

RECORDED

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SEP 12 2 34 PM '96

MASTER DEED FOR THE COLONIAL CONDOMINIUM
as required by the Michigan Condominium Act,
MCLA 559.101 et seq., MSA 26.50(101) et seq.

Mark A. Sperry
VAN BUREN CO.
REGISTERED

71.00

Van Buren County Condominium Subdivision Plan No. 46

1. The master deed establishing The Colonial Condominium, a condominium project.
2. Exhibit A to the master deed: Condominium Bylaws of The Colonial Condominium.
3. Exhibit B to the master deed: Condominium Subdivision Plan for The Colonial Condominium.

No interest in real estate is being conveyed by this document. No revenue stamps are required.

Drafted by and return to:

J. Glenn Sperry
Sperry & Bowman
317 Center Street
P.O. Box 465
South Haven, Michigan 49090

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MASTER DEED FOR THE COLONIAL CONDOMINIUM

as required by the Michigan Condominium Act,
MCLA 559.101 et seq., MSA 26.50(101) et seq.

This master deed is made and signed on August 20, 1996. The developer, a Michigan limited liability company whose principal office is situated at 550 Williams Street, South Haven, Michigan 49090, is represented in this document by its Managers who are fully empowered and qualified to act on behalf of the corporation.

The developer is constructing a residential and business condominium project to be known as The Colonial Condominium, pursuant to the plans approved by the City of South Haven on a parcel of land described in Article II of this document. The developer desires, by recording this master deed together with the condominium bylaws and the condominium subdivision plan, both of which are incorporated by reference and made a part of this document, to establish this real property and the improvements and appurtenances now and in the future located on it as a condominium project under the provisions of the Michigan Condominium Act.

By recording this document, the developer establishes The Colonial Condominium as a condominium project under the act and declares that the project shall be held, conveyed, hypothecated, encumbered, leased, rented, occupied, improved, and used subject to the act and to the conditions stated in this master deed, all of which shall run with the land and burden and benefit the developer; its successors and assigns; any persons acquiring or owning an interest in the real property; and their grantees, successors, heirs, executors, administrators, and assigns.

ARTICLE I
THE PROJECT

The project is a residential and business condominium that is being constructed in a single phase to comprise a total of 21 residential living units and 3 business units. The 24 condominium units that compose the project, including the numbers, boundaries, dimensions, and areas of them, are completely described in the condominium subdivision plan. Each unit is suitable for individual use, having its own entrance from and exit to a common element of the project. Each co-owner in the project shall have a particular and exclusive property right to the co-owner's unit and to the limited common elements appurtenant to it and shall have an undivided and inseparable right to share the general common elements of the project with other co-owners, as designated by this master deed.

ARTICLE II
LEGAL DESCRIPTION

The land on which the project is situated and which is submitted for condominium ownership pursuant to the Michigan Condominium Act, is located in the City of South Haven, Van Buren County, Michigan and is described as follows:

Parcel 1:

Beginning on the North line of Lot 1, Block 15 of Hale, Conger and Co's Addition to the Village (now City) of South Haven, on the Westerly right of way of Williams Street; thence North 70° 16' 7" West along the North line of said Lot 1, a distance of 149.60 feet; thence South 23° 7' 13" West 48.97 feet; thence South 23° 15' 33" East 47.94 feet; thence South 70° 16' 7" East parallel with the North line of said Lot 1, a distance of 85.83 feet (deeded as 85.70 feet) to the West line of Williams Street; thence North 41° 45' 55" East on said West line 90.56 feet (deeded 90.40 feet) to the place of beginning.

I certify that, as to the lands herein described, neither the state nor any person holds a tax title or lien, and that all taxes levied for the five calendar years preceding the date of this instrument have been paid, except that if checked here ☐ this certificate does not cover taxes for the most recent year because the delinquent tax roll for same is not available. All taxes levied to date are paid.

Mary Hale 9-12-96
VAN BUREN COUNTY TREASURER Dated

Parcel 2:

Beginning on the South line of Lot 5, Block 6 of Hale, Conger and Co's Addition to the Village (now City) of South Haven, at a point 244.42 feet South 89° 48' 10" West of the Southeast corner of said Lot 5; thence South 89° 48' 10" West on said South line 122.00 feet; thence North 00° 08' 00" East 98.00 feet; thence North 45° 08' 00" East 17.06 feet; thence North 89° 48' 10" East 109.94 feet; thence South 00° 08' 00" West 110.00 feet to the place of beginning.

Together with easements appurtenant thereto and subject to easements and restrictions of record.

ARTICLE III DEFINITIONS

Certain terms are used not only in this master deed but also in other documents for the condominium, such as the articles of incorporation; the association bylaws; the rules and regulations of The Colonial Condominium Association; and deeds, mortgages, liens, land contracts, easements, and other documents affecting interests in the project. As used in such documents, the following definitions apply unless the context otherwise requires:

1. *The arbitration association* means the American Arbitration Association or its successor.
2. *The association of co-owners or the association* means the nonprofit corporation organized under Michigan law of which all co-owners must be members. This corporation shall administer and maintain the project. Any action required of or permitted to the association may be carried out by its board of directors unless it is specifically reserved to its members by the condominium documents or Michigan law.
3. *The association bylaws* means the corporate bylaws of the association organized to maintain and administer the project.
4. *Common elements*, if used without modification, means the part of the project other than the condominium units, including all general and limited common elements described in Article IV.
5. *Condominium bylaws* means exhibit A, which is the bylaws stating the substantive rights and obligations of the co-owners.
6. *Condominium documents* includes this master deed and all its exhibits recorded pursuant to the Michigan Condominium Act and any other documents referred to in this document that affect the rights and obligations of a co-owner in the condominium.
7. *The condominium subdivision plan* means exhibit B, which is the site drawing, the survey, and other drawings depicting the existing and proposed structures and improvements, including their locations on the land.
8. *Condominium unit or unit* means that part of the project designed and intended for separate ownership and use, as described in this master deed.
9. *Co-owner* means a person, a firm, a corporation, a partnership, an association, a trust, or another legal entity or any combination who owns a condominium unit in the project, including a vendee of a land contract of which the purchase is not in default. *Owner* is synonymous with *co-owner*.

10. *The developer* means Williams Street Development, L.L.C., a Michigan limited liability company which has made and signed this master deed, as well as its successors and assigns.
11. *General common elements* means those common elements of the project described in Article IV(1), which are for the use and enjoyment of all co-owners, subject to such charges as may be assessed to defray the operation costs.
12. *Limited common elements* means those common elements of the project described in Article IV(2), which are reserved for the exclusive use of the co-owners of a specified unit or units.
13. *The master deed* means this instrument as well as its exhibits and amendments, by which the project is submitted for condominium ownership.
14. *Percentage of value* means the percentage assigned to each unit by this master deed, which determines the value of a co-owner's vote at association meetings when voting by value or by number and value and the proportionate share of each co-owner in the common elements of the project.
15. *The project or the condominium* means The Colonial Condominium, a condominium development established in conformity with the Michigan Condominium Act.
16. *The transitional control date* means the date when a board of directors for the association takes office pursuant to an election in which the votes that may be cast by eligible co-owners unaffiliated with the developer exceed the votes that may be cast by the developer.
17. *Convertible area* means a unit referred to in the condominium documents within which additional condominium units or general or limited common elements may be created in accordance with the Michigan Condominium Act.

Whenever a reference is made in this document to the singular, a reference shall also be included to the plural if appropriate.

ARTICLE IV COMMON ELEMENTS

The common elements of the project as depicted in exhibit B and the responsibilities for their maintenance, repair, and replacement are as follows:

1. The general common elements are
 - a. the land described in Article II, including easement interests of the condominium in the land provided to it for ingress and egress, if any;
 - b. the deck, drives, walkways, lawns, yards, trees, shrubs, and other plantings;
 - c. the street lighting system and other electrical, and telephone wiring networks throughout the common areas of the project, including those within common walls, floors, and ceilings;
 - d. the plumbing and gas-line networks throughout the common areas of the project, including those within common walls, floors, and ceilings;
 - e. the heating and air-conditioning ducts and conduits throughout the common areas of the project, if any, including those within common walls, floors, and ceilings;

- f. the wells, water distribution system, underground sprinkling system, sanitary sewer system, and storm drainage system serving the project;
- g. the foundations, roofs, perimeter walls, and other walls as shown on exhibit B, ceilings, floors, entrances, and exits of the project (including doors and chimneys);
- h. the common attic spaces, and the portions of any garage or parking area not designated as a limited common element on the condominium subdivision plan; and
- i. all other common elements of the project not designated in this document as limited common elements that are not enclosed within the boundaries of a condominium unit and that are intended for common use or are necessary for the existence, upkeep, or safety of the project.

Some or all of the utility and cable television lines, systems (including mains and service leads), and equipment may be owned by the local public authority or by a utility or cable television company that is providing the pertinent service. Accordingly, such lines, systems, and equipment shall be general common elements only to the extent of the co-owners' interest in them, if any, and the developer makes no warranty of such an interest.

2. The limited common elements are

- a. the pipes, ducts, wiring, and conduits located entirely within a condominium unit and servicing only that unit (and cable television system which shall be appurtenant to the R units);
- b. the separate furnace, water heater, air conditioner, and compressor within or adjacent to a unit and servicing only that unit;
- c. the doors, windows, sliders, and screens within or adjacent to any unit's perimeter walls;
- d. the halls, stairs, elevators and other areas shown on Exhibit B as limited common areas.

If any of the limited common elements described in this provision have not been assigned in the condominium subdivision plan, the developer reserves the right to designate each such element as a limited common element appurtenant to a particular unit by subsequent amendments to this master deed. The co-owners and mortgagees of condominium units and all other parties interested in the project shall be deemed to have irrevocably and unanimously consented to such amendments and irrevocably appoint the developer or its successors as agent and attorney to make any such amendments to the master deed.

3. Responsibilities for cleaning, decorating, maintaining, repairing, and replacing the common elements are as follows:

- a. The appearance of doors and windows shall at all times be subject to the approval of the association. If a co-owner's cleaning of such limited common elements does not conform to reasonable standards established by the association, the association may take whatever action is necessary to bring the elements up to required standards and charge the cost to the owner responsible for cleaning the element.
- b. The costs of cleaning, decorating, maintaining, repairing, and replacing all general and limited common elements other than those described above shall be borne by the association, except for repairs or replacements necessitated by the acts or neglect of co-owners or their agents, invitees, family members, or pets.

- c. If any unit owner elects to construct or install any improvements to the interior of the unit or, with written consent from the association, to the common elements appurtenant to the unit that increase the costs of maintenance, repairs, or replacements for which the association is responsible, the association may assess the increased costs or expenses against the unit.
- d. Certain limited common elements, such as halls, stairs and elevators are shown on Exhibit B as appurtenant to residential units only and other limited common elements to business units only. The cost of cleaning, decorating, maintaining, repairing and replacing such limited common elements shall be allocated by the association to the residential units or the business units as the case may be. Trash pick-up for the B unit(s) shall be paid directly by the B unit(s).
4. All co-owners whose interests would be affected may assign or reassign a limited common element, on notice to any affected mortgagees, by applying in writing to the board of directors of the association. On receipt of such an application, the board shall promptly have an amendment to this master deed assigning or reassigning all rights and obligations with respect to the limited common elements involved prepared and signed and shall deliver the amendment to the co-owners of the units affected once they have paid all reasonable costs for the preparation and recording of the amendment.
5. Except as stated in this master deed, condominium units shall not be separable from the common elements appurtenant to them and shall not be used in any manner inconsistent with the purposes of the project or in any other way that would interfere with or impair the rights of any co-owner to use and enjoy the co-owner's unit or the common elements appurtenant to it.

