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Paula Johnson  
INGHAM COUNTY  
REGISTER OF DEEDS

RECORDED

L-2966 P-943  
2002-041562  
106 105.00



2002-041562  
Page: 1 of 48  
07/08/2002 09:31A

INGHAM COUNTY TREASURER'S CERTIFICATE  
I HEREBY CERTIFY that there are no TAX LIENS or TITLES held  
by the state or any individual against the within description, and all  
TAXES on same are paid for five years previous to the date of this  
instrument as appears by the records of this office except as stated.

6/20/02  
Eric Schertzing, Ingham County Treasurer  
Sec. 135, Act 206, 1893 as amended

156302

## RESTATED MASTER DEED

### JOLLY CENTER CONDOMINIUM

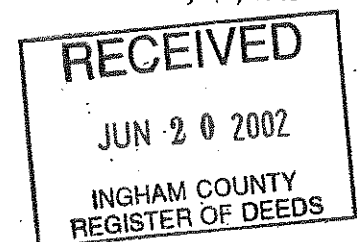
Ingham County Condominium Subdivision Plan No. 165

(Formerly "Jolly Office Condominium")

**THIS RESTATED MASTER DEED** is made and executed on this 17th day of June, 2002, by Farm Meadows Company, a Michigan corporation, hereinafter referred to as the "Developer," whose address is 4665 Dobie Road, Suite 130, Okemos, Michigan 48864, in pursuance of the provisions of the Michigan Condominium Act (being Act 59 of the Public Acts of 1978, as amended).

**WHEREAS**, the Developer desires by recording this Restated Master Deed, together with the Bylaws attached hereto as Exhibit A and the Condominium Subdivision Plan attached hereto as Exhibit B (both of which are hereby incorporated herein by reference and made a part hereof), to establish the real property described in Article II below, together with the improvements located and to be located thereon, and the appurtenances thereto, as a commercial site Condominium Project under the Act. This Restated Master Deed shall replace, in its entirety, a Master Deed dated August 21, 2001 and recorded on August 27, 2001 at Liber 2913, Page 942, Ingham County Register of Deeds.

**NOW, THEREFORE**, the Developer does, upon the recording hereof, establish Jolly Center as a Condominium Project under the Act and does declare that the Condominium shall, after such establishment, be held, conveyed, hypothecated, encumbered, leased, rented, occupied, improved, or in any other manner utilized, subject to the provisions of the Act, and to the covenants, conditions, restrictions, uses, limitations and affirmative obligations set forth in this Master Deed, the Bylaws and the Condominium Subdivision Plan, all of which shall be deemed to run with the land and shall be a burden and a benefit to the Developer and any persons acquiring or owning an interest in the Condominium Project, and their respective successors and assigns. In furtherance of the establishment of the Condominium Project, it is provided as follows:



476-001 thru 003  
476-015 thru 016 (pt.)

*McClendon & Anderson*

## ARTICLE I

### TITLE AND NATURE

The Condominium Project shall be known as Jolly Center Condominium. The Condominium Project is established in accordance with the Act. The Condominium Project shall initially consist of four (4) individual building sites, each of which is intended for separate ownership and use and shall be known as a Condominium Unit. Pursuant to Article VI hereof, Unit No. 4 may be subdivided to create a maximum of three (3) Units for a total of six (6) Units throughout the Project. Each Condominium Unit shall consist of only the land included within the perimeter of the site as delineated on the Condominium Subdivision Plan (Exhibit B to this Master Deed). Each Unit has been created for commercial purposes and each Unit is capable of individual utilization. Each Co-owner in the Condominium Project shall have an exclusive right to his Unit and shall have undivided and inseparable rights to share the Common Elements of the Condominium Project with the other Co-owners.

## ARTICLE II

### LEGAL DESCRIPTION

The land which is submitted to the Condominium Project established by this Master Deed is described as follows:

Commencing at the Southeast corner of Section 33, T4N, R1W, Meridian Township, Ingham County, Michigan; thence S89°56'00"W 72.56 feet along the South section line to the Northeast corner of Section 4, T3N, R1W, Alaiedon Township, Ingham County, Michigan; thence S89°51'38"W 798.50 feet along the South section line; thence N00°08'22"W 45.00 feet to the point of beginning on the Northerly right of way line of Jolly Road; thence S89°51'38"W 696.87 feet along said Northerly right of way line; thence N00°05'13"W 456.60 feet; thence N89°51'38"E 142.37 feet; thence N00°04'23"W 100.00 feet; thence N89°51'38"E 434.98 feet to a point on the Westerly line of Hiawatha Lakes No. 7, recorded in Liber 52 of Plats, pages 18 and 19, Ingham County Records; thence along said Westerly line the following three courses, S00°06'26"E 100.00 feet; thence S17°29'01"E 399.31 feet; thence S00°08'22"E 75.45 feet to the point of beginning; containing 7.780 acres of land, more or less.

