife, but Members of a family, one of whom is a Qualifying Member, may jointly apply for and (upon approval by the Board of Directors of the Corporation, which may impose reasonable conditions which must be satisfied prior to such approval becoming final) be admitted as Members as owners in common or as joint tenants with full rights of survivorship, but in either case such joint or common owners shall be limited to one (1) vote upon the affairs of the Corporation. In such cases their obligations and rights with respect to the Corporation shall be joint and several.

In the event of a Membership held under a joint tenancy with full rights of survivorship, upon the death of one of the joint tenants, all rights and obligations of Membership shall apply to and be inherent in the survivors, provided such survivor (or one of the survivors) otherwise is a Qualified Member and meets all qualifications of Membership; except that if a surviving joint tenant is the spouse of a deceased joint tenant, and the surviving spouse occupied the dwelling unit represented by the Membership, then the minimum age requirement for Membership shall not apply to such surviving spouse.

Joint or common Members who desire to sever such relationship may apply to the Corporation for discharge of further responsibility by the withdrawing Member for obligations to the Corporation. The continuing Member shall be required to meet all of the requirements for Membership and shall submit to the Corporation a current financial statement or statements demonstrating his/her financial capability to fulfill the obligations of Membership and to satisfy any then existing obligations for a certificate of Membership and occupancy. Upon approval of the Board of Directors of the Corporation (which may impose reasonable conditions which must be met before such approval becomes final), and with the concurrence of any assignee of any installment purchase contract, the withdrawing Member may be relieved of further liability to the Corporation.

Section 5. Termination of Membership. A Member may withdraw from Membership by written notice delivered to the offices of the Corporation. No such withdrawal shall be effective nor shall any obligation or liability to the Corporation be

discontinued until such time as the Member's certificate of Membership and occupancy has been effectively transferred to a successor Member or to the Corporation. The Corporation shall have a lien upon the certificate of Membership and occupancy for all charges, expenses and obligations of the withdrawing Member until their payment or until they are effectively assumed by a successor Member.

Section 6. Inspection of Records. Any Member shall be entitled to inspect the books of account and Membership and other records of the Corporation at the offices of the Corporation or its property manager at any reasonable time during regular business hours.

Section 7. Limited Liability. As provided by law, Members shall not be liable for any debts or obligations of the Corporation and shall not be subject to assessment except for assessments required by the Corporation for maintenance charges, ground rents, taxes and those other items set forth in the Articles of Incorporation. No Regular Member shall be liable for the obligations or liabilities of the developer or the Landlord under the Corporation's ground lease.

Section 8. Miscellaneous. Wherever throughout these Bylaws benefits or obligations are conferred or imposed upon "Members", such term shall include any installment purchaser of a Certificate of Membership, and the suspension of rights of Members in default to the Corporation shall be applied to defaults by such installment purchasers under their purchase contracts as well.

ARTICLE II MEETINGS OF MEMBERS

Section 1. Annual Meeting. The annual meeting of Members shall be held on such date and time during the month of September each year as the Board shall annually determine. Such meeting shall be held at principal office of the Corporation or at such other place as the Board of Directors may determine. Such meeting shall be for the purpose of electing Directors of the Corporation and for the transaction of any other business within the power of the Members.

Section 2. Special Meetings. Special meetings of the Members shall be called by the President; or as directed by a resolution adopted by the Board of Directors, or upon the receipt by the President of a petition signed by twenty percent (20%) of the Members in good standing (ie., not delinquent). Any such resolution, request, or petition shall state the purpose or purposes for which the meeting is to be called, and the business transacted at any such meeting shall be limited to the purpose or purposes stated in the notice thereof.

Section 3. Notice of Meeting. The Secretary shall serve on each Member personally or by regular mail a notice of each annual or special meeting which shall set forth the time and place of the meeting and, in the case of a special meeting, the purpose thereof. Notices sent by mail shall be addressed to the Members so being served at the

address appearing on the Membership book of the Corporation. Whether delivered personally or by mail, such notices shall be served at least ten (10) days and not more than sixty (60) days prior to the meeting. The Secretary shall note the manner in which such notice was served on each Member.

Attendance of a person at a meeting of Members, in person, by written ballot or by proxy, constitutes a waiver or notice of the meeting, except when a Member attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

Section 4. Quorum. Attendance, in person, by written ballot or by proxy of twenty percent (20%) of the Members in good standing shall constitute a quorum at any Membership meeting, with the Members present at a duly convened meeting continuing to do business until adjournment notwithstanding the withdrawal of some Members, leaving less than a quorum present. If a quorum is lacking at any meeting, the President may, and upon the request of the Board of Directors shall, call an adjourned meeting to be held after due notice within the time limitations of Section 3 of this Article has been given. At such adjourned meeting ten percent (10%) of the Members in good standing shall constitute a quorum.

Section 5. Voting. Each Member shall be entitled to one (1) vote upon any matter presented to the Membership for decision. Votes may be cast by mail, by proxy or in person; if a Member, having cast a vote by mail attends the meeting in person, he/she may not vote at the meeting. The double envelope system of mailing votes shall be used by Members wishing to cast their ballots by mail so as to determine who has voted by mail while preserving the secrecy of such vote. Except as otherwise provided by law, the Articles of Incorporation or these Restated and Amended Bylaws, all matters voted upon shall be decided by a majority of the Regular Members who vote thereon. Only those persons who are Members of record and not delinquent in the payment of any amount owed the Corporation on the day prior to the day the meeting notices are issued shall be entitled to vote.

Section 6. Matters to be Considered. Among the matters which Members may consider and vote upon at a meeting are the following:

- a) The election of Directors;
- b) The removal from office of a Director whether with or without cause;
- c) Amendment of these Amended and Restated Bylaws;

These matters are intended to be specific but not all-inclusive examples.

Section 7. Delinquent Member. In the event that a Member becomes past due in any monetary obligation to the Corporation he/she will not be permitted to vote until his/her delinquency is remedied.