ARTICLE V DESCRIPTIONS AND PERCENTAGES OF VALUE OF CONDOMINIUM UNITS AND CONVERTIBLE AREA

1. A complete description of each condominium unit in the project, with elevations referenced to an official benchmark of the U.S. Geological Survey sufficient to relocate accurately the space enclosed by the description without reference to the structure itself, is provided in the condominium subdivision plan as surveyed by Mitchell Surveys, Inc., surveyors. Detailed architectural plans and specifications have been filed with the City of South Haven. Each unit shall include all the space within certain horizontal planes and vertical planes designated by a heavy outline on the interior finished surface of the walls, floors, and ceilings and depicted in the condominium subdivision plan and as delineated by detailed dimensional descriptions of the unit in the outline, minus any common elements in the unit. In determining dimensions, each condominium unit shall be measured from the interior finished unpainted surfaces of the walls and ceilings and from the interior surfaces of the finished subfloor.
2. The total value of the project is 100, and the percentage assigned to each condominium unit shall be as stated in provision 3 of this article. Except as otherwise provided in this master deed, a percentage of value shall be changed only in the manner provided by Article VIII, in a signed and recorded amendment to the master deed.
3. The number of each condominium unit in the project as it appears on the condominium subdivision plan and the percentage of value assigned to each unit are as follows:

<u>Unit No.</u>	<u>Percentage of Value</u>	<u>Percentage of Value for "R" or "B"</u> <u>Limited Common Elements Computations</u>
R-1, R-2, R-3, R-4, R-6, R-7, R-8, R-9,	3.41%	4.27%
R-10, R-11, R-13, R-14, R-15, R-16,		
R-17, R-18, R-20, R-21		

R-5, R-12, R-19	6.14%	7.69%
B -1	20.14%	100%

4. The developer may modify the number, size, style, and location of a unit or of any limited common element appurtenant to a unit as described in exhibit B by an amendment effected solely by the developer or its successors without the consent of any co-owner, mortgagee, or other party, as long as the modification does not unreasonably impair or diminish the appearance of the project or the view, privacy, or other significant attributes or amenities of other units that adjoin or are proximate to the modified unit or limited common element. No unit that has been sold or is subject to a binding purchase agreement shall be modified without the consent of the co-owner or of the purchaser and the mortgagee. The developer may also, in connection with any such amendment, readjust percentages of value for all units to give reasonable recognition to such a modification, based on the method by which percentages of value for the project were originally determined. However, no unit modified in accordance with this provision shall be conveyed until an amendment to the master deed has been recorded. All co-owners, mortgagees of units, and other parties interested in the project shall be deemed to have unanimously consented to any amendments necessary to effect such modifications and, subject to the limitations stated in this master deed, to the proportionate reallocation of percentages of value of existing units that the developer or its successors determines is necessary in conjunction with such modifications. All such interested parties irrevocably appoint the developer or its successors as agent and attorney to sign such amendments to the master deed and all other condominium documents as may be necessary to effect such modifications.
5. The convertible area as now shown on exhibit B, now consists of a single unit known as B-1. This area may be converted, by the developer, within 6 years of initial recording of this master deed, into not more than 4 B units to be used for any residential, recreational or commercial purposes in the discretion of the developer. The developer has also reserved the right to create limited common elements within the convertible area and to designate common elements therein which may subsequently be assigned as limited common elements. Any structural modifications in the convertible area shall be compatible with other portions of the condominium project and will consist of dividing the B-1 unit into 2 or more units.

ARTICLE VI EASEMENTS

Every part of a condominium unit that contributes to the structural support of a building shall be burdened with an easement of structural support for the benefit of the common elements. If any part of a unit or common element encroaches on another unit or common element due to the shifting, settling, or moving of a building or due to survey errors or construction deviations, reciprocal easements shall exist for the maintenance of such encroachments for as long as they exist and for the maintenance of the encroachments after rebuilding in the event of destruction. There shall also be permanent easements in favor of the association for the maintenance and repair of common elements for which the association is responsible. There shall be easements to, through, and over those parts of the land, structures, buildings, improvements, and walls (including interior unit walls) as is reasonable for the installation, maintenance, and repair of all utility services furnished to the project. Public utilities shall have access to the common elements and to the units at reasonable times for the installation, repair, or maintenance of such services. Any costs incurred in opening and repairing any wall of the project to install, repair, or maintain such services shall be an administration expense assessed against all co-owners in accordance with the condominium bylaws. Owners and occupants of unit B-1 are granted an easement through the lobby to the mail boxes and to the basement stairs for ingress and egress thereto.

The developer reserves nonexclusive easements for the benefit of itself and its successors and assigns to use, at any time without charges other than the reasonable cost of work performed, utilities consumed, or maintenance required as a direct result of such use, (1) for the unrestricted use of all roads, driveways, and walkways in the condominium for the purpose of ingress and egress to and from any part of the land described in

Articles II and VII and (2) to construct, maintain, use, tap into, tie into, extend, or enlarge all utility lines and mains, public and private, located on or for the benefit of the land described in Articles II and VII.

As long as the developer owns at least one unit in the project, it shall be subject to the provisions of this master deed.

ARTICLE VII AMENDMENTS AND TERMINATION

1. If there is no co-owner other than the developer, the developer may unilaterally amend the condominium documents or, with the consent of any interested mortgagee, unilaterally terminate the project. All documents reflecting such amendment or termination shall be recorded in the public records of Van Buren County, Michigan.
2. If there is a co-owner other than the developer, the condominium documents may be amended for a proper purpose only as follows:
 - a. An amendment may be made without the consent of any co-owners or mortgagees if the amendment does not materially alter the rights of any co-owners or mortgagees of units in the project, including amendments to modify the types and sizes of unsold condominium units and their appurtenant limited common elements; amendments to facilitate conventional mortgage loan financing for existing or prospective co-owners; and amendments enabling the purchase of such mortgage loans by the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association, or any other agency of the federal government or the State of Michigan.
 - b. Even if an amendment would materially alter the rights of any co-owners or mortgagees, it can be made if at least two-thirds of the co-owners and mortgagees consent. However, dimensions or limited common elements of a co-owner's unit may not be modified without the co-owner's consent, nor may the formula used to determine percentages of value for the project or provisions relating to the ability or terms under which a unit may be rented be modified without the consent of the developer and each affected co-owner and mortgagee. Rights reserved by the developer in this master deed, including rights to amend the master deed for purposes of expansion, contraction, or modification of units in the course of construction, shall not be amended without written consent from the developer as long as the developer or its successors continue to own or to offer for sale any unit in the project. For the purpose of this provision, a mortgagee shall have one vote for each mortgage held.
 - c. The developer may also make a material amendment unilaterally without the consent of any co-owner or mortgagee for the specific purposes reserved by the developer in this master deed. Until the completion and sale of all units as described in Article I, such rights reserved by the developer may not be further amended except with written consent from the developer or its successors or assigns.
 - d. A person causing or requesting an amendment to the condominium documents shall be responsible for the costs and expenses of the amendment, except for amendments based on a vote of the prescribed majority of co-owners and mortgagees or based on the advisory committee's decision, the costs of which are administration expenses. The co-owners and mortgagees of record shall be notified of proposed amendments under this provision at least 10 days before the amendment is recorded.

- e. If there is a co-owner other than the developer, the project may only be terminated with the consent of the developer and at least 80 percent of the co-owners and mortgagees, as follows:
- (1) The agreement of the required number of co-owners and mortgagees to terminate the project shall be evidenced by their signing of the termination agreement or ratification of it. The termination shall become effective only when this evidence of the agreement is recorded.
 - (2) On recording an instrument terminating the project, the property constituting the condominium shall be owned by the co-owners as tenants in common in proportion to their undivided interests in the common elements immediately before recordation. As long as the tenancy in common lasts, each co-owner or the heirs, successors, or assigns shall have an exclusive right of occupancy of that portion of the property that formerly constituted the condominium unit.
 - (3) On recording an instrument terminating the project, any rights the co-owners may have to the assets of the association shall be in proportion to their undivided interests in the common elements immediately before recordation, except that common profits shall be distributed in accordance with the condominium documents and the Michigan Condominium Act.
 - (4) Notification of termination by first-class mail shall be made to all parties interested in the project, including escrow agents, land contract vendors, creditors, lienholders, and prospective purchasers who have deposited funds. Proof of dissolution must be submitted to the administrator.

IN WITNESS WHEREOF, the undersigned has executed this Master Deed as of the date first written above.

Williams Street Development, L.L.C.

By: Kevin P. Moran
Kevin P. Moran, Member

WITNESSES:

J. Glenn Sperry
Sharon L. Johansen
STATE OF MICHIGAN

COUNTY OF VAN BUREN

1
1 ss.
1

The foregoing instrument was acknowledged before me on August 30, 1996, by Kevin P. Moran on behalf of Williams Street Development, L.L.C.

Sharon L. Johansen
Sharon L. Johansen
Notary Public
Van Buren County, Michigan
My commission expires: July 16, 1999

CONDOMINIUM BYLAWS OF THE COLONIAL CONDOMINIUM

ARTICLE I
THE CONDOMINIUM PROJECT

1. **Organization.** The Colonial Condominium, a condominium project located in the City of South Haven, Van Buren County, Michigan will be constructed in a single phase to comprise a total of 21 residential units and not more than 3 business units. Once the master deed is recorded, the management, maintenance, operation, and administration of the project shall be vested in an association of co-owners organized as a nonprofit corporation under Michigan law.
2. **Compliance.** All present and future co-owners, mortgagees, lessees, or other persons who may use the facilities of the condominium in any manner shall be subject to and comply with the Michigan Condominium Act, MCLA 559.101 et seq., MSA 26.50(101) et seq., the master deed and its amendments, the articles of incorporation, the association bylaws, and other condominium documents that pertain to the use and operation of the condominium property. The association shall keep current copies of these documents and make them available for inspection at reasonable hours to co-owners, prospective purchasers, and prospective mortgagees of units in the project. If the Michigan Condominium Act conflicts with any condominium documents referred to in these bylaws, the act shall govern. A party's acceptance of a deed of conveyance or of a lease or occupancy of a condominium unit in the project shall constitute an acceptance of the provisions of these documents and an agreement to comply with them.

ARTICLE II
MEMBERSHIP AND VOTING

1. **Membership.** Each present and future co-owner of a unit in the project shall be a member of the association, and no other person or entity shall be entitled to membership. The share of a member in the funds and assets of the association may be assigned, pledged, or transferred only as an appurtenance to the condominium unit.
2. **Voting rights.** Except as limited in the master deed and in these bylaws, each co-owner shall be entitled to one vote for each unit owned when voting by number and one vote, the value of which shall equal the total of the percentages assigned to the units owned by the co-owner as stated in the master deed, when voting by value. Voting shall be by number, except when voting is specifically required to be both by value and by number, and no cumulation of votes shall be permitted.
3. **Members entitled to vote.** No co-owner, other than the developer, may vote at a meeting of the association until the co-owner presents written evidence of the ownership of a condominium unit in the project, nor may a co-owner vote before the initial meeting of members (except for elections held pursuant to Article III, provision 4). The developer may vote only for those units to which it still holds title and for which it is paying the full monthly assessment in effect when the vote is cast.