## ARTICLE III

### DEFINITIONS

Certain terms are utilized not only in this Master Deed and Exhibits A and B hereto, but are or may be used in various other instruments such as, by way of example and not limitation, the Articles of Incorporation and rules and regulations, if any, of the Jolly Center Condominium Association, a Michigan non-profit corporation, the Disclosure Statement, the Purchase Agreement and the Escrow Agreement. Terms not defined herein but defined in the Act shall carry the meaning given to them in the Act unless the Act clearly indicates to the contrary. Wherever used in such documents or any other pertinent instruments, the terms set forth below shall be defined as follows:

**Section 1. Act.** The "Act" means the Michigan Condominium Act, being Act 59 of the Public Acts of 1978, as amended.

**Section 2. Association.** "Association" means the Jolly Center Condominium Association, which is the non-profit corporation organized under Michigan law of which all Co-owners shall be members, which corporation shall administer, operate, manage and maintain the Condominium. Any action required of or permitted to the Association shall be exercisable by its Board of Directors unless expressly reserved to the members by the Condominium Documents or the laws of the State of Michigan and any reference to the Association shall, where appropriate, also constitute a reference to its Board of Directors.

**Section 3. Bylaws.** "Bylaws" means Exhibit A hereto, being the Bylaws setting forth the substantive rights and obligations of the Co-owners and required by Section 3(8) of the Act to be recorded as part of the Master Deed. The Bylaws shall also constitute the corporate bylaws of the Association as provided for under the Michigan Nonprofit Corporation Act.

**Section 4. Common Elements.** "Common Elements", where used without modification, means both the General and Limited Common Elements described in Article IV hereof.

**Section 5. Condominium Documents.** "Condominium Documents" means and includes this Master Deed and Exhibits A and B hereto, and the Articles of Incorporation and rules and regulations, if any, of the Association, the Disclosure Statement, Purchase Agreement and Escrow Agreement, as all of the same may be amended from time to time.

**Section 6. Condominium Premises.** "Condominium Premises" means and includes the land described in Article II above, all improvements and structures thereon, and all easements, rights and appurtenances thereto.



**Section 7. Condominium Project, Condominium or Project.** "Condominium Project," "Condominium" or "Project" each mean Jolly Center Condominium established as a Condominium Project in conformity with the Act.

**Section 8. Condominium Subdivision Plan.** "Condominium Subdivision Plan," means Exhibit B hereto.

**Section 9. Construction and Sale Period.** "Construction and Sales Period," for the purposes of the Condominium Documents and the rights reserved to the Developer thereunder, means the period commencing with the recording of the Master Deed and continuing as long as the Developer owns any Unit which it offers for sale.

**Section 10. Co-owner.** "Co-owner" means a person, firm, corporation, partnership, association, trust or other legal entity or any combination thereof who or which own one or more Units in the Condominium Project. "Co-owner" includes land contract vendees and land contract vendors, who are considered jointly and severally liable under the Act and the Condominium Documents, except as is expressly provided elsewhere in the Condominium Documents.

**Section 11. Developer.** "Developer" means Farm Meadows Company, a Michigan corporation, which has made and executed this Master Deed, and its successors and assigns. Both successors and assigns shall always be deemed to be included within the term "Developer" whenever, however and wherever such term is used in the Condominium Documents. Where appropriate, "Developer" shall also include SP Investments Limited Partnership, a Michigan limited partnership, the owner of the land on which the Condominium Project is located, in its capacity as fee title holder and seller of the individual Units.

**Section 12. First Annual Meeting.** "First Annual Meeting" means the initial meeting at which non-developer Co-owners are permitted to vote for the election of all Directors and upon all other matters which properly may be brought before the meeting. Such meeting: (a) may be held at any time, in the Developer's sole discretion, after fifty percent (50%) of the Units which may be created are sold; and (b) must be held within (i) fifty four (54) months from the date of the first Unit conveyance, or (ii) one hundred twenty (120) days after seventy five percent (75%) of all Units which may be created are sold, whichever first occurs.

