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RETURN TO:
J. Glenn Sperry
Sperry & Bowman
317 Center Street
South Haven, MI 49090

Administrator
MI DEPARTMENT OF CONSUMER & INDUSTRY SERVICES
CORPORATION, SECURITIES & LAND DEVELOPMENT BUREAU

MICHIGAN DEPARTMENT OF COMMERCE
CORPORATION AND SECURITIES BUREAU

Administrator
MI DEPARTMENT OF CONSUMER & INDUSTRY SERVICES
CORPORATION, SECURITIES & LAND DEVELOPMENT BUREAU

Date Received: _____ Corporation identification number: _____

**ARTICLES OF INCORPORATION OF THE COLONIAL
CONDOMINIUM ASSOCIATION**

These articles of incorporation are signed by the incorporators to form a nonprofit corporation under Michigan's Nonprofit Corporation Act, MCLA 450.2101 et seq., MSA 21.197(101) et seq.

ARTICLE I

The name of the corporation is The Colonial Condominium Association.

ARTICLE II

The purposes for which the corporation is formed are to provide an entity pursuant to the Michigan Condominium Act, MCLA 559.101 et seq., MSA 26.50(101) et seq., for the operation of condominium property in Van Buren County, Michigan, and, in furtherance of this operation,

1. To maintain, operate, and manage the condominium buildings and improvements;
2. To levy and collect assessments from members to defray the costs, expenses, and losses of the condominium;
3. To employ personnel, to contract for the maintenance, administration, and management of the condominium, and to delegate necessary powers and duties to such personnel;
4. To purchase insurance on the common elements of the condominium and to collect and allocate the proceeds;
5. To make and enforce reasonable rules and regulations concerning the use of the condominium property in furtherance of the master deed and bylaws;
6. To authorize and approve the signing of contracts, deeds, and easements affecting the common elements; and
7. In general, to carry on any other business in connection with these purposes, with all the powers conferred on nonprofit corporations by Michigan law.

All funds and the titles to all properties acquired by the corporation and their proceeds shall be held in trust for the members in accordance with the provisions of the bylaws of the association.

ARTICLE III

The address of the registered office is 05080 73rd Street, South Haven, MI 49090

The mailing address of the registered office is 550 Williams Street, South Haven, MI 49090

The name of the resident agent at the registered office is Kevin P. Moran

ARTICLE IV

The corporation is organized on a membership basis. The description and value of all assets that the corporation possesses at the time of its incorporation are as follows:

Real Property: None

Personal Property: None

The corporation is to be financed by the assessment of members to defray the costs, expenses, and losses of the condominium.

ARTICLE V

The name and address of the incorporator is as follows:

<u>Name</u>	<u>Residence or Business Address</u>
J. Glenn Sperry	317 Center Street, South Haven, MI 49090

ARTICLE VI

The names and addresses of the first board of directors are as follows:

<u>Name</u>	<u>Residence or Business Address</u>
Kevin P. Moran	550 Williams Street, South Haven, MI 49090

ARTICLE VII

The term of the corporation shall be perpetual.

ARTICLE VIII

The corporation is organized on a membership basis, and each co-owner of record of a unit in the condominium, including the developer until all units have been sold, shall be a member of the corporation. Membership shall not be assigned, pledged, encumbered, or transferred in any manner except as an appurtenance of a unit. The directors named in these articles shall also be members of the corporation until their successors have been elected and qualified. Each member of the corporation shall be entitled to one vote, the value and the manner of exercise of which are to be determined in accordance with the bylaws of the corporation.

ARTICLE IX

Any action required or permitted by the Michigan Non-Profit Corporation Act to be taken at an annual or

special meeting of members may be taken without a meeting, without prior notice, and without a vote if the number of members with the minimum number of votes that would be necessary to authorize or take the action at a meeting at which all members entitled to vote were present and voted consent to the action in writing. Prompt notice of the taking of corporate action without a meeting by less than unanimous consent shall be given to members who have not consented in writing.

ARTICLE X

No contract or other transaction between this corporation and any other corporation, firm, or association shall be subject to cancellation (other than as provided by MCLA 559.101 et seq., MSA 26.50(101) et seq.) because one or more of the directors or officers of the corporation are interested in or are directors or officers of the other corporation, firm, or association. Any individual director or officer may be a party to or may be interested in any contract or transaction of the corporation. However, the contract or other transaction must be fair and reasonable to the corporation when it is authorized, approved, or ratified, and the individual must disclose the material facts about the relationship or interest to the board or committee before it authorizes, approves, or ratifies the contract or transaction by a sufficient vote that does not include the vote of the interested director or officer. Any person who becomes a director or an officer of the corporation is relieved from any liability that might otherwise exist from contracting with the corporation for the benefit of that person or any firm, association, or corporation in which the person is otherwise interested in as stated in this article.