Section 8. Proxies. Every person entitled to vote shall have the right to do so either in person or by an agent authorized by a written proxy executed by such person and filed with the Secretary of the Corporation at or before the meeting at which it is intended to be used. No such proxy shall be valid after the expiration of one (1) year from the date of its execution. Any proxy duly executed shall be deemed not to have been revoked and to be in full force and effect and, in the absence of any limitation to the contrary contained in the proxy, it shall extend to all Members' meetings, unless and until an instrument revoking said proxy or a duly executed proxy bearing a later date is filed with the Secretary of the Corporation. A proxy shall be deemed sufficient if it appears on its face to confer the requisite authority and is signed by the Member; no witnesses to the execution of any proxy shall be required. Notwithstanding that a valid proxy may be outstanding, except in the case of an irrevocable proxy coupled with an interest which shall state that it is irrevocable on its face, the powers of the proxy holder or holders shall be suspended if the person or persons executing such proxy shall be present at the meeting and elect to vote in person.

Section 9. Voting by Certain Members. Certificates held by an administrator, executor, guardian, conservator, receiver, trustee, or other fiduciary may be voted without a transfer of such certificates, provided the Corporation is furnished satisfactory proof of the authority of such person to vote such certificate. No such fiduciary shall be entitled to vote such certificate if the beneficiaries of such fiduciary relationship would not be entitled to vote such certificate if such beneficiaries held such certificate directly.

A Member whose certificate is pledged shall be entitled to vote such certificate unless in the transfer the pledgor has expressly empowered the pledgee to vote such certificate and had the same indicated on the books of the Corporation, in which case only the pledgee or his/her proxy may represent and vote such certificate.

A certificate held by two or more persons as joint tenants or as tenants in common may be voted only by the Qualified Member if only one of the certificate holders is such. If more than one of the certificate holders is a Qualified Member, the written agreement, if any, which governs the manner in which the certificate shall be voted controls if presented at the meeting. If no such agreement is presented at the meeting, the majority in interest of the qualified joint tenants or qualified tenants in common present shall control the manner of voting. If there is no such majority, the vote represented by the certificate shall be divided among the qualified joint or qualified common owners in accord with their interests in the certificates.

Certificates held by the Corporation shall not be voted, directly or indirectly, at any meeting or for any purpose.

ARTICLE III CERTIFICATES

Section 1. Form. The Corporation, through its Board of Directors, shall adopt a form of Certificate of Membership and Occupancy which shall be issued to each Member and which shall evidence the Member's right, while not in default, to peaceful use and occupancy of the dwelling unit represented by the Certificate. Such Certificate shall be signed by the President or Vice President and the Secretary and shall be transferred only by recording such transfer on the books of the Corporation.

Section 2. Transfer Books. The Corporation shall at all times maintain transfer books in which all Members shall be listed, together with the Member's address, date of birth, telephone number, status as certificate holders and the names of those "family" Members (as defined in the Articles of Incorporation and further defined in Article I Section 3 (f) above) who are occupying a dwelling unit with the Member.

Section 3. Lien. The Corporation shall have a lien upon all Certificates of Membership and Occupancy for all debt of Members to it or its assignees. In the event of the withdrawal, expulsion or removal of a Member, or in the event of a sale of a certificate by the Member, the Certificate shall not be transferred and a new Certificate shall not be issued unless and until any and all unpaid and assessed charges due to the Corporation and its assignees have been paid in full.

Section 4. Legend on Certificates. Each Certificate of Membership and Occupancy shall have endorsed thereon a legend stating that transfer thereof is restricted by the Articles of Incorporation, these Amended and Restated Bylaws and the Rules and Regulations of the Corporation.

Section 5. Lost Certificates. Upon presentation to the Corporation of a proper affidavit attesting the loss, destruction or mutilation of any Certificate, the Board of Directors may direct the issuance of a new Certificate to replace the Certificate so alleged to be lost, destroyed or mutilated. The Board of Directors may require as a condition precedent to the issuance of a new Certificate any or all of the following:

- a) Additional evidence of the loss, destruction or mutilation claim;
- b) Advertisement of the loss in such manner as the Board of Directors may direct or approve;
- c) A bond or agreement of indemnity in such form and amount, with or without such sureties as the Board of Directors may approve; or
- d) The order of approval of a Court.

The Corporation may recognize the person in whose name the new certificate or contract, or any certificate thereafter, is issued as the owner thereof for all purposes until the owner of the original certificate shall enjoin the Corporation and the holder of any new certificate, or any certificate issued in exchange or substitution therefore, from so acting.

ARTICLE IV
TRANSFER, SALE AND RECOVERY OF CERTIFICATES

Section 1. Death of a Member. In the event of the death of the holder of a Certificate, it shall be the obligation of the surviving joint or common Member, or the heirs, successor or administrators to forthwith and promptly meet any and all obligations and indebtedness owed to the Corporation and to meet such obligations as further accrue prior to the effective transfer of the Certificate. If the dwelling unit of the deceased Member is occupied at the time of death by a person who is a Qualified Member as defined in the Articles of Incorporation and meets the additional requirements of Membership of these Amended and Restated Bylaws, and if all obligations of the deceased Member to the Corporation have been satisfied, then the Corporation shall issue a new Certificate to such person, if such person is otherwise entitled to the ownership of such Certificate by operation of law or by order or other determination of a Court. Upon failure to meet such obligations within one hundred twenty (120) days after the death of the Member, the Corporation may move forthwith for the recovery and sale of such certificate. The Corporation is authorized to proceed to the sale of such Certificate at the best market price then obtainable directly or through any licensed real estate broker, and upon such sale is empowered to deduct from the net proceeds to the sale of such sale any and all accrued debts, maintenance charges, ground rents, taxes and any other amounts owed by the deceased Member with respect to his/her Certificate. If the Corporation has been unable to obtain from the heirs, successors or personal representatives such Certificate for the purposes of sale, it may issue a new Certificate for such purpose, thereby canceling the former Certificate. Any excess of the net proceeds over such deductible amounts shall be paid to the estate or other successor(s) in interest of the deceased Member. Any excess of such deductible amounts over the net proceeds of the sale shall remain a debt of the decedent's estate and may be enforced against such estate or the successor(s) in interest of such Certificate. The Corporation may, but shall not be required to, withhold the enforcement of lien rights during the pendency of probate proceedings with respect to the estate of the deceased Member.