The person entitled to cast the vote for the unit and to receive all notices and other communications from the association may be designated by a certificate signed by all the record owners of the unit and filed with the secretary of the association. Such a certificate shall state the name and address of the designated individual, the number of units owned, and the name and address of the party who is the legal co-owner. All certificates shall be valid until revoked, until superseded by a subsequent certificate, or until the ownership of the unit concerned changes.

4. **Proxies.** Votes may be cast in person or by proxy. Proxies may be made by any person entitled to vote. They shall be valid only for the particular meeting designated and for any adjournment of that meeting and must be filed with the association before the appointed time of the meeting.

5. **Majority.** At any meeting of members at which a quorum is present, 51 percent of the co-owners entitled to vote and present in person or by proxy, in accordance with the percentages allocated to each condominium unit in the master deed for the project, shall constitute a majority for the approval of the matters presented to the meeting, except as otherwise required in these bylaws, in the master deed, or by law.

ARTICLE III MEETINGS AND QUORUM

1. **Initial meeting of members.** The initial meeting of the members of the association shall be convened within 120 days after the conveyance of legal or equitable title to non-developer co-owners of 25 percent of the units that may be created or within 54 months after the first conveyance of legal or equitable title to a non-developer co-owner of a unit in the project, whichever occurs first. At the initial meeting, the eligible co-owners may vote for the election of directors of the association. The developer may call meetings of members of the association for informational or other appropriate purposes before the initial meeting, but no such informational meeting shall be construed as the initial meeting of members.
2. **Annual meeting of members.** After the initial meeting, an annual meeting of the members shall be held in each year at the time and place specified in the association bylaws. At least 10 days before an annual meeting, written notice of the time, place, and purpose of the meeting shall be mailed to each member entitled to vote at the meeting. At least 20 days' written notice shall be provided to each member of any proposed amendment to these bylaws or to other condominium documents.
3. **Advisory committee.** Not later than 120 days after the conveyance of legal or equitable title to non-developer co-owners of one-third of the units that may be created or one year after the initial conveyance of legal or equitable title to a non-developer co-owner of a unit in the project, whichever occurs first, the developer shall select one non-developer co-owner to serve as an advisory committee to the board of directors. The purpose of the advisory committee shall be to facilitate communication between the board of directors and the non-developer co-owners and to aid in the ultimate transfer of control to the association. The members of the advisory committee shall serve for one year or until their successors are selected, and the advisory committee shall automatically cease to exist on the transitional control date. The board of directors and the advisory committee shall meet with each other when the advisory committee requests. However, there shall not be more than two such meetings each year unless both parties agree.
4. **Composition of the board.** Not later than 120 days after the conveyance of legal or equitable title to non-developer co-owners of 25 percent of the units that may be created, at least one director and at least one-fourth of the board of directors of the association shall be elected by non-developer co-owners. Not later than 120 days after the conveyance of legal or equitable title to non-developer co-owners of 50 percent of the units that may be created, at least one-third of the board of directors shall be elected by non-developer co-owners. Not later than 120 days after the conveyance of legal or equitable title to non-developer co-owners of 75 percent of the units, the non-developer co-owners shall elect all directors on the board except that the developer may designate at least one director as long as the developer owns or offers for sale at least 10 percent of the units in the project or as long as 10 percent of the units that may be created remain unbuilt.

Notwithstanding the formula provided above, 54 months after the first conveyance of legal or equitable title to a non-developer co-owner of a unit in the project, if title to at least 75 percent of the units that may be created has not been conveyed, the non-developer co-owners may elect the number of members of the board of directors of the association equal to the percentage of units they hold, and the developer may elect the number of members of the board equal to the percentage of units that it owns and pays assessments for. This election may increase but not reduce the minimum election and designation

rights otherwise established in these bylaws. The application of this provision does not require a change in the size of the board as stated in the corporate bylaws.

If the calculation of the percentage of members of the board that the non-developer co-owners may elect or if the product of the number of members of the board multiplied by the percentage of units held by the non-developer co-owners results in a right of non-developer co-owners to elect a fractional number of members of the board, a fractional election right of 0.5 or more shall be rounded up to the nearest whole number, which shall be the number of members of the board that the non-developer co-owners may elect. After applying this formula, the developer may elect the remaining members of the board. The application of this provision shall not eliminate the right of the developer to designate at least one member, as provided in these bylaws.

5. **Quorum of members.** The presence in person or by proxy of 30 percent of the co-owners entitled to vote shall constitute a quorum of members. The written vote of any person furnished at or before any meeting at which the person is not otherwise present in person or by proxy shall be counted in determining the presence of a quorum with respect to the question on which the vote is cast.

ARTICLE IV ADMINISTRATION

1. **Board of directors.** The business, property, and affairs of the association shall be managed and administered by a board of directors to be elected in the manner stated in the association bylaws. The directors designated in the articles of incorporation shall serve until their successors have been elected and qualified at the initial meeting of members. All actions of the first board of directors of the association named in its articles of incorporation or any successors elected by the developer before the initial meeting of members shall be binding on the association as though the actions had been authorized by a board of directors elected by the members of the association at the initial meeting or at any subsequent meeting, as long as the actions are within the scope of the powers and duties that may be exercised by a board of directors as provided in the condominium documents. The board of directors may void any service contract or management contract between the association and the developer or affiliates of the developer on the transitional control date, within 90 days after the transitional control date, or on 30 days' notice at any time after that for cause.
2. **Powers and duties.** The board shall have all powers and duties necessary to administer the affairs of the association. The powers and duties to be exercised by the board shall include the following:
 - a. Maintaining the common elements;
 - b. Developing an annual budget and determining, assessing, and collecting amounts required for the operation and other affairs of the condominium;
 - c. Employing and dismissing personnel as necessary for the efficient management and operation of the condominium property;
 - d. Adopting and amending rules and regulations for the use of condominium property;
 - e. Opening bank accounts, borrowing money, and issuing evidences of indebtedness to further the purposes of the condominium and designating required signatories therefor;
 - f. Obtaining insurance for condominium property, the premiums of which shall be an administration expense;

- g. Leasing or purchasing premises suitable for use by a managing agent or custodial personnel, on terms approved by the board;
 - h. Granting concessions and licenses for the use of parts of the common elements for purposes not inconsistent with the Michigan Condominium Act or the condominium documents;
 - i. Authorizing the signing of contracts, deeds of conveyance, easements, and rights-of-way affecting any real or personal property of the condominium on behalf of the co-owners;
 - j. Making repairs, additions, improvements, and alterations to the condominium property and repairing and restoring the property in accordance with the other provisions of these bylaws after damage or destruction by fire or other casualties or condemnation or eminent domain proceedings;
 - k. Asserting, defending, or settling claims on behalf of all co-owners in connection with the common elements of the project and, on written notice to all co-owners, instituting actions on behalf of and against the co-owners in the name of the association; and
 - l. Other duties as imposed by resolutions of the members of the association or as stated in the condominium documents.
3. **Accounting records.** The association shall keep detailed records of the expenditures and receipts affecting the administration of the condominium. These records shall specify the maintenance and repair expenses of the common elements and any other expenses incurred by or on behalf of the association and its co-owners. These records shall be open for inspection by the co-owners during reasonable working hours at a place to be designated by the association. The association shall prepare a financial statement from these records and distribute it to all co-owners at least once a year. The association shall define the contents of the annual financial statement. Qualified independent auditors (who need not be certified public accountants) shall review the records annually and audit them every fifth year. The cost of these reviews and audits shall be an administration expense. Audits need not be certified.
4. **Maintenance and repair.**
- a. Co-owners must maintain and repair their condominium units (including the interior perimeter walls), except general common elements in their units. Any co-owner who desires to repair a common element or structurally modify a unit must first obtain written consent from the association and shall be responsible for all damages to any other units or to the common elements resulting from such repairs or from the co-owner's failure to effect such maintenance and repairs.
 - b. The association shall maintain and repair the general common elements, inside and outside the units, and limited common elements to the extent stated in the master deed and shall charge the costs to all the co-owners as a common expense unless the repair is necessitated by the negligence, misuse, or neglect of a co-owner, in which case the expense shall be charged to the co-owner. The association and its agents shall have access to each unit during reasonable working hours, on notice to the occupant, for the purpose of maintaining, repairing, or replacing any of the common elements in the unit or accessible from it. The association and its agents shall also have access to each unit at all times without notice for emergency repairs necessary to prevent damage to other units or the common elements.
5. **Reserve fund.** The association shall maintain a reserve fund, to be used only for major repairs and replacement of the common elements, as required by MCLA 559.205, MSA 26.50(205). The fund shall be established in the minimum amount stated in these bylaws on or before the transitional control date

and shall, to the extent possible, be maintained at a level that is equal to or greater than 10 percent of the current annual budget of the association. The minimum reserve standard required by this provision may prove to be inadequate, and the board shall carefully analyze the project from time to time to determine whether a greater amount should be set aside or if additional reserve funds shall be established for other purposes.

6. **Mechanics liens.** A mechanics lien for work performed on a condominium unit or a limited common element shall attach only to the unit or element on which the work was performed. A lien for work authorized by the developer or the principal contractor shall attach only to condominium units owned by the developer when the statement of account and lien are recorded. A mechanics lien for work authorized by the association shall attach to each unit in proportion to the extent to which the co-owner must contribute to the administration expenses. No mechanics lien shall arise or attach to a condominium unit for work performed on the general common elements that is not contracted by the association or the developer.
7. **Managing agent.** The board may employ for the association a management company or managing agent at a compensation rate established by the board to perform duties and services authorized by the board, including the powers and duties listed in provision 2 of this article. The developer or any person or entity related to it may serve as managing agent if the board appoints the party.
8. **Officers.** The association bylaws shall provide for the designation, number, terms of office, qualifications, manner of election, duties, removal, and replacement of officers of the association and may contain any other provisions pertinent to officers of the association that are not inconsistent with these bylaws. Officers may be compensated, but only on the affirmative vote of more than 60 percent of all co-owners, in number and in value.
9. **Indemnification.** All directors and officers of the association shall be entitled to indemnification against costs and expenses incurred as a result of actions (other than willful or wanton misconduct or gross negligence) taken or failed to be taken on behalf of the association on 10 days' notice to all co-owners, in the manner and to the extent provided by the association bylaws. If no judicial determination of indemnification has been made, an opinion of independent counsel on the propriety of indemnification shall be obtained if a majority of co-owners vote to procure such an opinion.