ARTICLE XI

The members of the board shall be volunteer directors within the meaning of 1987 PA 170 (codified as amended in scattered sections of MCLA Chapter 450). A volunteer director shall not be personally liable to the corporation or to its members for monetary damages for a breach of the director's fiduciary duty arising under applicable law. However, this article shall not eliminate or limit the liability of a director for any of the following:

1. A breach of the director's duty of loyalty to the corporation or its members;
2. Acts or omissions not in good faith or that involve intentional misconduct or knowing violation of law;
3. A violation of MCLA 450.2551(1), MSA 21.197(551)(1);
4. A transaction from which the director derived an improper personal benefit;
5. An act or omission that is grossly negligent; or
6. An act or omission occurring before this document is filed

A volunteer director shall be personally liable for monetary damages for a breach of fiduciary duty as a director to the corporation and its members to the extent stated in this article. Any repeal or modification of this article shall not adversely affect any right or protection of any volunteer director regarding any acts or omissions occurring before the repeal or modification.

ARTICLE XII

The Corporation assumes liability for all acts or omissions of a nondirector volunteer occurring after the date at which these Articles are filed with the Michigan Department of Commerce, provided that all of the following conditions are met:

1. The volunteer was acting or reasonably believed he or she was acting within the scope of his or her authority.

BYLAWS OF THE COLONIAL CONDOMINIUM ASSOCIATION

ARTICLE I CONDOMINIUM BYLAWS

The condominium bylaws of The Colonial Condominium, attached as a part of the master deed for the project and recorded with the Register of Deeds of Van Buren County, Michigan, are incorporated by reference and adopted in their entirety as a part of the bylaws of this corporation.

ARTICLE II MEETINGS AND QUORUMS

1. **Membership meetings.** The initial meeting of the members, in the absence of a special call by the board of directors, shall be held on the call of the developer by the time required for the meeting in the condominium bylaws. At this meeting, the directors elected at the first meeting of incorporators shall resign and a new board of directors shall be elected by the members as provided in these bylaws.
2. **Annual meetings of members.** After the initial meeting, an annual meeting of members shall be held each year at the date, time, and place that the board of directors designates. Notice of all annual meetings shall be given as provided in the condominium bylaws.
3. **Delayed annual meeting of members.** If, for any reason, the annual meeting is not held on the designated day, the meeting may be called and held as a special meeting with the same proceedings as at an annual meeting.
4. **Special meetings of members.** The president, a majority of the directors of the board, or a group of co-owners with at least 20 percent of the votes entitled to notice of the meeting may call special meetings of the members. Notice of special meetings shall be provided in the same manner as for annual meetings.
5. **Organizational meetings of the board.** At the same place and immediately following the annual meeting of members, the board as constituted on the final adjournment of that annual meeting shall convene to elect officers and transact any other business properly proposed. If a majority of the directors consent, the organizational meeting may be held at a different time and place.
6. **Regular meetings of the board.** In addition to its organizational meeting, the board may hold regular meetings at other times and places that it designates. Notice of regular meetings shall be given to each director personally or by mail, telephone, or telegraph at least five days before the meeting.
7. **Special meetings of the board.** The president or any two directors may call special meetings of the board by giving written notice to each director of the time, place, and purpose of the meeting at least three days before the meeting.
8. **Notice and mailing.** All written notices required by these bylaws shall state the authority under which they are issued (e.g., "by the order of the president" or "by the order of the board of directors") and shall bear the written, printed, or typed name and signature of the secretary. Each such notice shall be deemed served when it has been deposited in the U.S. mail, with postage fully prepaid, plainly addressed to the addressee at the last address appearing in the membership records of the corporation.
9. **Waiver of notice.** Notice of the time, place, or purpose of any meeting of the members or of the board may be waived by telegram, cablegram, or other writing, either before or after the meeting has been held. Attendance at any meeting of the board constitutes a waiver of notice, unless a director attends for the purpose of objecting to the transaction of any business because the meeting has not been lawfully convened.

10. **Quorums.** A quorum of the members shall be as stated in the condominium bylaws. The majority of the directors in office or of the members of any committee shall constitute a quorum for the transaction of business. Members or directors present or represented at any such meeting may continue to do business until adjournment, notwithstanding the withdrawal of enough persons to leave less than a quorum, and may adjourn the meeting for no more than 30 days, without notice other than an announcement at the meeting, until a quorum is present or represented.