Section 2. Transfer of Membership During Lifetime. If any Member or his/her successor(s) in interest desires to sell the Certificate, he/she may do so only under the following conditions:

- a) He/She may sell the certificate or contract to the Corporation in direct negotiations with it if it is so willing. Such negotiations may occur whether or not the Member is then in default. The Corporation need not meet any particular requirements in order to purchase such Certificate;
- b) He/She may sell the Certificate to others but only after first meeting the following requirements:

- (1) He/She shall first notify the Corporation in writing at the office of the Corporation of his/her intention to sell and the proposed price and terms of sale;
- (2) The Corporation shall have the right to purchase the Certificate at such price and terms for thirty (30) days after it has been so notified.
- (3) After such period has expired, and if the Corporation has not purchased such Certificate, the Member shall have one hundred eighty (180) days within which to complete the sale of the Certificate to another party.
- (4) If after said one hundred eighty (180) day period the Certificate has not been sold, the Member shall again notify the Corporation of his/her intention to sell and proposed terms as stated in subparagraph (1) above.
- (5) If during either of the one hundred eighty day periods described above the Member should consider selling the certificate for a price which is less than ninety percent (90%) of the original stated price given to the Board of Directors, then the Member shall again offer the Certificate to the Corporation at the new price and the Corporation shall have ten (10) days to accept or reject purchase at the new price.
- (6) The prospective purchaser from the selling Member must demonstrate to the Corporation his/her ability to meet the definition of a Qualified Person as defined in the Articles of Incorporation and these Amended and Restated Bylaws. To this end, he/she shall meet with the Membership committee of the Corporation and submit those statements and agreements required of a new Member and shall, in writing delivered to the Corporation, for its benefit, expressly undertake all of the obligations of Membership. He/She shall also demonstrate that as between the selling Member and himself/herself, proper arrangements have been made for the satisfaction of all outstanding obligations of the selling Member to the Corporation if any. Should any prospective purchaser be deemed, for any reason, to be ineligible for Membership, the Corporation shall notify the selling Member and the purchaser of such fact together with a written statement of the reasons for such ineligibility.

- (7) Upon satisfaction of all of the above requirements, the Corporation shall so notify the selling Member and the purchaser and, subject to the satisfaction of the obligations of the selling Member to the Corporation and to the closing of the sale between the selling Member and the purchaser, shall accept the purchaser as a Member. In furtherance thereof, in order to fully inform the purchaser of the selling Member's obligations, the Corporation shall deliver to the purchaser a complete statement of the Corporation, indicating the extent of any default therein; the consent of the selling Member to such disclosure is given by reason of such Member's receipt of a Certificate of Membership and Occupancy.
- (8) Upon the completion of the sale of any Certificate or contract and the satisfaction or assumption of all obligations to the Corporation, the selling Member shall be released from any further financial responsibility to the Corporation. Upon thereafter taking possession of the dwelling unit the New Member shall be entitled to a transfer of the Certificate on the books of the Corporation.

Section 3. Recovery of Certificate and Possession by Corporation - Default in Monetary Obligations. In the event any Member shall fail to pay any assessment, charge, expense, fee, fine or other monetary obligation owed to the Corporation, then the Board of Directors shall have the right to initiate proceedings to terminate such Member's Membership, terminate the Member's occupancy and recover his/her Certificate, as follows:

- a) By commencement of summary proceedings to recover possession in accordance with the Summary Proceedings Act, as amended from time to time and in accordance with its notice requirements.
- b) The defaulting Member may cure a monetary default by paying, in full, all accrued assessments, charges, expenses, fees and fines together with all of the Corporation's legal fees and court costs prior to ten (10) days after the date of the judgment of possession and/or money judgment.
- c) The defaulting Member shall immediately surrender and deliver to the Corporation his/her Certificate(s) upon expiration of ten (10) days after the entry of any judgment of possession and/or money judgment. In the event the Member shall fail to do so within said time period, the Corporation may issue a new Certificate or Certificates, thereby canceling the former Certificate(s). The Corporation shall then be entitled to proceed with the sale of the

defaulting Member's Certificate(s). The Corporation shall proceed to sell such Certificate(s) and shall deduct from the proceeds thereof the costs of sale, any accrued and unpaid amounts due from such Member, the costs of repair or replacement of any property by the Corporation or others damaged by the Member in the course of the complained of actions and inactions and any legal expenses and costs incurred by the corporation in such legal proceedings.

Section 4. Recovery of Certificate and Possession by Corporation - Violation of Articles of Incorporation, Amended and Restated Bylaws, Etc. The suspension or termination of the rights of a Member in a Certificate may occur as a result of the expulsion of such Member for failure, refusal or neglect to abide by the provisions of the Articles of Incorporation, these Amended and Restated Bylaws or those Rules and Regulations adopted by the Corporation, or for the willful destruction or conversion of the property of the Corporation, or for the willful commission of any nuisance, whether any of such acts be done by the Member or any other resident of the dwelling unit. The procedures for such suspension or termination shall be as follows:

- a) The Board of Directors shall first send a letter to such Member giving such Member ten (10) days within which to cease the prohibited practice or to act in conformity with such requirements, to restore any damage done to the property of the Corporation or others and to remedy any nuisance. Such letter shall specify in detail the nature of the complaint against the Member.
- b) Should such Member fail, neglect or refuse to take the action required by such letter within such ten (10) day period, the Board of Directors shall have the right to commence summary proceedings to recover possession as provided in the Summary Proceedings Act as amended from time to time and in accordance with its notice requirements.
- c) The defaulting Member shall immediately surrender and deliver to the Corporation his/her Certificate(s) upon expiration of ten (10) days after the entry of any judgment of possession and/or money judgment. In the event the Member shall fail to do so within said time period, the Corporation may issue a new Certificate or Certificates, thereby canceling the former Certificate(s). The Corporation shall then be entitled to proceed with the sale of the defaulting Member's Certificate(s). The Corporation shall proceed to sell such Certificate(s) and shall deduct from the proceeds thereof the costs of sale, any accrued and unpaid amounts due from such Member, the costs of repair or replacement of any property by the Corporation or others damaged by the Member in the course of the complained

of actions and inactions and any legal expenses and costs incurred by the corporation in such legal proceedings.