ARTICLE V ASSESSMENTS

1. **Administration expenses.** The association shall be assessed as the entity in possession of any tangible personal property of the condominium owned or possessed in common by the co-owners. Personal property taxes based on such assessments shall be treated as administration expenses. All costs incurred by the association for any liability connected with the common elements or the administration of the project shall be administration expenses. All sums received pursuant to any policy of insurance securing the interests of the co-owners against liabilities or losses connected with the common elements or the administration of the project shall be administration receipts.
2. **Determination of assessments.** From time to time and at least annually, the board shall adopt a budget for the condominium that shall include the estimated funds required to defray common expenses for which the association is responsible for the next year, including a reasonable allowance for contingencies and reserves and shall allocate and assess these common charges against all co-owners according to their respective common interests on a monthly basis. In the absence of co-owner approval as provided in these bylaws, such assessments shall be increased only if one of the following conditions is met:

- a. The board finds the budget as originally adopted is insufficient to pay the costs of operating and maintaining the common elements.
- b. It is necessary to provide for the repair or replacement of existing common elements.
- c. The board decides to purchase additions to the common elements, the costs of which may not exceed \$1,000 annually.
- d. An emergency or unforeseen development necessitates the increase.

Any increase in assessments other than under these conditions, including assessments to purchase or lease a unit for the use of a resident manager, shall be considered a special assessment requiring approval by a vote of 60 percent or more of the co-owners, in number and in value.

3. **Levy of assessments.** All assessments levied against the units to cover administration expenses shall be apportioned among and paid by the co-owners equally, in advance and without any increase or decrease in any rights to use limited common elements. The common expenses shall include expenses the board deems proper to operate and maintain the condominium property under the powers and duties delegated to it under these bylaws and may include amounts to be set aside for working capital for the condominium, for a general operating reserve, and for a reserve to replace any deficit in the common expenses for any prior year. Any reserves established by the board before the initial meeting of members shall be subject to approval by the members at the initial meeting. The board shall advise each co-owner in writing of the amount of common charges payable by the co-owner and shall furnish copies of each budget on which such common charges are based to all co-owners.

4. **Collection of assessments.** Each co-owner shall be obligated to pay all assessments levied on the co-owner's unit while the co-owner owns the unit. No co-owner may be exempted from liability for the co-owner's contribution toward the administration expenses by a waiver of the use or enjoyment of any of the common elements or by the abandonment of the co-owner's unit. If any co-owner defaults in paying the assessed charges, the board may impose reasonable fines or charge interest at the legal rate on the assessment from the date it is due. Unpaid assessments shall constitute a lien on the unit that has priority over all other liens except state or federal tax liens and sums unpaid on a first mortgage of record recorded before any notice of lien by the association. The association may enforce the collection of a lien by a suit at law for a money judgment or by foreclosure of the liens, securing payment as provided in MCLA 559.208, MSA 26.50(208). In a foreclosure action, a receiver may be appointed and reasonable rent for the unit may be collected from the co-owner or anyone claiming possession under the co-owner. All expenses incurred in collection, including interest, costs, and actual attorney fees, and any advances for taxes or other liens paid by the association to protect its lien shall be chargeable to the co-owner in default.

On the sale or conveyance of a condominium unit, all unpaid assessments against the unit shall be paid out of the sale price by the purchaser in preference over any other assessments or charges except as otherwise provided by the condominium documents or by the Michigan Condominium Act. A purchaser or grantee shall be entitled to a written statement from the association stating the amount of unpaid assessments against the seller or grantor. Such a purchaser or grantee shall not be liable for liens for any unpaid assessments against the seller or grantor in excess of the amount in the written statement; neither shall the unit conveyed or granted be subject to any such liens. Unless the purchaser or grantee requests a written statement from the association at least five days before a sale, as provided in the Michigan Condominium Act, the purchaser or grantee shall be liable for any unpaid assessments against the unit, together with interest, costs, and attorney fees incurred in the collection of unpaid assessments.

The association may also enter the common elements, limited or general, to remove or abate any condition or may discontinue the furnishing of any services to a co-owner in default under any of the condominium documents on seven days' written notice to the co-owner. A co-owner in default may not vote at any meeting of the association as long as the default continues.

5. **Obligations of the developer.**

- a. Until the regular monthly assessments paid by co-owners other than the developer are sufficient to support the total costs of administration (excluding reserves), the developer shall pay the balance of such administration costs on account of units owned by it, whether or not they are constructed.
- b. Once the regular monthly assessments paid by co-owners other than the developer are sufficient to support the total costs of administration (excluding reserves), the developer shall be assessed by the association for actual costs, if any, incurred by the association that are directly attributable to the units being constructed by the developer, together with a reasonable share of the costs of administration that indirectly benefit the developer (other than costs attributable to the maintenance of dwellings), such as legal fees, accounting fees, and maintenance of the landscaping, drives, and walks. If a unit owned by the developer is leased or otherwise permanently occupied by a person holding under or through the developer, the developer shall pay all regular monthly assessments for the unit. In no event shall the developer be responsible for the cost of capital improvements or additions, by special assessment or otherwise, except for occupied units owned by it.

ARTICLE VI TAXES, INSURANCE, AND REPAIRS

1. **Taxes.** After the year when the construction of the building containing a unit is completed, all special assessments and property taxes shall be assessed against the individual units and not against the total property of the project or any part of it. In the initial year in which the building containing a unit is completed, the taxes and special assessments that become a lien against the property of the condominium shall be administration expenses and shall be assessed against the units according to their percentages of value. Special assessments and property taxes in any year when the property existed as an established project on the tax day shall be assessed against the individual units, notwithstanding any subsequent vacation of the project.

Assessments for subsequent real property improvements to a specific unit shall be assessed to that unit only. Each unit shall be treated as a separate, single unit of real property for the purpose of property taxes and special assessments and shall not be combined with any other units. No assessment of a fraction of any unit or a combination of any unit with other units or fractions of units shall be made, nor shall any division or split of an assessment or tax on a single unit be made, notwithstanding separate or common ownership of the unit.

2. **Insurance.** The association shall be appointed as attorney-in-fact for each co-owner to act in connection with insurance matters and shall be required to obtain and maintain, to the extent available and applicable, fire insurance with extended coverage; vandalism and malicious mischief endorsements; and liability insurance and worker compensation insurance pertinent to the ownership, use, and maintenance of the common elements to the project. Such insurance, other than title insurance, shall be carried and administered in accordance with the following provisions:
 - a. All such insurance shall be purchased by the board of directors for the benefit of the association, the co-owners, their mortgagees, and the developer, according to their interests. Each co-owner

shall be responsible for obtaining insurance coverage at the co-owner's expense for the interior of the co-owner's unit, including wall coverings, floor coverings, sliders, windows, and screens. Each co-owner is responsible for obtaining insurance for the personal property located within the co-owner's unit or elsewhere in the condominium, for personal liability for occurrences within the co-owner's unit or on limited common elements appurtenant to the unit, and for expenses to cover alternate living arrangements if a casualty causes temporary loss of the unit. The association shall have no responsibility for obtaining such insurance. The association and all co-owners shall use their best efforts to see that all property and liability insurance carried by the association or any co-owner shall contain appropriate provisions for the insurer to waive its right of subrogation regarding any claims against any co-owner or the association.

- b. All common elements of the project shall be insured against fire and other perils covered by a standard extended coverage endorsement, in an amount equal to the maximum insurable replacement value, excluding land, landscaping, blacktopping, foundation, and excavation costs, as determined annually by the board of directors of the association. Such coverage shall also include interior walls within any unit; the pipes, wires, conduits, and ducts in these walls; and all appliances, fixtures, equipment, and trim within a unit that were furnished with the unit as standard items in accordance with the plans and specifications for the unit on file with the association (or any replacements that do not exceed the costs of such standard items). Any improvements made by a co-owner within a unit shall be covered by insurance obtained at the expense of the co-owner. If the association elects to include owner improvements under its insurance coverage, any additional premium cost to the association attributable to the coverage shall be assessed to the co-owner and collected as a part of the assessments against the co-owner as provided in these bylaws.

- c. If required, the association shall maintain adequate fidelity coverage to protect against dishonest acts by its officers, directors, trustees, and employees and all others who are responsible for handling the association's funds. Such fidelity bonds shall meet the following requirements:

- (1) The association shall be named as an obligee.
- (2) The policy shall be written in whatever amount any lending institution or other agency requesting the policy requires, according to the estimated annual operating expenses of the condominium project, including reserves.
- (3) The policy shall contain waivers of any defense based on the exclusion of persons who serve without compensation from any definition of *employee* or similar terms.
- (4) The policy shall provide that it may not be canceled or substantially modified, including for nonpayment of premiums, without at least 30 days' written notice.

- d. The board of directors is irrevocably appointed the agent for each co-owner, each mortgagee, other named insureds and their beneficiaries, and any other holders of liens or other interests in the condominium or the property, to adjust and settle all claims arising under insurance policies purchased by the board and to sign and deliver releases once claims are paid.

- e. Except as otherwise set forth in these bylaws, all premiums on insurance purchased by the association pursuant to these bylaws shall be administration expenses.

3. **Reconstruction and repairs.** If the condominium project or any of its common elements are destroyed or damaged, in whole or in part, and the proceeds of any policy insuring the project or common elements and payable because of the destruction or damage are sufficient to reconstruct the project, then the

proceeds shall be applied to reconstruction. As used in this provision, *reconstruction* means restoration of the project to substantially the same condition that it was in before the disaster, with each unit and the common elements having the same vertical and horizontal boundaries as before.

- a. If the property is not insured against the peril causing the loss or the proceeds of the policies insuring the project and payable because of the loss are insufficient to reconstruct the project, provisions for reconstruction may be made by the affirmative vote of at least 75 percent of the co-owners voting at a meeting called for that purpose. Any such meeting shall be held within 30 days after the final adjustment of insurance claims, if any, or within 90 days after the disaster, whichever occurs first. At any such meeting, the board or its representative shall present to the co-owners present an estimate of the cost of the reconstruction and the estimated amount of necessary special assessments against each unit to pay for it. If the property is reconstructed, any insurance proceeds shall be applied to the reconstruction, and special assessments may be made against the units to pay the balance.
- b. If the property is not insured against the peril causing the loss or the proceeds of the policies insuring the project and payable because of the loss are insufficient to reconstruct the project and provisions for reconstruction are not made pursuant to the preceding paragraph, provisions for the withdrawal of any part of the property from the provisions of the Michigan Condominium Act and the project may be made by the affirmative vote of at least 75 percent of the co-owners voting at a meeting called for that purpose. Any such meeting shall be held within 30 days after the final adjustment of insurance claims, if any, or within 90 days after the disaster, whichever occurs first. When a unit or part of a unit is withdrawn, the percentage of ownership in the common elements appurtenant to that unit shall be reallocated among the remaining units based on the relative percentages of ownership in the common elements appurtenant to each remaining unit. If only part of a unit is withdrawn, the percentage of ownership in the common elements appurtenant to that unit shall be reduced accordingly, based on the diminution in the market value of the unit, as determined by the board. Any insurance proceeds shall be allocated, on the basis of square footage withdrawn or some other equitable basis determined by the board, among the units, parts of units, and parts of the common elements withdrawn. As compensation for such withdrawals:
 - (1) Any insurance proceeds allocated to withdrawn units or parts of units shall be paid to the owners in proportion to their percentages of ownership in the common elements appurtenant to the withdrawn units or parts of units.
 - (2) Any insurance proceeds allocated to withdrawn parts of the limited common elements shall be paid to the unit owners entitled to their use in proportion to their percentages of ownership in the common elements appurtenant to the units served by the withdrawn limited common elements.
 - (3) Any insurance proceeds allocated to withdrawn parts of the general common elements shall be paid to all unit owners in proportion to their percentages of ownership in the common elements.