**Section 13. Transitional Control Date.** "Transitional Control Date" means the date on which a Board of Directors of the Association takes office pursuant to an election in which the votes which may be cast by eligible Co-owners unaffiliated with the Developer exceed the votes which may be cast by the Developer.

**Section 14. Unit or Condominium Unit.** "Unit" or "Condominium Unit" each mean a single Unit, as described in Article V, Section 1 hereof and in the Condominium

Subdivision Plan, and shall have the same meaning as the term "Condominium Unit" as defined in the Act.

Whenever any reference herein is made to one gender, the same shall include a reference to any and all genders where the same would be appropriate, similarly, whenever a reference is made herein to the singular, a reference to the plural shall also be included where the same would be appropriate and vice versa.

## ARTICLE IV

### COMMON ELEMENTS

The Common Elements of the Project, and the respective responsibilities for maintenance, decoration, repair or replacement thereof, are as follows:

**Section 1. General Common Elements.** The General Common Elements are:

(a) **Land.** The landscaped areas throughout the Project located outside of the perimeter of the Units, together with the lawn sprinkler system and signage installed by the Developer within these landscaped areas.

(b) **Driveways and Other Surface Improvements.** Those portions of the driveways, parking areas, sidewalks and other surface improvements throughout the Project located outside of the perimeter of the Units.

(c) **Electrical.** The electrical transmission service throughout the Project, including primary and secondary service lines up to the point where service is available for connection to a building constructed within a Unit.

(d) **Gas.** The gas main distribution system throughout the Project up to the point where the service is available for connection to a building constructed within a Unit.

(e) **Water/Sanitary Sewer.** The water distribution system and sanitary sewer systems throughout the Project up to the point where service is available for connection to a building constructed within a Unit.

(f) **Storm Sewer.** The storm sewer system throughout the Project.

(g) **Telecommunications.** The telecommunications and cable television systems throughout the Project up to, but not including, connections to provide service to a building constructed within a Unit.

(h) **Signage.** Any entrance markers and signs for the Condominium Project.

(i) **Other.** Such other areas of the Project not designated as Common Elements which are not enclosed within the boundaries of a Unit, and which are intended for common use or necessary to the existence, upkeep and safety of the Project.

Some or all of the utility lines, systems (including mains and service leads) and equipment described above may be owned by the local public authority or by the company that is providing the pertinent service. Accordingly, such utility lines, systems and equipment shall be General Common Elements only to the extent of the Co-Owner's interest therein, if any, and Developer makes no warranty whatever with respect to the nature or extent of such interest if any.

**Section 2. Limited Common Elements.** Limited Common Elements, if any, shall be subject to the exclusive use and enjoyment of the Co-owner of the Unit or Units to which such Limited Common Elements are appurtenant. No Limited Common Elements have been designated as such in the Master Deed because there are presently no Limited Common Elements. The Developer may create Limited Common Elements during the Construction and Sales Period as Developer shall deem necessary or desirable in its sole discretion. If any Limited Common Elements are included in the Project at any time hereafter, they shall be shown on amendments to the Condominium Subdivision Plan.

**Section 3. Responsibilities.** The respective responsibilities for the maintenance, decoration, repair and replacement of the Common Elements are as follows:

(a) **Association Responsibilities.** The costs of maintenance, repair and replacement of all Common Elements in the Project, as well as the landscaping and lawn sprinkler equipment within the individual Units, shall be borne by the Association, except to the extent that any maintenance, repair or replacement is due to the negligence, fault or improper conduct of a Co-owner or its employees, agents or invitees, for which such Co-owner shall be solely responsible.

(b) **Co-owner Responsibilities.** Each Co-owner shall be responsible for the maintenance, decoration, repair and replacement of the following:

i. Each Co-owner shall be responsible for decorating, maintaining, repairing or replacing each and every part of its Unit, together with the building and all other improvements thereon, except for the landscaping and lawn sprinkler equipment within the Unit which shall be maintained by the Association pursuant to subparagraph (a) above.

ii. Each Co-owner shall be responsible for payment of utilities attributable to its Unit, except for water used by the lawn sprinkler system which shall be an expense of the Association.