- d) At any time, the Corporation may enter in any court of competent jurisdiction a motion or other pleading requesting the granting of a temporary restraining order or preliminary or permanent injunction restraining the actions of a Member which are deemed by the Corporation to present an immediate danger to the safety and well-being of the Members of the Corporation or others, or for the protection or preservation of the property of the Corporation, its Members or others. Each Member of the Corporation is deemed to consent to the granting of any such order or injunction.

ARTICLE V DIRECTORS

Section 1. Number and Qualifications. The Members shall elect five (5) Regular Members to the Board and they shall constitute the full Board of Directors of the Corporation. Each elected Director must be a Regular Member (i.e. he/she may not be simply a resident of the dwelling unit of a Member). No Member who is in default of any duty owed to the Corporation shall be eligible for election or appointment to the Board.

Section 2. Term of Office. Elected Directors of the Corporation shall be elected by its Members at each annual meeting and shall hold office for a term of two (2) years or until their successors are elected and qualified; an elected Director's term, however, shall automatically terminate upon his/her ceasing to be a Member in good standing of the Corporation. A Director may serve any number of terms of office.

Section 3. Removal of Directors. Any one or more of the elected Directors may be removed with or without cause at any time by vote of the majority of the entire Membership (eligible to vote) of the Corporation, at any regular meeting or any special meeting called for that purpose, and a successor may then and there be elected to fill the vacancy thus created. Any Director(s) whose removal has been proposed shall be given an opportunity to be heard at such meeting.

Section 4. Election. Two (2) weeks prior to the annual meeting, the Secretary shall provide each Member with a list of the candidates running for election to the Board of Directors. Each candidate shall be identified as either running for a full new term of office or for election to any partial, unexpired term. Additional nominations may be made from the floor, and for such nominations the Secretary shall provide blank spaces on the ballots. Only Members in good standing may be nominated and placed on the ballot. At any meeting, each Member in good standing shall be entitled to cast one (1) vote for each of the Director's positions to be filled. Cumulative voting shall be prohibited. Election shall be by written ballot. The candidates for Directors receiving the

highest number of votes shall be declared elected. In the case of any tie vote, the decision as to who is to be elected shall be made by lot. The President shall appoint three (3) Members in good standing who are not candidates for election to count the votes.

Section 5. Vacancies. In the event of any vacancy in the Board of Directors for any reason other than the removal of a Director by the Members, the Directors then in office may fill such vacancy until the next annual meeting of the Members or until a special meeting of the Members is called for the purpose of filling the vacancy.

Section 6. Compensation Prohibited; Conflicts of Interest. No compensation shall be paid to Directors for their services as such. The validity of any contract or other transaction between the Corporation and any Regular Member, Officer or Director, shall not be affected by the fact that such Regular Member, Officer or Director has a pecuniary interest in said contract, direct or indirect, either individually, as partner, joint venturer, stockholder, Officer, Director or employee of another Corporation with whom this Corporation is engaged in business; provided, however, that such interest shall be fully disclosed in writing prior to the execution of any such contract and prior to any action by the Corporation thereon. No such interested person shall vote in any capacity whatsoever with respect to the letting of such contract or contracts.

Section 7. Meetings, Notice and Quorum. The Board of Directors shall hold regular meetings at such times and places as are designated by the Board by resolution. Special meetings may be called by the President, and special meetings shall be called by the President at the request of any two of the elected Directors who are Regular Members. At least three (3) days advance written notice (which may be communicated by email, fax, U.S. Mail or personal delivery) is required for regular meetings unless such notice is waived by all of the Directors before, at or after such meeting. Not less than five (5) days notice in writing (which may be communicated by email, fax, U.S. Mail or personal delivery) shall be given for all special meetings unless such notice is waived by all of the Directors before, at or after such meeting. The notice of the special meeting shall specify the business to be conducted at such meeting. No business may be transacted at a special meeting other than the business referred to in the notice unless the conduct of such business is unanimously consented to by all of the Directors then in office. The majority of the Regular Member Directors then in office shall constitute a quorum at any meeting. All official actions of the Board shall be preserved in the written records of the Corporation.

Section 8. Organizational Meeting. Within ten (10) days subsequent to the election of Directors at the annual meeting, the Directors shall meet for the purpose of electing Officers of the Corporation and transacting business of the Corporation. No notice to the Directors shall be necessary for such meeting if the date thereof is designated by the President at the meeting at which the Directors have been elected.

Section 9. Powers. All of the powers of the Corporation not expressly reserved to or conferred upon the Members by statute, the Articles of Incorporation or these Amended and Restated Bylaws shall be vested in the Board of Directors of this

Corporation which shall control and manage its business and affairs unless expressly provided otherwise. Although such Board may create a Membership committee for the purpose of reviewing applications for Membership and interviewing prospective Members, such applications, and final decisions on such applications shall be made by the Board.

Section 10. Fidelity Bonds/Employee Dishonesty Insurance. The Board of Directors shall require that all Directors, Officers, agents and employees of the Corporation handling or responsible for Corporation funds and/or property shall be covered by adequate fidelity bonds and/or employee dishonesty insurance purchased by the Corporation. The premiums on such bonds and/or insurance shall be expenses of the Corporation. Such bonds and/or insurance shall not be less than the estimated maximum of funds held by the Corporation at any time, including maximum expected reserve funds.

Section 11. Executive Sessions. The Board of Directors, in its discretion, may close a portion or all of any meeting of the Board of Directors to the Membership of the Corporation or may permit Members of the Corporation to attend a portion or all of any meeting of the Board of Directors. Any Member shall have the right to inspect, and make copies of, the minutes of the meetings of the Board of Directors; provided, however, that no Member shall be entitled to review or copy any minutes which reference privileged communications between the Board of Directors and counsel for the Corporation, or any other matter to which a privilege against disclosure pertains under Michigan Statute, common law, the Michigan Rules of Evidence, or the Michigan Court Rules.