On the withdrawal of any unit or part of a unit, the owner shall be relieved of any further responsibility or liability for the payment of any assessments for the unit, if the entire unit is withdrawn or for the payment of the part of assessments proportional to the diminution in square footage of the unit if only part of the unit is withdrawn.

- c. If the property is not insured against the peril causing the loss or the proceeds of the policies insuring the project and payable because of the loss are insufficient to reconstruct the project and

no provisions for either reconstruction or withdrawal are made pursuant to the preceding paragraphs, the provisions of the Michigan Condominium Act shall apply.

Prompt written notice of all material damage or destruction to a unit or any part of the common elements shall be given to the holders of first mortgage liens on any affected units.

4. Eminent domain. The following provisions shall pertain on any taking by eminent domain:
- a. If any part of the common elements is taken by eminent domain, the award shall be allocated to the co-owners in proportion to their undivided interests in the common elements. The association, through its board of directors, may negotiate on behalf of all co-owners for any taking of common elements, and any negotiated settlement approved by more than two-thirds of the co-owners based on assigned voting rights shall bind all co-owners.
 - b. If a unit is taken by eminent domain, that unit's undivided interest in the common elements shall be reallocated to the remaining units in proportion to their undivided interests in the common elements. The court shall enter a decree reflecting the reallocation of undivided interests and the award shall include just compensation to the co-owner of the unit taken for the co-owner's undivided interest in the common elements, as well as for the unit.
 - c. If part of a unit is taken by eminent domain, the court shall determine the fair market value of the part of the unit not taken. The undivided interest for the unit in the common elements shall be reduced in proportion to the diminution in the fair market value of the unit resulting from the taking. The part of the undivided interest in the common elements thus divested from the co-owner of a unit shall be reallocated among the other units in the project in proportion to their undivided interests in the common elements. A unit that is partially taken shall receive the reallocation in proportion to its undivided interest as reduced by the court order under this provision. The court shall enter a decree reflecting the reallocation of undivided interests, and the award shall include just compensation to the co-owner of the unit partially taken for that part of the undivided interest in the common elements divested from the co-owner and not revested in the co-owner pursuant to provision d, as well as for the part of the unit taken by eminent domain.
 - d. If the taking of part of a unit makes it impractical to use the remaining part of that unit for a lawful purpose permitted by the condominium documents, the entire undivided interest in the common elements appertaining to that unit shall be reallocated to the remaining units in the project in proportion to their undivided interests in the common elements. The remaining part of the unit shall then be a common element. The court shall enter an order reflecting the reallocation of undivided interests, and the award shall include just compensation to the co-owner of the unit for the co-owner's entire undivided interest in the common elements and for the entire condominium unit.
 - e. Votes in the association and liability for future administration expenses pertaining to a unit that is taken or partially taken by eminent domain shall be reallocated to the remaining units in proportion to their voting strength in the association. The voting strength in the association of a unit that is partially taken shall be reduced in proportion to the reduction in its undivided interest in the common elements.

ARTICLE VII USE AND OCCUPANCY RESTRICTIONS

1. **Residential use.** Residential condominium units (units R-1 through R-21, inclusive), shall be used exclusively for residential occupancy. No unit or common element shall be used for any purpose other than as a single-family residence or for other purposes customarily incidental to that use, except that professional and quasi-professional co-owners may use their residences as ancillary facilities to their offices established elsewhere, as long as such use does not generate unreasonable traffic by members of the general public. However, these restrictions on use shall not be construed to prohibit a co-owner from (a) maintaining a personal professional library, (b) keeping personal business or professional records or accounts, or (c) handling personal business or professional telephone calls or correspondence. Such uses are customarily incidental to principal residential use and not in violation of these restrictions.

Business use. Business condominium units (B unit(s)) shall be used exclusively for such general office and professional purposes as may from time to time be approved by the Association in its sole discretion, with due consideration of matters affecting the appearance and value of the Condominium.

2. **Common areas.** Only co-owners of units in the condominium and their agents, tenants, family members, invitees, and licensees may use the common elements for access to and from the units and for other purposes incidental to the use of the units. Any recreational facilities, storage areas, and other common areas designed for a specific use shall be used only for the purposes approved by the board. The use, maintenance, and operation of the common elements shall not be obstructed or unreasonably interfered with by any co-owner and shall be subject to any leases, concessions, or easements now or later entered into by the board.

3. **Specific prohibitions.** Without limiting the generality of the preceding provisions in this article, the use of the project and all common elements by any co-owner shall be subject to the following restrictions:

- a. No more than 4 people shall occupy or reside in any 1 bedroom unit or 6 people in any 2 bedroom unit, without written approval from the association. If a birth, adoption, or marriage in a family occupying a unit results in a violation of this restriction, the application of the restriction to the family shall be suspended for one year to provide the family a reasonable amount of time to cure the violation or to dispose of the unit.
- b. No part of a residential unit may be rented and no transient tenants may be accommodated in a unit. However, this restriction shall not prevent the rental or sublease of an entire unit for residential purposes or of a limited common element appurtenant to a unit as provided in Article IX.
- c. No co-owner shall make any alterations, additions, or improvements to any general common element or make changes to the exterior or structure of a unit or limited common elements without written approval from the association nor shall they be made during June, July nor August. The association shall not approve any alterations or structural modifications that would jeopardize or impair the soundness, safety, or appearance of the project. An owner may make alterations, additions, or improvements within a unit without written approval from the board, but the owner shall be responsible for any damage to other units, the common elements, the property, or any part of them that results from such alterations, additions, or improvements.
- d. No nuisances shall be permitted on the condominium property, nor shall any use or practice that is a source of annoyance to the residents or that interferes with the peaceful possession or proper use of the project by its residents be permitted.
- e. No immoral, improper, offensive, or unlawful use shall be made of the condominium property or any part of it, and nothing shall be done or kept in any unit or on the common elements that would increase the insurance premiums for the project without written consent from the board.

No co-owner shall permit anything to be done or kept in a unit or on the common elements that would result in the cancellation of insurance on any unit or on any part of the common elements or that would violate any law.

- f. No signs, banners, or advertising devices shall be displayed that are visible from the exterior of any unit or on the common elements, including "for sale" signs, without written permission from the association or the managing agent. The Association may establish regulations with respect to signage of business units.
- g. No co-owner shall display, hang, or store any clothing, sheets, blankets, laundry, or other articles outside a unit or inside the unit in a way that is visible from the outside of the unit. All windows shall be covered with white, horizontal mini-blinds, which shall be visible from the exterior of the unit. Nor shall any co-owner paint or decorate the outside of a unit or install any radio or television antenna, window air-conditioning unit, snap-in window divider, awning, or other equipment, fixtures, or items without written permission from the board or the managing agent.
- h. No co-owner shall use or permit any occupant, agent, tenant, invitee, guest, or family member to use any firearms, air rifles, pellet guns, BB guns, bows and arrows, fireworks, or other dangerous weapons, projectiles, or devices anywhere on or around the condominium premises.
- i. No animals, including household pets (limited to dogs, cats and caged birds), shall be kept without written consent from the association. The board of directors may revoke such consent at any time. Pets permitted by the association shall be kept in compliance with the rules and regulations promulgated by the board of directors and must always be kept and restrained so they are not obnoxious because of noise, odor, or unsanitary conditions. No animal shall be permitted to run loose on the common elements, limited or general, and the owner of each pet shall be responsible for cleaning up after it.
- j. The association may charge any co-owner maintaining animals a reasonable additional assessment to be collected as provided in these bylaws if the association determines such assessment to be necessary to defray the maintenance costs to the association of accommodating animals within the condominium. The association may also, without liability to the owner, have any animal removed from the condominium if it determines that the presence of the animal violates these restrictions. Any person who permits any animal to be brought on the condominium property shall indemnify the association for any loss, damage, or liability the association sustains as a result of the presence of the animal on the condominium property.
- k. No mobile home, van, trailer, tent, shack, garage, accessory building, outbuilding, or other temporary structure shall be erected, occupied, or used on the condominium property without written consent from the association. No recreational vehicles, boats, or trailers shall be parked or stored on the condominium property, for more than 24 hours without written approval from the association, and no snowmobile nor other motorized recreational vehicle shall be operated on the condominium property. No maintenance nor repair shall be performed on any boat or vehicle on the condominium property.
- l. Not more than two automobiles (including pickup trucks) shall be kept on the condominium property by persons residing in a unit, and no automobiles nor other vehicles that are not in operating condition shall be permitted on the condominium property. No commercial vehicles nor trucks shall be parked on the condominium property except to make deliveries or pickups in the normal course of business.

- m. The common elements shall not be used to store supplies or personal property (except garages and other areas specifically designated for this purpose). No children's play equipment shall be installed on the common elements. Trash and refuse shall be placed in plastic bags and deposited only in trash receptacles by the co-owners and residents. No vehicles shall be parked on or along the private drives, and owners and residents shall not use or obstruct any parking areas abutting such drives without consent from the association. In general, no activity or condition shall be allowed in any unit or on the common elements that would spoil the appearance of the condominium.
 - n. In the absence of an election to arbitrate pursuant to Article X of these bylaws, a dispute or question whether a violation of any specific regulation or restriction in this article has occurred shall be submitted to the board of directors of the association, which shall conduct a hearing and render a written decision. The board's decision shall bind all owners and other parties that have an interest in the condominium project.
 - o. Thermostats in all units shall be set so as to maintain a minimum temperature of 60° at all times.
4. **Rules of conduct.** The board may promulgate and amend reasonable rules and regulations concerning the use of condominium units and limited and general common elements. The board shall furnish copies of such rules and regulations to each co-owner at least 10 days before they become effective. Such rules and regulations may be revoked at any time by the affirmative vote of more than 66 percent of all co-owners, in number and in value.
5. **Remedies on breach.** A default by a co-owner shall entitle the association to the following relief:
- a. Failure to comply with any restriction on use and occupancy in these bylaws or with any other provisions of the condominium documents shall be grounds for relief, which may include an action to recover sums due for damages, injunctive relief, the foreclosure of a lien, or any other remedy that the board of directors determines is appropriate as may be stated in the condominium documents, including the discontinuance of services on seven days' notice, the levying of fines against co-owners after notice and hearing, and the imposition of late charges for the nonpayment of assessments. All such remedies shall be cumulative and shall not preclude any other remedies.
 - b. In a proceeding arising because of an alleged default by a co-owner, if the association is successful, it may recover the cost of the proceeding and actual attorney fees as the court may determine.
 - c. The failure of the association to enforce any provision of the condominium documents shall not constitute a waiver of the right of the association to enforce the provision in the future.
- An aggrieved co-owner may compel the enforcement of the condominium documents by an action for injunctive relief or damages against the association, its officers, or another co-owner in the project.
6. **Use by the developer.** While a unit is for sale by the developer, the developer and its agents, employees, contractors, subcontractors, and their agents and employees may access any part of the project as is reasonably required for the purpose of the sale. Until all the units in the project have been sold by the developer and each unit is occupied by the purchaser, the developer may maintain a sales office, model dwellings, a business office, a construction office, trucks, other construction equipment, storage areas, and customary signs to enable the development and sale of the entire project. The developer shall restore all areas and equipment to habitable status when it is finished with this use.