(c) **Co-owner Negligence Or Fault.** If the Association determines in its sole discretion that maintenance, repair, decoration or replacement is required as a result of the failure of the Co-owner to perform its responsibility as set forth in (b) above, or is a result of the negligence, fault or improper conduct of a Co-owner or its employees, agents or invitees, the Association may proceed to perform the required work itself. The cost of any such maintenance, repair, decoration or replacement performed by the Association shall be paid by the Co-owner and added to his monthly Association assessment, if necessary. Failure of the Co-owner to pay the charges incurred by the Association shall entitle the Association to proceed with all remedies set forth in the Condominium Bylaws.

(d) **Co-owner Alterations.** No Co-owner shall in any way alter or modify any Common Elements within the Condominium during the Construction and Sales Period without the prior written consent of the Developer, and thereafter without the prior written consent of the Association.

## ARTICLE V

### UNIT DESCRIPTION AND PERCENTAGE OF VALUE

**Section 1. Description of Units.** Each Unit in the Condominium Project is described in this paragraph with reference to the Condominium Subdivision Plan of Jolly Center Condominium as surveyed by Stephens-Kyes & Associates, Inc. Each Unit shall consist of the land contained within the Unit boundaries as shown in the Condominium Subdivision Plan and delineated with heavy outlines, together with all appurtenances thereto.

**Section 2. Percentage of Value.** The percentage of value assigned to each Unit is set forth below. The percentages of value were computed on the basis of the relative square footage of the buildings to be constructed on the Units. The percentage of value assigned to each Unit shall be determinative of each Co-owner's respective share of the Common Elements of the Condominium Project, if any, the proportionate share of each respective Co-owner in the proceeds and expenses of administration and the value of such Co-owner's vote at meetings of the Association. The total value of the Project is one hundred percent (100%).

**Section 3. Percentage of Value Assignment.** Set forth below are: (a) each Unit number as it appears on the Condominium Subdivision Plan; and (b) the percentage of value assigned to each Unit.

Unit Number	Percentages of Value
1	17.91%
2	29.85%
3	10.45%
4	41.79%

## ARTICLE VI

### SUBDIVISION AND OTHER MODIFICATIONS OF UNIT NO. 4

Notwithstanding any other provision of the Master Deed or the Bylaws, Unit No. 3 in the Condominium may be subdivided and/or modified and its boundaries relocated, and corresponding changes may be made to the General Common Elements, in accordance with Sections 48 and 49 of the Act and this Article. Any changes in affected Units shall be reflected in a duly recorded amendment or amendments to this Master Deed.

Developer reserves the sole right during the Construction and Sales Period, without the consent of any other Co-owner or any mortgagee of any unaffected Unit to take the following action:

**Section 1. Subdivide Units.** Subdivide or resubdivide Unit No. 4 and to construct and install utility connections and any other improvements reasonably necessary to effect the subdivision. Such construction shall not disrupt utility service to any Unit other than temporarily.

**Section 2. Modify Boundaries.** Modify the boundaries of Unit No. 4 to accommodate future development and modify the adjacent General Common Elements and utility connections and any other improvements reasonably necessary for the modification. Such modification and related activities shall not disrupt utility service to any Unit other than temporarily.

**Section 3. Amendments to Master Deed.** A subdivision, resubdivision or modification of Unit No. 4's boundaries shall be given effect by amendment or amendments to this Master Deed which shall be prepared by and at the sole discretion of the Developer. In any amendment or amendments resulting from the exercise of the rights reserved to Developer in this Article, each portion of Unit No. 4 resulting from such subdivision, modification or relocation of boundaries shall be separately identified by number and the percentages of value shall be proportionately allocated to the new Condominium Units, if appropriate, in order to preserve a total value of one hundred percent (100%) for the entire





Project. The determination of the readjustments in percentage of value shall be within the sole judgment of Developer. Such readjustments, however, shall be made using the original method of determining percentages of value for the Project. The amendment or amendments to the Master Deed shall also contain such further definitions of General or Limited Common Elements as may be necessary to adequately describe the Units in the Condominium Project as so modified.

**Section 4. Consent of Interested Persons.** All of the Co-owners and mortgagees of Units and other persons interested or to become interested in the Project from time to time shall be deemed to have irrevocably and unanimously consented to such amendment or amendments of this Master Deed to make the foregoing and to any proportionate reallocation of percentages of value of Units which Developer or its successors may determine necessary in conjunction with any amendment or amendments pursuant to this Article VI. All such interested persons irrevocably appoint Developer or its successors as agent and attorney for the purpose of execution of such amendment or amendments to the Master Deed and all other necessary documents. Such amendments may be effected without the necessity of rerecording an entire Master Deed or the Exhibits hereto.