Section 12. Director's and Officer's Liability Insurance. Directors and Officers liability insurance shall be carried in such limits as the Board of Directors may from time to time determine to be appropriate. The liability insurance shall cover any persons who now are, or shall become duly elected or appointed directors or Officers of the Corporation. The policy may also have to be endorsed to include "prior acts" coverage for persons who had been duly elected or appointed directors or Officers of the Corporation if it is determined that previous expiring policies do not cover claims for wrongful acts reported after the expiration or termination date of those expiring policies.

Section 13. Committees. The Board of Directors may, by resolution, appoint such standing or special committees as it deems necessary or desirable and may discontinue same at its pleasure. Ultimate responsibility for and authority over the actions of all committees shall remain with the Board of Directors. Each committee shall have a chairperson selected by the Board of Directors who shall be responsible to report on the activities of his/her committee at such intervals as may be determined by the Board of Directors.

ARTICLE VI OFFICERS

Section 1. Officers. The Officers of the Corporation shall be a President, a Secretary, and a Treasurer, and if desired, a Chairman of the Board, one or more Vice-Presidents, one or more Assistant Secretaries, one or more Assistant Treasurers, and such other Officers as may be appointed in accord with the provisions of Section 3 of this Article VI. No person shall be permitted to hold more than one office simultaneously.

Section 2. Election. The Officers of the Corporation shall be elected by the Board, and each shall hold office until he/she resigns, until he/she is removed or otherwise disqualified to serve, or until his/her successor is elected and qualified.

Section 3. Subordinate Officers and Agents. The Board may also appoint such other Officers and agents as they may deem necessary for the transaction of the business of the Corporation. All Officers and agents shall respectively have such authority and perform such duties in the management of the property and affairs of the Corporation as may be provided in the Amended and Restated Bylaws and as designated by the Board. Without limitation of any right of an Officer or agent to recover damages for breach of contract, the Board may remove any agent, with or without cause.

Section 4. Removal and Resignation. Any Officer or agent may be removed by a majority of the whole Board at the time in office at any regular or special Board meeting. Any Officer may resign at any time by written resignation delivered to the Board of Directors which shall be effective immediately upon receipt unless the resignation specifies a later date. Acceptance of any resignation shall not be required to make it effective.

Section 5. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the Board in the manner prescribed in these Bylaws for regular appointments to such office.

Section 6. President. The President shall, subject to the control of the Board, have general supervision, direction and control of the business and affairs of the Corporation. He/She shall preside at all Members' meetings and shall have the general powers and duties of management usually vested in the office of President of a Corporation; shall see that all orders and resolutions of the Board are carried into effect; and shall have such other powers and duties as may be prescribed by the Board or these Amended and Restated Bylaws.

Section 7. Vice-President(s). In the event of the President's absence, disability, or refusal to act, the Vice-President designated by the Board shall perform all the duties of and shall be subject to all the restrictions upon the President. The Vice-Presidents shall have such other powers and authority and shall perform such other duties as from time to time may be prescribed for them respectively by the Board or these Amended and Restated Bylaws.

Section 8. Treasurer. The Treasurer shall, subject to the direction of the Board, have custody and keep account of all money, funds, securities, and property of the Corporation, and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation. The Treasurer shall deposit all monies and other valuables in the name and to the credit of the Corporation with such depositories as may be designated by the Board of Directors. The Treasurer shall disburse funds of the Corporation as may be ordered by the Board of Directors and shall render to the President and the Board of Directors, whenever requested by either, an account of all transactions and of the financial condition of the Corporation. The Treasurer shall have such other powers and authorities incident to the office of Treasurer and shall perform such other duties as may be prescribed by the Board of Directors or by these Amended and Restated Bylaws.

Section 9. Secretary. The Secretary shall attend all Members' meetings and all Board meetings and shall keep or cause to be kept, in his/her custody at the principal or registered office of the Corporation in the State of Michigan or such other place as the Board may order, a book recording the minutes of all Board and Members' meetings setting forth: the place, date, and hour of holding; whether regular or special, and, if special, how authorized; the notice thereof given; the names of those present at the Board meetings; the number of Members present or represented at Members' meetings; and the proceedings thereof.

The Secretary shall keep or cause to be kept at the registered office of the Corporation in the State of Michigan, a Membership register or a list showing the names of the Members and their addresses; the number and date of Certificates issued for the same; and the number and date of cancellation of every certificate or contract surrendered for cancellation.

The Secretary shall keep in safe custody the seal of the Corporation and, when authorized by the Board, affix the same or cause the same to be affixed to any instrument requiring it and when so affixed, the seal shall be attested by his or her signature. If the Corporation does not possess a corporate seal, the signature of the Secretary, or other Officer designated by the Board, shall be legally sufficient and possess the same power and authority as a corporate seal.

The Secretary shall give or cause to be given notice of all Board and Members' meetings required by these Amended and Restated Bylaws or by law, and shall perform such other duties and have such other authorities as are designated to him or her by the Board of Directors.

Section 10. Assistant Secretary. In the event of the Secretary's absence or disability, any Assistant Secretary, if one is appointed by the Board, shall act as Secretary in all respects. The Assistant Secretaries shall exercise such other powers and perform such other duties as from time to time may be prescribed for them respectively by the Board, the President, the Secretary, or these Amended and Restated Bylaws.

Section 11. Professional Property Management. Notwithstanding the foregoing statements of duties, the Board shall have the legal authority to retain the services of a professional property management company and to delegate the performance of any duty to the management company.

ARTICLE VII

EXECUTION OF INSTRUMENTS, ACCOUNTS, ETC.

Section 1. Bank Accounts. Each bank, or other financial institution account of the Corporation, shall be established and continued only by order of the Board of Directors.

Section 2. Checks, Drafts, etc. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation, shall be signed by such Officer or Officers, agent or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board.