**ARTICLE VIII
MORTGAGES**

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1. **Mortgage of condominium units.** Any co-owner who mortgages a condominium unit shall notify the association of the name and address of the mortgagee, and the association shall maintain such information in a book entitled "Mortgages of units." At the written request of a mortgagee of any unit, the mortgagee may (a) inspect the records of the project during normal business hours, on reasonable notice; (b) receive a copy of the annual financial statement of the association, which is prepared for the association and distributed to the owners; and (c) receive written notice of all meetings of the association and designate a representative to attend all such meetings. However, the association's failure to fulfill any such request shall not affect the validity of any action or decision.
2. **Notice of insurance.** The association shall notify each mortgagee appearing in the book of mortgages of the name of each company insuring the condominium against fire, perils covered by extended coverage, and vandalism and malicious mischief and of the amounts of such coverage.
3. **Rights of mortgagees.** Notwithstanding any other provision of the condominium documents, except as required by law, any first mortgage of record of a condominium unit is subject to the following provisions:
 - a. The holder of the mortgage is entitled, on written request, to notification from the association of any default by the mortgagor in the performance of the mortgagor's obligations under the condominium documents that is not cured within 30 days.
 - b. The holder of any first mortgage that comes into possession of a condominium unit pursuant to the remedies provided in the mortgage, deed, or assignment in lieu of foreclosure shall be exempt from any option, right of first refusal, or other restriction on the sale or rental of the mortgaged unit, including restrictions on the posting of signs pertaining to the sale or rental of the unit.
 - c. The holder of any first mortgage that comes into possession of a condominium unit pursuant to the remedies provided in the mortgage, deed, or assignment in lieu of foreclosure shall receive the property free of any claims for unpaid assessments or charges against the mortgaged unit that have accrued before the holder comes into possession of the unit (except for claims for a pro rata share of assessments or charges resulting from a pro rata reallocation of assessments charged to all units, including the mortgaged unit).
4. **Additional notification.** When notice is to be given to a mortgagee, the board of directors shall also notify the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Veterans Administration, the Federal Housing Administration, the Farmer's Home Administration, the Government National Mortgage Association, or any other public or private secondary mortgage market entity participating in purchasing or guarantying mortgages of units in the condominium if the board of directors has received notice of the entity's participation.

**ARTICLE IX
LEASES AND RESALE**

1. **Notice of leases.** Any co-owner, including the developer, may lease residential units for not less than 7 consecutive days. Any co-owner or lessee, including the developer, may lease or sublease, as the case may be, all or part of business units for not less than 90 consecutive days, provided that the use thereof is approved by the association as provided in Article VII 1. All leases and rental agreements shall be in writing and in a standard form to be furnished by the Association.

2. **Terms of leases.** Tenants and non-co-owner occupants shall comply with the provisions of the condominium documents of the project, and all lease and rental agreements shall state this condition.
3. **Remedies.** If the association determines that any tenant or non-co-owner occupant has failed to comply with the provisions of the condominium documents, the association may take the following actions:
 - a. The association shall notify the co-owner by certified mail addressed to the co-owner at the co-owner's last known residence of the alleged violation by the tenant.
 - b. The co-owner shall have 15 days after receiving the notice to investigate and correct the alleged breach by the tenant or to advise the association that a violation has not occurred.
 - c. If, after 15 days, the association believes that the alleged breach has not been cured or might be repeated, it may institute an action for eviction against the tenant or non-co-owner occupant and a simultaneous action for money damages (in the same or another action) against the co-owner and the tenant or non-co-owner occupant for breach of the provisions of the condominium documents. The relief stated in this provision may be by summary proceeding. The association may hold both the tenant and the co-owner liable for any damages to the general common elements caused by the co-owner or the tenant.
4. **Assessments.** When a co-owner is in arrears to the association for assessments, the association may notify any tenant occupying a co-owner's unit under a lease or rental agreement of the arrearage in writing. After receiving such a notice, the tenant shall deduct from rental payments due to the co-owner the full arrearage and future assessments as they fall due and shall pay them to the association. Such deductions shall not be a breach of the rental agreement or lease.
5. **Resale.** No co-owner (excluding the developer) shall offer his residential unit for sale until 18 residential units have been sold by the developer or until 18 months from the date of purchase by such co-owner has expired, whichever event shall first occur.

ARTICLE X ARBITRATION

1. **Submission to arbitration.** Any dispute, claim, or grievance relating to the interpretation or application of the master deed, bylaws, or other condominium documents among co-owners or between owners and the association may, on the election and written consent of the parties to the dispute, claim, or grievance and written notice to the association, be submitted to arbitration by the arbitration association. The parties shall accept the arbitrator's award as final and binding. All arbitration under these bylaws shall proceed in accordance with MCLA 600.5001 et seq., MSA 27A.5001 et seq. and applicable rules of the arbitration association.
2. **Disputes involving the developer.** A contract to settle by arbitration may also be signed by the developer and any claimant with a claim against the developer that may be the subject of a civil action, subject to the following conditions:
 - a. At the exclusive option of a purchaser, co-owner, or person occupying a restricted unit in the project, the developer shall sign a contract to settle by arbitration a claim that may be the subject of a civil action against the developer that involves less than \$2,500 and relates to a purchase agreement, condominium unit, or the project.

- b. At the exclusive option of the association of co-owners, the developer shall sign a contract to settle by arbitration a claim that may be the subject of a civil action against the developer that relates to the common elements of the project and involves less than \$10,000.
3. **Preservation of rights.** The election of a co-owner or the association to submit a dispute, claim, or grievance to arbitration shall preclude that party from litigating the dispute, claim, or grievance in the courts. However, except as otherwise stated in this article, no interested party shall be precluded from petitioning the courts to resolve a dispute, claim, or grievance in the absence of an election to arbitrate.

ARTICLE XI MISCELLANEOUS PROVISIONS

1. **Severability.** If any of the provisions of these bylaws or any condominium document are held to be partially or wholly invalid or unenforceable for any reason, that holding shall not affect, alter, or impair any of the other provisions of these documents or the remaining part of any provision that is held to be partially invalid or unenforceable. In such an event, the documents shall be construed as if the invalid or unenforceable provisions were omitted.
2. **Notices.** Notices provided for in the Michigan Condominium Act, the master deed, and the bylaws shall be in writing and shall be addressed to the association at

550 Williams Street
South Haven, MI 49090

or to the co-owner at the address stated in the deed of conveyance, or to either party at a subsequently designated address. The association may designate a different address by notifying all co-owners in writing. Any co-owner may designate a different address by notifying the association in writing. Notices shall be deemed delivered when they are sent by U.S. mail with the postage prepaid or when they are delivered in person.

3. **Amendments.** These bylaws may be amended or repealed only in the manner stated in Article VII of the master deed.

080596

VAN BUREN COUNTY CONDOMINIUM SUBDIVISION PLAN NO. 46
EXHIBIT B TO MASTER DEED OF:

THE COLONIAL CONDOMINIUM

CITY OF SOUTH HAVEN, VAN BUREN COUNTY, MICHIGAN

DEVELOPER

WILLIAMS STREET DEVELOPMENT, LLC
550 WILLIAMS STREET
SOUTH HAVEN, MI 49090

ROA SURVEYOR

MITCHELL SURVEYS, INC.,
404 BROADWAY
SOUTH HAVEN, MI 49090

PROPERTY DESCRIPTION:

PARCEL "A"

[illegible]

PARCEL "B"

BEGINNING ON THE SOUTH LINE OF LOT B, BLOCK 8 OF HALE, CONVEY AND COMPANY'S ADDITION TO THE VILLAGE OF NEW CITY OF SOUTH HAVEN, VAN BUREN COUNTY, MICHIGAN, AT A POINT 2,444.8 FEET SOUTH 10 DEG. 48 MIN. 10 SEC. WEST OF THE SOUTHEAST CORNER OF SAID LOT, 122.20 FEET, 89 DEG. 49 MIN. 10 SEC. WEST ON A BEARING OF 108 DEG. 49 MIN. 10 SEC. EAST, 98.00 FEET, 108 DEG. 49 MIN. 10 SEC. EAST, 108.84 FEET, THENCE NORTH 48 DEG. 49 MIN. 10 SEC. WEST, 110.00 FEET, TO THE PLACE OF BEGINNING, TOGETHER WITH AND SUBJECT TO THE EASEMENTS AND RESTRICTIONS OF RECORD.

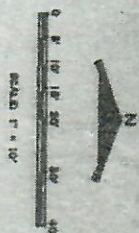
XEROX SHEET INDEX








- | 1. | TITLE & DESCRIPTION |
|----|--|
| 2. | PARCEL 'A' SURVEY PLAN |
| 3. | PARCEL 'B' SURVEY, SITE & UTILITY PLAN |
| 4. | PARCEL 'A' SITE & UTILITY PLAN |
| 5. | 1ST & 2ND FLOOR PLANS |
| 6. | 3RD & 4TH FLOOR PLANS |
| 7. | BASEMENT PLAN & BUILDING SECTION |
| 8. | BUILDING SECTIONS |

'MUST BE BUILT'
DATED - JUNE 21, 1966

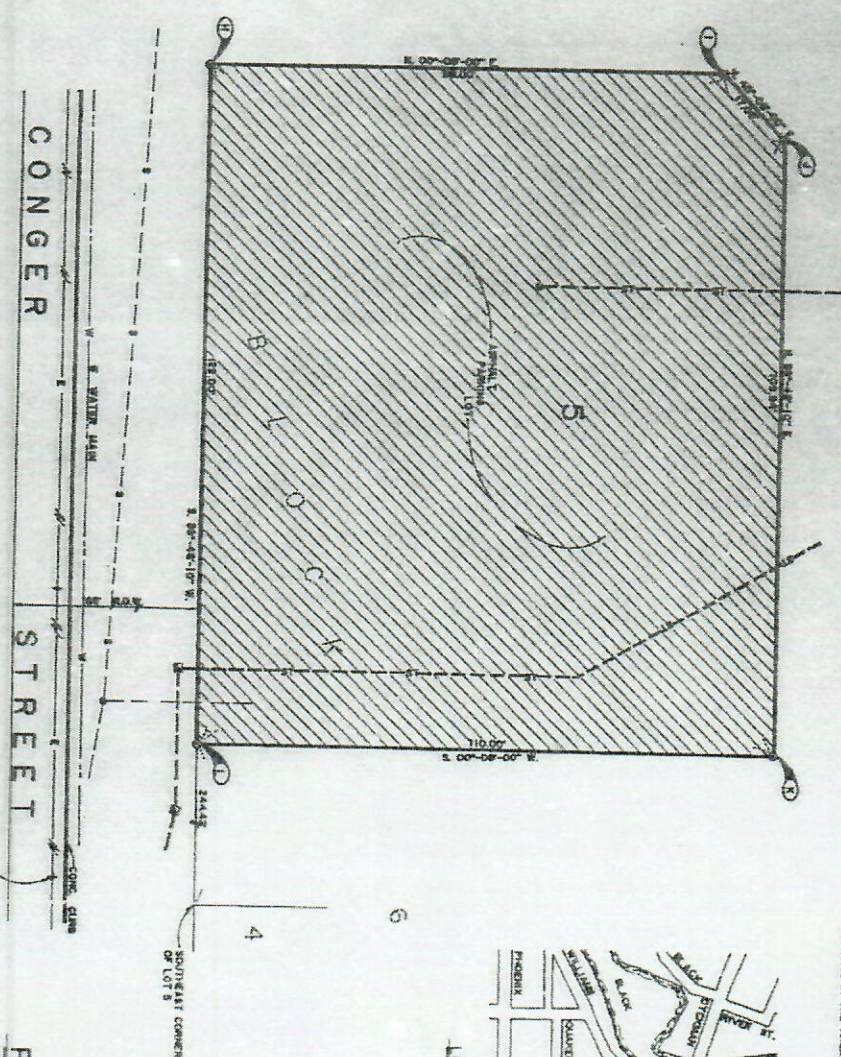
1997

LIBR 1092 PAGE 652

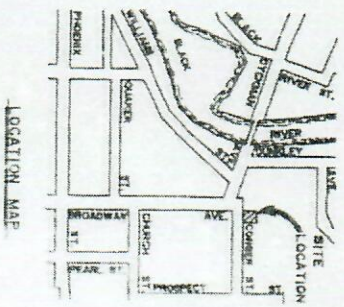


- LEGEND.**
- | | |
|---|----------------------------|
|  | - ESSENTIAL COMMON ELEMENT |
|  | - COORDINATE POINT |
|  | - MATHS |
|  | - CATCH BASIN |
|  | - UTILITY POLE |
|  | - WATER MAIN |
|  | - ELECTRIC & TELEPHONE |
|  | - SANITARY SEWER |
|  | - STORM SEWER |
|  | - HIGHWAY |