ARTICLE III THE BOARD OF DIRECTORS

1. **Number and terms.** The business, property, and affairs of the corporation shall be managed by a board of directors composed of at least three but not more than seven members. The number of persons composing each board shall be determined by a vote of the members before the establishment of the board. If a motion is not made and carried to increase or decrease the number of directors, the board shall consist of the same number of persons as composed the previous board of directors. In addition, the members may, by making and passing a resolution, provide that, in lieu of annually electing all directors, the directors be divided into two or three classes, each to be as nearly equal in number as possible, with terms of office such that the terms of the directors in the first class will expire at the first annual meeting following their election, the terms of the second class will expire at the second annual meeting after their election, and the terms of the third class will expire at the third annual meeting after their election. At each annual meeting after such a classification of the board of directors, a number of directors equal to the number of the class whose term is expiring shall be elected to hold office until the second succeeding annual meeting if there are two classes or until the third succeeding annual meeting if there are three classes. However, until the initial meeting of the members as required by the condominium bylaws, the directors named in the articles of incorporation and their successors shall serve.
2. **Qualification.** Except for members of the first board, each director shall be a co-owner or the spouse of a co-owner (or, if a co-owner is a trustee of a trust, a beneficiary of the trust or, if a co-owner or such a beneficiary is a corporation or a partnership, an officer, a partner, or an employee of the co-owner or beneficiary). If a director ceases to qualify during the director's term, that person shall cease to be a director, and the director's place on the board shall be deemed vacant.
3. **Vacancies.** Vacancies on the board may be filled by the affirmative vote of a majority of the remaining directors, even if there remains less than a quorum of the board. Each person elected to fill a vacancy shall remain a director until a successor has been elected and qualified. The term of the newly elected director shall equal that remaining for the director whose death or resignation created the vacancy.
4. **Resignation and removal.** A director may resign at any time, and such a resignation shall take effect when the association receives written notice or at a later time as stated in the notice of resignation. Any or all of the directors may be removed, with or without cause, by a vote of a majority of the co-owners, in number and in value.
5. **Action by written consent.** If all the directors consent in writing to any action to be taken by the corporation, either before or after the action, the action shall be a valid corporate action as if it had been authorized at a meeting of the board.
6. **Powers and duties.** In addition to the powers and duties imposed or permitted by law, by these bylaws, and by resolutions of the members of the association, the board of directors shall have all powers and duties necessary to administer the affairs of the condominium as stated in the condominium bylaws.
7. **Rules and regulations.** The board of directors shall propose regulations for the use and enjoyment of the units and the common elements of the condominium and other rules and regulations as necessary to

maintain and operate the condominium. All such regulations and amendments to them shall be adopted and promulgated in the manner stated in the condominium bylaws. All rules and regulations imposed by the first board of directors before the initial meeting of members shall bind all subsequent members unless this provision is amended as provided in these bylaws.

8. **Compensation.** Directors shall receive no compensation for their services as directors unless expressly provided for in resolutions adopted by at least 60 percent of all co-owners, in number and in value.

ARTICLE IV OFFICERS

1. **Designation and terms.** The board shall elect a president, a secretary, and a treasurer and may also elect one or more vice presidents, assistant secretaries, and assistant treasurers as the needs of business require. Each officer shall hold office for one year and until a successor is elected and qualified. No officer shall receive any compensation from the corporation for acting as an officer.
2. **The president.** The president shall be the chief executive officer of the corporation. The president shall preside over all meetings of the members and of the board and shall be an ex officio member of all standing committees.
3. **The secretary.** The secretary shall attend all meetings of the members, of the board, and of the executive committee and shall preserve, in records of the corporation, true minutes of the proceedings of all such meetings. The secretary shall safely keep the seal of the corporation and shall have the authority to affix the seal to all documents on which its use is required. The secretary shall give all notices required by statute, these bylaws, or resolutions and shall perform other duties that the board or the executive committee delegates to the secretary.
4. **The treasurer.** The treasurer shall have custody of all corporate funds and securities and shall keep, in records of the corporation, full and accurate accounts of all receipts and disbursements. The treasurer shall deposit all monies, securities, and other valuable property of the corporation in such depositories the board designates. The treasurer shall disburse the funds of the corporation as the board orders, taking proper vouchers for such disbursements, and shall render to the president and directors at regular meetings of the board and whenever they request an account of all the treasurer's transactions and of the financial condition of the corporation.
5. **Vacancies.** Vacancies in any office may be filled by the affirmative vote of a majority of the remaining members of the board at any regular or special meeting. Each person appointed to fill a vacancy shall remain an officer for a term equal to that remaining for the officer whose death or resignation creates the vacancy and until a successor is elected and qualified.
6. **Resignation and removal.** An officer may resign at any time, and such a resignation shall take effect when the association receives written notice or at a later time as stated in the notice of resignation. Any or all of the officers may be removed, with or without cause, by the vote of a majority of the board of directors.