Section 3. Contracts, Conveyances, etc. The Board may authorize any Officer or Officers, agent or agents, to enter into any contract, to execute and deliver any instrument, or to acknowledge any instrument required by law to be acknowledged in the name of and on behalf of the Corporation. Such authority may be general or confined to specific instances. When the Board authorizes the execution of a contract or of any other instrument in the name of and on behalf of the Corporation, without specifying the executing Officers, the President or Vice President, and the Secretary or Treasurer may execute the same.

Section 4. Annual Financial Report. The Corporation shall cause a financial report of the Corporation for the preceding fiscal year to be made and distributed to each Member thereof on or before one (1) week prior to the annual Members' meeting. The report shall include the Corporation's statement of receipts and disbursements and its year-end balance sheet.

Section 5. Review of Accounts; Financial Statement. The Corporation shall keep detailed books of account showing all expenditures and receipts, and which shall specify the maintenance and repair expenses and any other expenses incurred by or on behalf of the Corporation. Such accounts and all other non-privileged Corporation records shall be open for inspection by the Members during reasonable working hours. The Board of Directors shall prepare and distribute to each Member at least once a year a financial statement, the contents of which shall be defined by the Board of Directors. The Board of Directors shall annually engage a qualified, independent certified public accountant to perform a compilation, review or audit of the books of account. Copies of the report of such accountant shall be furnished to each Member of the Corporation at the same time the financial statements of the Corporation are presented to the Members.

Section 6. Fiscal Year. The fiscal year of the Corporation shall be an annual period commencing on such date as may be initially determined by the directors. Absent such determination by the Board of Directors, the fiscal year of the Corporation shall be the calendar year. The commencement date of the fiscal year shall be subject to change by the Directors for accounting reasons or other good cause.

Section 7. Depositories. The funds of the Corporation may be invested from time to time in accounts or deposit certificates of such banks or credit unions as are insured by an agency of the federal government and may also be invested in interest-bearing obligations of the United States Government or in such other depositories as may be adequately insured in the discretion of the Board of Directors. The funds of the Corporation shall be withdrawn only upon the check or order of such Officers, employees or agents as are designated by resolution of the Board of Directors from time to time.

Section 8. Employees and Independent Contractors. It shall be the responsibility of the Board of Directors to engage such employees and independent contractors as are required to discharge the responsibility of the Corporation to its Members.

ARTICLE VIII DISSOLUTION

Section 1. Trustees. In the event the Regular Members vote to dissolve the Corporation in a manner which satisfies the requirements of the Articles of Incorporation, then the Members shall, at the special meeting adopting the plan of dissolution, designate three Members to act as Trustees, who shall receive the property of the Corporation subject to its liabilities and, within the time set forth in the plan of dissolution or any extension thereof, liquidate the corporate assets, discharge its debts and distribute any remaining assets in accord with the plan of dissolution.

Section 2. Protection of Landlord. A plan of dissolution shall become effective only if a successor tenant to the Corporation under its ground lease has been approved by the Landlord thereunder and the dissolution will become final only after such successor tenant has, in writing, assumed all obligations of the Corporation thereunder and the Corporation has been discharged therefrom by the Landlord.

Section 3. Continuing Obligations of Members. The fact of dissolution shall not impair the obligation of any Member to meet ground lease rentals or to satisfy any other obligation resulting from his/her Membership in the Corporation or his/her purchase of such Membership until such time as said Member is specifically relieved of such obligations by the obligee or his/her assignee. It shall be an additional duty of the Trustees hereinbefore appointed to collect payments against such obligations and to disburse said payments as required by the Articles of Incorporation, these Amended and Restated Bylaws and those contracts of the Corporation or its Members.

ARTICLE IX RULES AND REGULATIONS

Section 1. Pets or Other Animals. Any Member occupying his/her dwelling unit may have up to two (2) pets at a maximum. The only animals allowed as pets are dogs, cats and small caged birds. All animals shall have such care and restraint so as not to be obnoxious or offensive on account of noise, odor or unsanitary conditions. No animal may be permitted to run loose at any time upon the common areas and all animals shall at all times be leashed and attended by some responsible adult while on the common areas. The Board of Directors may, in its discretion, designate certain portions of the common areas where such animals may be walked and/or exercised. Nothing herein contained shall be construed to require the Board of Directors to so designate a portion of the common areas for the walking and/or exercising of animals.

No savage or dangerous animal shall be kept and any Member who causes any animal to be brought or kept upon the premises of the Corporation shall indemnify and hold harmless the Corporation for any loss, damage or liability (including costs and attorney fees) which the Corporation may sustain as a result of the presence of such animal on the premises, whether or not the Board of directors has given its permission therefore, and the Corporation may assess and collect from the responsible Member such losses and/or damages in the manner provided in the Articles of Incorporation and Article IV hereof.

Each Member shall be responsible for the immediate collection and disposition of all fecal matter deposited by any animal maintained by such Member. No animal which can be heard on any frequent or continuing basis shall be kept in any dwelling unit or on the common areas. The Corporation may charge all Members maintaining animals a reasonable additional assessment to be collected in the manner provided in Article IV of these Amended and Restated Bylaws in the event that the Corporation determines such assessment necessary to defray the maintenance cost to the Corporation of accommodating animals within the Corporation's premises. The Corporation shall have the right to require that any animals be registered with it and may adopt such additional reasonable Rules and Regulations with respect to animals as it may deem proper.

The Corporation may, after proper notice and an opportunity for a hearing, also (1) remove or cause to be removed, without any liability to the Corporation, from the Corporation's premises any animal not kept in compliance with applicable Rules or Regulations and/or (2), assess fines for such violation of the restrictions imposed by this Section or by any applicable Rules and Regulations of the Corporation. Small animals which are constantly caged or confined to aquariums or terrariums such as small fish or reptiles shall not be subject to the foregoing restrictions.

Section 2. Disposition of Property. No Member shall sell, transfer, dispose of or assign any item of personal property contained within the dwelling unit of the Member and owned by the Corporation or which is an integral part of the dwelling unit of

such Member unless approved in advance, in writing, by the Board of Directors after it receives a detailed written request.