COORDINATES	
STA	NORTH (N) EAST (E)
M	11,837.79 14,322.25
I	11,838.79 14,322.48
J	11,847.82 14,335.97
K	11,848.80 14,174.61
L	11,848.20 14,744.25



GENERAL NOTE:
ALL UTILITIES SHOWN ARE APPROXIMATE LOCATIONS DERIVED FROM ACTUAL MEASUREMENTS AND AVAILABLE RECORDS. THE BOLD NOT BE WITHDRAWN TO BE THE EXACT LOCATION NOR SHOULD IT BE ASSUMED THAT THEY ARE THE ONLY UTILITIES IN THE AREA.



NOTES
RE: ARSON AND ASSAULTS
U.S. ARSON LAB. DATA
COMPARATIVES ARE ESTABLISHED
FROM U.S. ARSON LAB. CONVICT.

'MUST BE BUILT'

DATED - JUNE 21, 1996

PARCEL 'B'
SURVEY
SITE & UTILITY PLAN
THE COLONIAL
CONDOMINIUM
PREPARED BY
MITCHELL SURVEYS, INC.
404 BROADWAY
SOUTH HAVEN, CT 06480
SHEET 3.

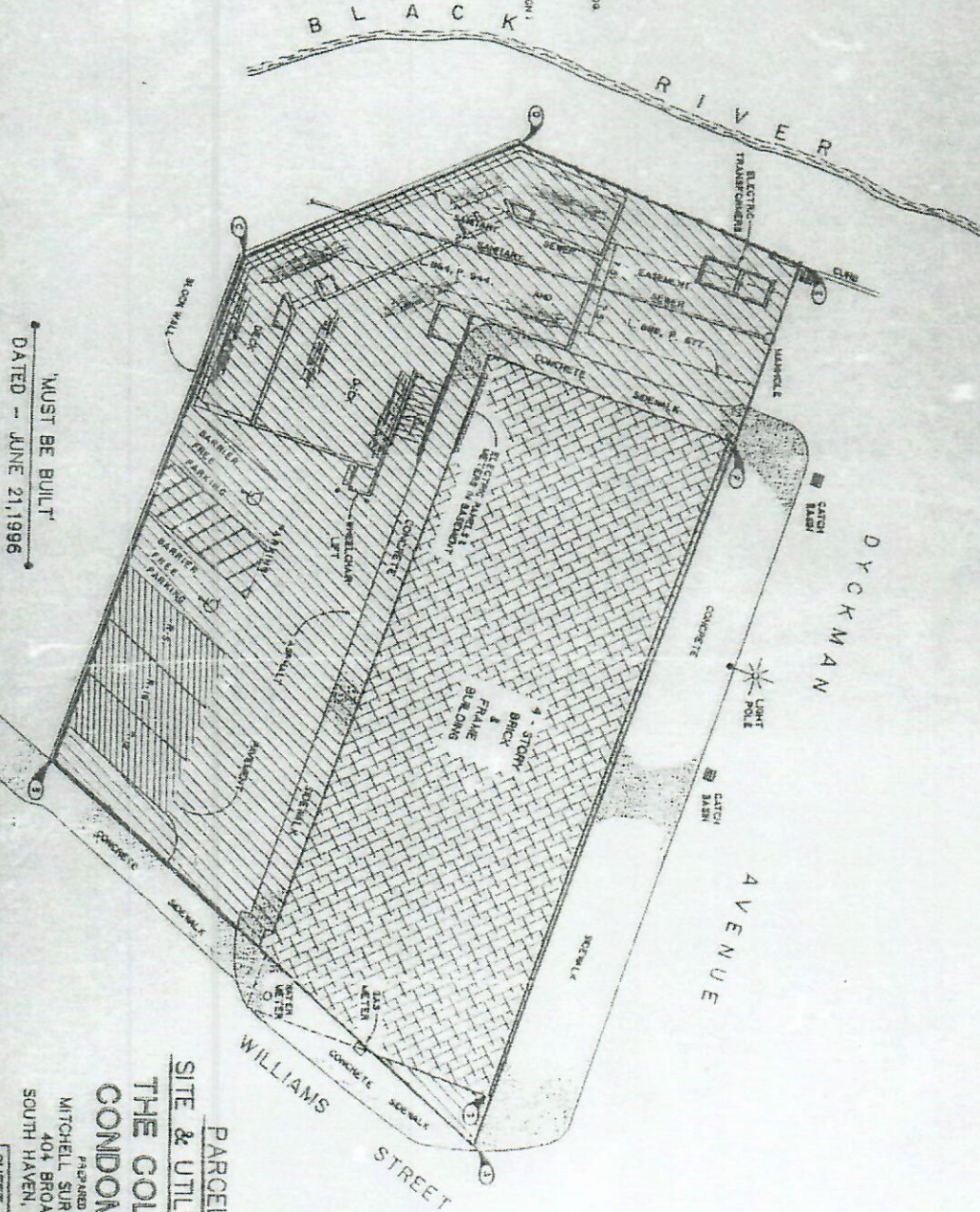
COORDINATES

STA	NORTH (X)	EAST (Y)
A	11,715.89	14,372.21
B	11,646.21	14,314.33
C	11,712.20	14,232.40
D	11,710.87	14,212.16
E	11,801.25	14,238.60
F	11,791.66	14,287.29
G	11,737.26	14,264.33

SOURCE OF UTILITIES

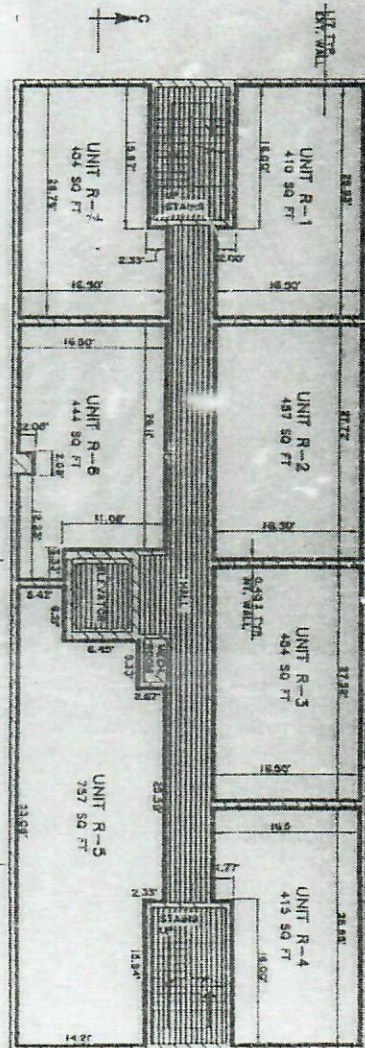
WATER: CITY OF SOUTH HAVEN
 SEWER: CITY OF SOUTH HAVEN
 STORM SEWER: CITY OF SOUTH HAVEN
 ELECTRIC: CITY OF SOUTH HAVEN
 GAS: INDIAN GAS UTILITIES
 TELEPHONE: TEL. CABLEVISION

- LEGEND**
- SEWER, COMMON ELEMENT
 - LIMIT OF COMMON ELEMENT
 - LIMIT OF OWNERSHIP
 - CONCRETE POINT
 - ELECTRIC SERVICE
 - GAS SERVICE
 - SEWERY SEWER SERVICE
 - STORM SEWER
 - WATER SERVICE
 - CATCH BASIN
 - MANHOLE
 - UTILITY CONNECTION AT ROAD
 - UTILITY POLE
 - TELEPHONE
 - C.A.T.V. / CABLE TELEVISION

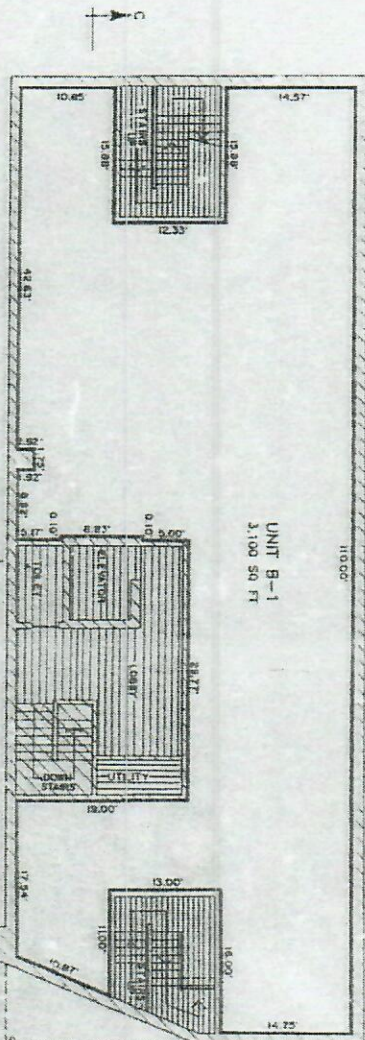


GENERAL NOTE:
 ALL UTILITIES SHOWN ARE APPROXIMATE LOCATIONS DERIVED FROM ACTUAL SURVEYS AND AVAILABLE RECORDS. THEY SHOULD NOT BE INTERPRETED TO BE THE EXACT LOCATION. NOIN SHOULD IT BE ASSUMED THAT THEY ARE THE ONLY UTILITIES IN THE AREA.