ARTICLE V INDEMNIFICATION

1. **Scope of indemnification.** The corporation shall indemnify to the fullest extent authorized or permitted by the Michigan Nonprofit Corporation Act any person, estate, or personal representative who is made or threatened to be made a party to an action, suit, or proceeding (civil, criminal, administrative, or investigative) because the party is or was a director or an officer of the corporation or serves or served in

any other enterprise at the request of the corporation. Parties who are not directors or officers of the corporation may be similarly indemnified for services rendered to the corporation or at the request of the corporation to the extent authorized at any time by the board of directors of the corporation. The provisions of this article shall apply to directors and officers who have ceased to render such service and shall benefit their heirs, personal representatives, executors, and administrators. The right of indemnification provided in this article shall not be exclusive, and the corporation may indemnify any person, by agreement or otherwise, on whatever conditions the board of directors of the corporation approves. Any agreement for the indemnification of a director, an officer, an employee, or another party may provide indemnification rights that are broader or otherwise different than those stated in the Michigan Nonprofit Corporation Act, unless such rights are otherwise prohibited by law.

2. **Authorization of indemnification.** Any indemnification under this article (unless ordered by a court) shall be made by the corporation only after 10 days' written notice to all co-owners of the facts surrounding the request for indemnification, when authorized in the specific case on a determination that the indemnification of the director, officer, employee, or agent is proper in the circumstances because the party has met the applicable standard of conduct stated in this article. Such a determination shall be made (a) by the board of directors by a majority vote of a quorum consisting of directors who were not parties to the action, suit, or proceeding; (b) if such a quorum is not obtainable or, even if it is obtainable, if a quorum of disinterested directors so directs, by independent legal counsel (who may be the regular counsel of the corporation) in a written opinion; or (c) by the members.
3. **Advancing expenses.** Expenses incurred in defending a civil or criminal action, suit, or proceeding described in provision 1 of this article may be paid by the corporation in advance of the final disposition of the action, suit, or proceeding as authorized by the board of directors on receipt of an undertaking by or on behalf of the director, an officer, an employee, or an agent to repay the amount unless it is ultimately determined that the party is entitled to be indemnified by the corporation as authorized in this article.
4. **Insurance.** The corporation may purchase and maintain insurance on behalf of any party who is or was a director, an officer, an employee, or an agent of the corporation or who is or was serving at the request of the corporation as a director, an officer, an employee, or an agent of another corporation, partnership, joint venture, trust, or other enterprise against any liability asserted against the party and incurred by the party in such a capacity or arising out of the party's status as such, whether or not the corporation would have the power to indemnify the party against such liability under the provisions of this article.
5. **Mergers.** For the purpose of this article, references to the "corporation" include all constituent corporations absorbed in a consolidation or merger, as well as the resulting or surviving corporation, so that any person who is or was a director, an officer, an employee, or an agent of such a constituent corporation or who is or was serving at the request of such a constituent corporation as a director, an officer, an employee, or an agent of another corporation, partnership, joint venture, trust, or other enterprise shall stand in the same position under the provisions of this article with respect to the resulting or surviving corporation as that party would if the party had served the resulting or surviving corporation in the same capacity.

ARTICLE VI GENERAL PROVISIONS

1. **Liability of members.** The association and the board shall have the power to raise and the responsibility for raising, by special assessment or otherwise, any sums required to discharge its obligations under these bylaws. However, the liability of any co-owner arising out of any contract made by the directors; for other acts of the directors, officers, or committees; or out of the indemnity provisions of Article V shall

be limited to the proportion of the total liability equal to the percentage of value of the co-owner's unit. Every agreement made by the directors, officers, committees, or managing agent on behalf of the co-owners shall provide that the persons signing the agreement are acting only as agents for the co-owners and shall have no personal liability under the agreement (except as co-owners) and that each co-owner's liability under the agreement shall be limited to the proportion of the total liability incurred equal to the percentage of value of the co-owner's unit.

2. **The signing of documents.** All checks, drafts, and orders for the payment of money shall be signed in the name of the corporation by whatever officers or agents the board designates. If the signing of any contract, conveyance, or other document of title has been authorized without the specification of the signing officers, the president or a vice president may sign in the name of the corporation without attestation, acknowledgment, or seal.
3. **Fidelity bonds.** The association may require that all officers, employees, and others who are responsible for handling funds obtain adequate fidelity coverage to protect against dishonest acts, the cost of which shall be an administration expense.
4. **The seal.** The seal of the corporation shall include the name of the corporation and the words "Corporate Seal, Michigan." The seal may be used by causing it or a facsimile to be impressed, affixed, or reproduced.
5. **Fiscal year.** The fiscal year of the corporation shall be fixed by a resolution of the board.

ARTICLE VII AMENDMENTS OF THE BYLAWS

These bylaws may be amended, added to, or repealed only in accordance with the provisions of the master deed for The Colonial Condominium.

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