Section 3. Peaceful Use; Nuisances. No unsafe, unsanitary, unlawful or nuisance activity or condition shall be carried on or allowed at any dwelling unit or upon the common areas, nor shall anything be done which may be or become an annoyance or a nuisance to other residents. No unreasonably noisy activity shall be carried on in any dwelling or on the common areas at any time. No Member shall do or permit anything to be done or keep or permit to be kept in the Member's dwelling unit or on the common areas anything that will increase the rate of insurance for the Corporation without the written approval of the Board of Directors, and each Member shall pay to the Corporation the increased cost of insurance premiums resulting from any such activity or the maintenance of any such condition even if approved. Activities which are deemed offensive and are expressly prohibited include, but are not limited to, the following: the discharge of firearms, paint ball guns, air rifles, pellet guns, b-b guns, bows and arrows, or other similar dangerous weapons, projectiles or devices.

Section 4. Guests. Members or regular residents of their dwelling units may entertain guests of any age on a temporary basis but such guests must be in the company of a Member or a regular resident of a dwelling unit at all times while using the recreational facilities of the Corporation. A Member shall be held responsible for the conduct of his/her guests or the guests of regular residents of his/her household and such Member shall be liable for any infractions of these Rules and Regulations by such guests as if the Member had committed the infractions himself/herself.

Section 5. Right of Access of Cooperative. The Board of Directors or its duly authorized agents shall have access to each dwelling unit from time to time, during reasonable working hours, upon notice to the Member, as may be necessary for inspection, maintenance, repair or replacement. The Board of Directors or its agents shall also have access to each dwelling unit at all times without notice as may be necessary to make emergency repairs to prevent damage to the dwelling unit or to another dwelling unit and/or to protect the safety and/or welfare of the inhabitants of the Condominium.

It shall be the responsibility of each Member to provide the Board of Directors means of access to the Member's dwelling unit during all periods of absence and in the event of the failure of such Member to provide means of access, the Board may gain access in such manner as may be reasonable under the circumstances and shall not be liable to such Member for any necessary damage to the Member's dwelling unit caused thereby or for repair or replacement of any doors or windows damaged in gaining such access. In the event that it is necessary for the Cooperative to gain access to a dwelling unit to make repairs to prevent damage to another dwelling unit or to protect the safety and welfare of the inhabitants of the Cooperative, the costs, expenses, damages, and/or attorney fees incurred by the Cooperative in such undertaking shall be assessed to the responsible Member and collected in the same manner as provided for collection of any other sum owed to the Cooperative including all damages resulting from any Member or their tenants, family, occupants, invitees or contractor's failure or delay in providing

access to the Cooperative. The Cooperative shall have no liability for damages to Member alterations, betterments, improvements or customizations resulting from the Cooperative's efforts to gain access to nor shall the Cooperative be held liable for the expenses of the removal or replacements of any such obstructions.

Section 6. Member Maintenance. Each Member shall maintain his/her dwelling unit and any other improvement for which he/she has maintenance responsibility in a safe, clean and sanitary condition. Each Member shall be fully responsible for any and all damage resulting from failed wax rings, plumbing appliance seals, caulking and/or grout. Each Member shall also use due care to avoid damaging the telephone, water, plumbing, electrical or other utility conduits and systems. Each Member shall be responsible for damages or costs to the Cooperative, or to other Members, as the case may be, resulting from negligent damage to or misuse of any thing by the Member, or his/her family, guests, tenants, installment contract purchasers, agents or invitees, unless such damages or costs are covered by insurance carried by the Cooperative in which case there shall be no such responsibility (unless full reimbursement to the Cooperative is excluded by virtue of a deductible provision, in which case the responsible Member shall bear the expense to the extent of the deductible amount). Any costs or damages to the Cooperative or to other Members, as the case may be, may be assessed to and collected from the responsible Member. The Members shall have the responsibility to report to the Cooperative any thing which has been damaged or which is otherwise in need of maintenance, repair or replacement and any other circumstances which if not promptly reported and attended to, could result in loss or damage to any other dwelling unit or to any item that the Cooperative is responsible to repair or replace.. All damages resulting from the failure of the Member to report any of the foregoing items may be assessed to and collected from the responsible Member. Each Member shall have these responsibilities and liabilities regardless of whether they occupy the Unit or the Unit is occupied by their tenant, guest, etc.

Section 7. Enforcement. In addition to the remedies available to the Corporation under Article IV, Section 4 of these Bylaws, the Board of Directors may warn or reprimand a Member who has violated any of the provisions of the Articles of Incorporation, these Amended and Restated Bylaws and any further Rules and Regulations adopted by the Corporation or suspend the use of common facilities for not to exceed thirty (30) days.

Section 8. Additional Remedies for Default. Any default by a Member shall entitle the Corporation to the following relief:

(a) **Legal Action.** Failure to comply with any of the terms and provisions of the Articles of Incorporation or these Amended and Restated Bylaws, including any of the Rules and Regulations made by the Board of Directors hereunder, shall be grounds for relief, which may include without intending to limit the same, an action for summary proceedings to recover possession, to recover sums due for damages, injunctive relief or any

combination thereof, and such relief may be sought by the resolution of the Board of Directors on behalf of the Corporation.

(b) **Recovery of Costs.** In the event of a default by a Member or the Member's guests, invitees and/or contractors, the Corporation shall be entitled to recover from the Member the pre-litigation costs and attorney fees incurred in obtaining or attempting to obtain their compliance. In any legal proceeding arising because of an alleged default by any Member, the Corporation, if successful, shall also be entitled to recover the costs of the proceeding and such reasonable attorney fees, (not limited to statutory fees) as may be determined by the Court, but in no event shall any Member be entitled to recover such attorney fees. The Corporation, if successful, shall also be entitled to recoup the costs and attorney's fees incurred in defending any claim, counterclaim or other matter from the Member asserting the claim, counterclaim or other matter.