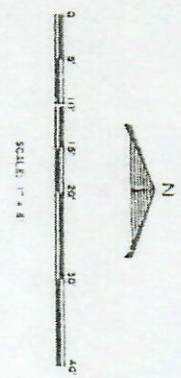
PARCEL 'A'
 SITE & UTILITY PLAN
THE COLONIAL
CONDOMINIUM
 PREPARED BY
 MITCHELL SURVEYS, INC.
 404 BROADWAY
 SOUTH HAVEN, CT 06488
 SHEET 1



SECOND FLOOR PLAN



FIRST FLOOR PLAN



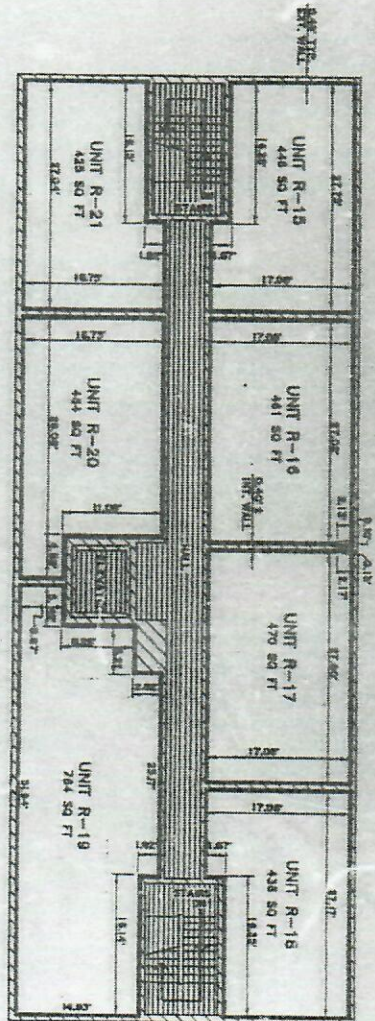
LEGEND

- GENERAL COMMON ELEMENT
- UNITED COMMON ELEMENT (UNITS 1, 2, 3, 4, 5, 6)
- UNIT OF OWNERSHIP
- LIMITED COMMON ELEMENT (UNITS 1, 2, 3, 4, 5, 6)

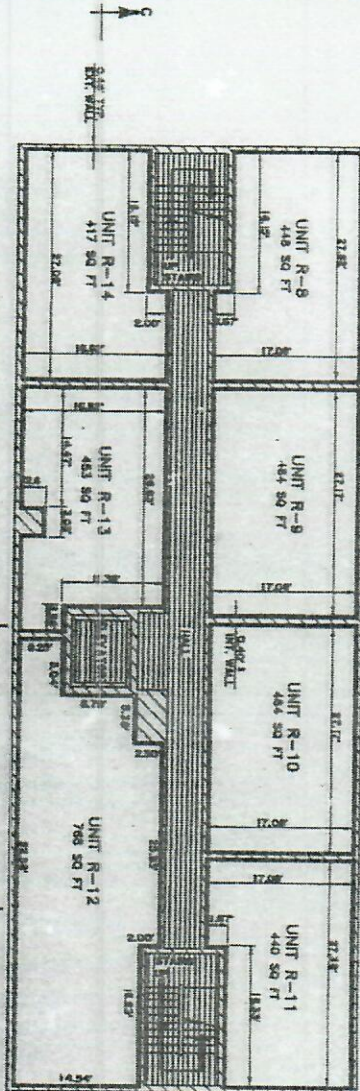
NOTE: ALL OWNERSHIP UNITS ARE AT NO. 70 FROM OTHER UNITS OTHERWISE NOTED

"MUST BE BUILT"
DATED - JUNE 21, 1996

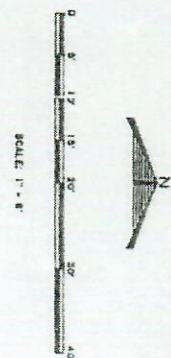
1ST & 2ND
FLOOR PLANS
THE COLONIAL
CONDOMINIUM
PREPARED BY
MITCHELL SURVEYS, INC.
404 BROADWAY
SOUTH HAVEN, MI 48090
SHEET 3.



FOURTH FLOOR PLAN



THIRD FLOOR PLAN

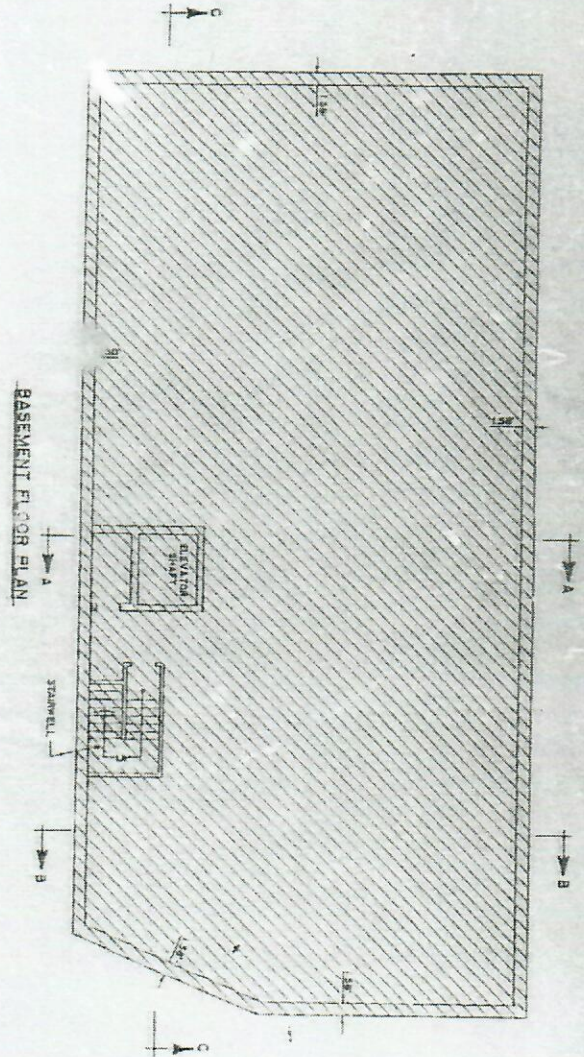


- LEGEND**
- GENERAL COMMON ELEMENT
 - LIMITED COMMON ELEMENT (UNIT'S HALLWAYS & STAIRS)
 - LIMITS OF OWNERSHIP

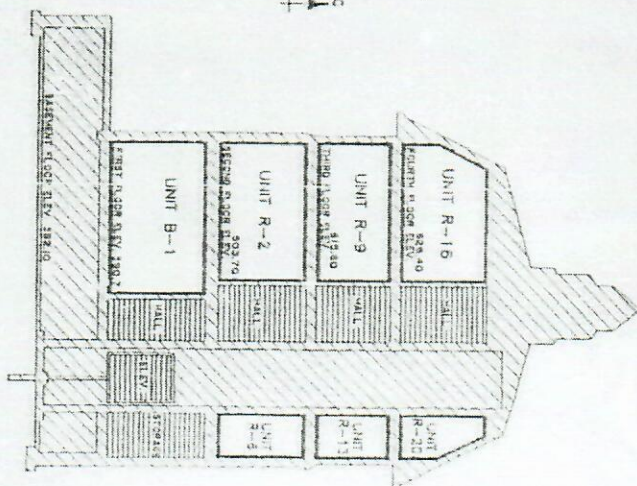
NOTE: ALL OWNERSHIP LINES ARE AS SHOWN TO EACH OTHER UNLESS OTHERWISE NOTED

MUST BE BUILT
DATED - JUNE 21, 1986

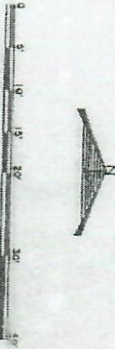
3RD & 4TH
FLOOR PLANS
THE COLONIAL
CONDOMINIUM
PREPARED BY
MITCHELL SURVEYS, INC.
404 BROADWAY
SOUTH HAVEN, CT 06488
SHEET 5.



BASEMENT FLOOR PLAN



SECTION A-A



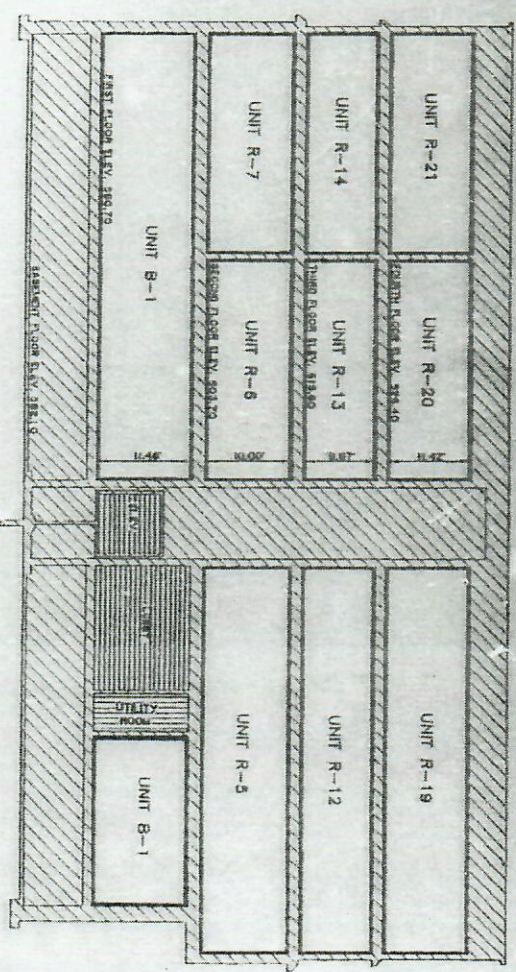
SCALE: 1" = 6'

LEGEND
 GENERAL COMMON ELEMENT
 LIMITED COMMON ELEMENT (UNIT 14 TRAIL R-411)
 LIMITS OF OVERLAP

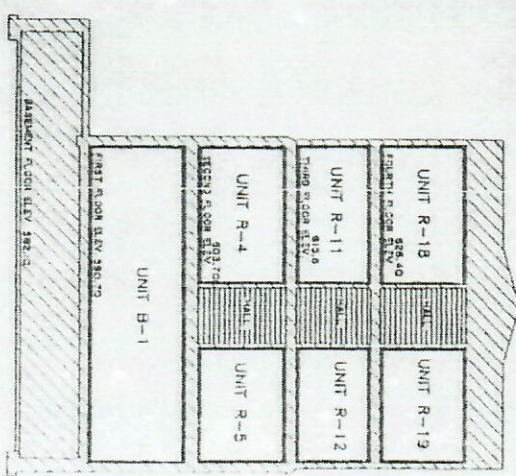
NOTE: ALL DIMENSIONS ARE AT 10' TO EACH
 OTHER UNLESS OTHERWISE NOTED.

"MUST BE BUILT"
 DATED - JUNE 21, 1996

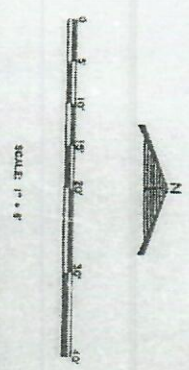
**BASEMENT PLAN
 & BUILDING SECTION**
**THE COLONIAL
 CONDOMINIUM**
 PREPARED BY
 MITCHELL SURVEYS, INC.
 404 BROADWAY
 SOUTH HAVEN, CT 06488
 SHEET 7



SECTION C - C



SECTION B - B



- LEGEND**
- GENERAL COMMON ELEMENT
 - LIMITED COMMON ELEMENT (UNITS R-1 THRU R-21)
 - LIMITS OF OWNERSHIP
 - LIMITED COMMON ELEMENT (UNITS B-1 THRU B-2)

NOTE: ALL OWNERSHIP LINES ARE AT 30' TO EACH OTHER UNLESS OTHERWISE NOTED.

"MUST BE BUILT"
DATED - JUNE 21, 1996

BUILDING SECTIONS
THE COLONIAL CONDOMINIUM
PREPARED BY
MITCHELL SURVEYS, INC.
401 BROADWAY
SOUTH HAVEN, MI 49090
SHEET 6