## ARTICLE VII

### EASEMENTS AND OTHER MATTERS

**Section 1. Easements for Utilities.** The Developer hereby grants easements for utility purposes, as shown on the Condominium Subdivision Plan attached as Exhibit B. On behalf of all future Co-owners, the Developer reserves an unrestricted easement and license to tap into and to use any and all utility lines now or in the future located in the Condominium Project, including, but not limited to, electrical, telephone, cable television, water, gas, storm and sanitary sewer mains. The Developer may, in its sole discretion, cause to be recorded separate instruments granting the easements herein described.

**Section 2. Storm Water Drainage Easement.** The Developer hereby grants to the Ingham County Drain Commission, the drainage easements as shown on the Condominium Subdivision Plan attached as Exhibit B. The Developer may, in its sole discretion, cause to be recorded separate instruments setting forth such drainage easements herein described.

**Section 3. Easements for Maintenance, Repair and Replacement.** The Developer, the Association and all public or private utilities shall have such easements over, under, across and through the Condominium Premises, including all Units and Common Elements, as may be necessary to fulfill any responsibilities of maintenance, repair, decoration

or replacement which they or any of them are required or permitted to perform under the Condominium Documents or by law.

**Section 4. Grant of Additional Easements by Association.** The Association, acting through its lawfully constituted Board of Directors (including any Board of Directors acting prior to the Transitional Control Date), shall be empowered and obligated to grant such easements, licenses, rights-of-entry and rights-of-way over, under, across and through the Condominium Premises for utility purposes, access purposes or other lawful purposes as may be necessary for the benefit of the Condominium or for the benefit of any other land described in Article VI hereof; subject, however, to the approval of the Developer during the Construction and Sales Period. No easement created under the Condominium Documents may be modified, nor may any of the obligations with respect thereto be varied, without the consent of each person benefitted thereby.

## ARTICLE VIII

### AMENDMENT

This Master Deed and the Condominium Subdivision Plan may be amended with the consent of 66-2/3% of the Co-owners entitled to vote as of the record date for such votes, except as hereinafter set forth:

**Section 1. Modification of Units or Common Elements.** No Unit dimension may be modified in any material way without the consent of the Co-owner and mortgagee of such Unit. The nature or extent of any Limited Common Elements and the responsibility for maintenance, repair or replacement thereof, may not be modified in any material way without the written consent of the Co-owner and mortgagee of any Unit to which the same are appurtenant, except as otherwise expressly provided in this Master Deed or in the Bylaws to the contrary.

**Section 2. Mortgagee Consent.** Whenever a proposed amendment would materially change the rights of mortgagees generally, then such amendment shall require the approval of 66-2/3% of all first mortgagees of record, allocating one vote for each mortgage held. Approval of mortgagees, where required, shall be solicited through written ballot. Any mortgagee ballot not returned within 90 days of mailing shall be counted as approval for the change.

**Section 3. By Developer.**

(a) In addition to any rights to amend this Master Deed specifically reserved to the Developer elsewhere in this Master Deed, pursuant to Section 90(1) of the Act, the



Developer hereby reserves the right, on behalf of itself and on behalf of the Association, to amend this Master Deed and the other Condominium Documents with approval of any Co-owner or mortgagee for the purposes of correcting survey or other errors and for any other purpose unless the amendment would materially change the right of a Co-owner or mortgagee, in which event Co-Owner and/or mortgagee consent shall be required as provided above.

(b) Developer reserves the right to amend this Master Deed to withdraw any undeveloped portions of the Project including proposed improvements whether identified as "must be built" or "need not be built" during the period ending ten (10) years from the date of commencement of construction by the Developer of the Project. Failure to withdraw land within the time provided above will result in the land constituting a General Common Element of the Project.

**Section 4. Change in Percentage of Value.** The value of the vote of any Co-owner and the corresponding proportion of common expenses assessed against such Co-owner shall not be modified without the written consent of such Co-owner and his mortgagee, nor shall the percentage of value assigned to any Unit be modified without like consent, except as otherwise expressly provided in this Master Deed or in the Bylaws.

**Section 5. Termination, Vacation, Revocation or Abandonment.** The Condominium Project may not be terminated, vacated, revoked or abandoned without the written consent of the Developer and of eighty percent (80%) of non-developer Co-owners.