(c) **Removal and Abatement.** The violation of any of the provisions of the Articles of Incorporation, these Amended and Restated Bylaws or the Rules and Regulations of the Corporation, shall also give the Corporation, or its duly authorized agents, the right, in addition to the rights set forth above, to enter upon the common areas, or into any dwelling unit, where reasonably necessary, and summarily remove and abate, at the expense of the Member in violation, any structure, thing or condition existing which is in violation of any of the provisions of the Articles of Incorporation, these Amended and Restated Bylaws or the Rules and Regulations of the Corporation; provided, however, that judicial proceedings shall be instituted before items of construction are altered or demolished pursuant to this subsection. The Cooperative shall have no liability to any Member arising out of the exercise of its removal and abatement power authorized herein.

(d) **Assessment of Fines.** The violation of any of the provisions of the Articles of Incorporation, these Amended and Restated Bylaws or the Rules and Regulations of the Corporation by any Member, in addition to the rights set forth above, shall be grounds for assessment by the Cooperative of a monetary fine for such violation.

(i) **Procedures.** Upon any violation being alleged by the Corporation, a written notice shall be sent to the offending Member describing the facts constituting the alleged violation, the specific restriction alleged to have been violated and the notice shall set forth the date (no less than seven (7) days from the date of the notice), time and place for a hearing before the Board of Directors, at which the Member shall have the right to appear before the Board and offer evidence in defense of the alleged violation, with or without legal counsel. The Board shall issue a written notice of its determination within ten (10) days after the hearing and, upon finding that a violation has occurred, the

Board of Directors may levy a fine in accordance with the following subsection.

(ii) **Fine Schedule.** Upon a determination that a material violation of any of the provisions of the cooperative documents has occurred the following fines may be levied:

1st Violation- No fine shall be levied unless the Board determines that the nature of the violation is such as to be best deterred in the future if a fine is imposed for a first violation.

2 nd Violation	-	\$25.00 fine
3 rd Violation	-	\$50.00 fine
4 th & Subsequent Violation	-	\$100.00 fine

Section 9. Non-Waiver of Right. The failure of the Corporation to enforce any right, provision, covenant or condition shall not constitute a waiver of the right of the Corporation to enforce such right, provision, covenant or condition in the future.

Section 10. Cumulative Rights, Remedies, and Privileges. All rights, remedies and privileges granted to the Corporation pursuant to any terms, provisions, covenants or conditions of the Articles of Incorporation, these Amended and Restated Bylaws or the Rules and Regulations of the Corporation shall be deemed to be cumulative and the exercise of any one or more shall not be deemed to constitute an election of remedies, nor shall it preclude the Corporation from exercising such other and additional rights, remedies or privileges as may be available to it at law or in equity.

Section 11. Additional Rules and Regulations. Additional Rules and Regulations may be adopted by the Board of Directors or the Members as the needs of the Corporation requires. Such additional Rules and Regulations whether or not made part of these Amended and Restated By-Laws and whether adopted by the Board or the Members, shall nevertheless be enforced by the Corporation in the manner above provided.

ARTICLE X

INDEMNIFICATION OF OFFICERS AND DIRECTORS

The Corporation shall indemnify any person who was or is party or is threatened to be made a party to a threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative and whether formal or informal, other than an action by or in the right of the Corporation, by reason of the fact that he or she is or was a Director, Officer, or employee of the Corporation, against expenses, including attorneys' fees, judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with the action, suit or proceeding, if the person acted in good faith and in a manner he or she reasonably believed to be in or not

opposed to the best interests of the Corporation or its Members, was not guilty of willful and wanton misconduct or gross negligence and, with respect to a criminal action or proceeding, if the person had no reasonable cause to believe his or her conduct was unlawful. The termination of an action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent, does not, of itself, create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the Corporation or its Members and, with respect to a criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful or was not guilty of willful and wanton misconduct or gross negligence; provided, however, that in the event of any claim for reimbursement or indemnification hereunder based upon settlement by the Director, Officer or other person seeking such reimbursement or indemnification, the indemnification provided for herein shall apply only if the Board of Directors (with the person seeking reimbursement or indemnification abstaining) approves such settlement and reimbursement or indemnification as being in the best interest of the Corporation. The foregoing right of reimbursement or indemnification shall be in addition to and not exclusive of other rights to which such Director, Officer or other person may be entitled. At least ten days prior to payment of any reimbursement or indemnification which it has approved, the Board of Directors shall notify all Members thereof.

The Corporation shall indemnify any person who was or is party or is threatened to be made a party to a threatened, pending or completed action or suit in the right of the Corporation to procure a judgment in its favor by reason of the fact that he or she is or was a Director, Officer, or employee of the Corporation, against expenses, including attorneys' fees and amounts paid in settlement actually and reasonably incurred by him or her in connection with the action or suit, if the person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Corporation or its Members and was not guilty of willful and wanton misconduct or gross negligence. Indemnification shall not be made for a claim, issue or matter in which the person has been found to be liable to the Corporation except as provided in Section 564c of the Business Corporation Act.

ARTICLE XI AMENDMENTS

These Amended and Restated Bylaws may be amended or revoked by a vote of the majority of the Members of the Corporation at any duly called meeting, or by action of the Board of Directors, provided that the notice of such meeting, whether annual or special, shall set forth in detail the amendment or revocation to be acted upon.

**ARTICLE XII
INCONSISTENCY**

Section 1. Whenever in these Bylaws words, including pronouns, are used in any particular gender, they shall be read and constructed in the masculine, feminine or neuter, whenever they would so apply, and whenever other words, including pronouns, are used in the singular or plural, they shall be read and construed in the plural or singular, respectively wherever they would so apply.


Section 2. Where appropriate, capitalized terms shall be construed in the same manner as such terms are otherwise defined in other applicable documents, including the Articles of Incorporation and the ground lease.

**ARTICLE XIII
SEVERABILITY**

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

CERTIFICATE OF SECRETARY

The undersigned certifies that:

- 1)  is the duly elected and acting Secretary of Red Cedar Phase I, Inc.

The foregoing constitute the Amended and Restated Bylaws of said Corporation as duly adopted at the meeting of the Membership duly noticed and convened on the 16th day of March, 2010.