**Section 6. Developer Approval.** During the Construction and Sales Period, Article VI, Article VII, and this Article VIII shall not be amended, nor shall the provisions thereof be modified by any other amendment to this Master Deed, without the written consent of the Developer.

## ARTICLE IX

### ASSIGNMENT

Any or all of the rights and powers granted or reserved to the Developer in the Condominium Documents or by law, including the power to approve or disapprove any act, use or proposed action or any other matter or thing, may be assigned by it to any other entity or to the Association. Any such assignment or transfer shall be made by appropriate instrument in writing duly recorded in the office of the Ingham County Register of Deeds.



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FARM MEADOWS COMPANY, a  
Michigan corporation

By: Keith L. Schroeder  
Keith L. Schroeder  
Its: President

STATE OF MICHIGAN           )  
  ) ss.  
COUNTY OF INGHAM        )

On this 17th day of June, 2002, the foregoing Master Deed was  
acknowledged before me by Keith L. Schroeder, the president of Farm Meadows Company,  
a Michigan corporation, on behalf of said corporation.

Penny F. Wisinski  
Notary Public  
Ingham County, Michigan  
My Commission Expires: 6-27-06

Prepared by and when  
recorded return to:

Gail A. Anderson, Esq.  
McClelland & Anderson, L.L.P.  
1305 South Washington Avenue  
Suite 102  
Lansing, Michigan 48910  
(517) 482-4890

1212/011/restated-master-deed

PENNY F. WISINSKI  
Notary Public, Ingham County, MI  
My Commission Expires Jun. 27, 2006

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## **EXHIBIT A**

### **JOLLY CENTER CONDOMINIUM**

#### **BYLAWS**

#### **ARTICLE I**

##### **ASSOCIATION OF CO-OWNERS**

Jolly Center Condominium, a commercial site Condominium Project located in the Township of Meridian, Ingham County, Michigan, shall be administered by an Association of Co-owners which shall be a non-profit corporation, hereinafter called the "Association," organized under the applicable laws of the State of Michigan, and responsible for the management, maintenance, operation and administration of the Common Elements, easements and affairs of the Condominium Project in accordance with the Condominium Documents and the laws of the State of Michigan. These Bylaws shall constitute both the Bylaws referred to in the Master Deed and required by Section 3(8) of the Act and the Bylaws provided for under the Michigan Nonprofit Corporation Act. Each Co-owner shall be entitled to membership and no other person or entity shall be entitled to membership. The share of a Co-owner in the funds and assets of the Association cannot be assigned, pledged or transferred in any manner except as an appurtenance to his Unit. The Association shall keep current copies of the Master Deed, all amendments to the Master Deed, and other Condominium Documents for the Condominium Project available at reasonable hours to Co-owners, prospective purchasers and prospective mortgagees of Units in the Condominium Project. All Co-owners in the Condominium Project and all persons using or entering upon or acquiring any interest in any Unit therein or the Common Elements thereof shall be subject to the provisions and terms set forth in the aforesaid Condominium Documents.

#### **ARTICLE II**

##### **ASSESSMENTS**

All expenses arising from the management, administration and operation of the Association in pursuance of its authorizations and responsibilities as set forth in the Condominium Documents and the Act shall be levied by the Association against the Units and the Co-owners thereof in accordance with the following provisions:

**Section 1. Assessments for Common Elements.** All costs incurred by the Association in satisfaction of any liability arising within, caused by, or connected with the Common Elements or the administration of the Condominium Project shall constitute

expenditures affecting the administration of the Project, and all sums received as the proceeds of, or pursuant to, any policy of insurance securing the interest of the Co-owners against liabilities or losses arising within, caused by, or connected with the Common Elements or the administration of the Condominium Project shall constitute receipts affecting the administration of the Condominium Project, within the meaning of Section 54(4) of the Act.

**Section 2. Determination of Assessments.** Assessments shall be determined in accordance with the following provisions:

(a) **Budget; Regular Assessments.** The Board of Directors of the Association shall establish an annual budget in advance for each fiscal year and such budget shall project all expenses for the forthcoming year that may be required for the proper operation, management and maintenance of the Condominium Project, including a reasonable allowance for contingencies and reserves. An adequate reserve fund for maintenance, repairs and replacement of those Common Elements, if any, that must be replaced on a periodic basis shall be established in the budget and must be funded by regular monthly payments as set forth in Section 3 below rather than by special assessments. At a minimum, the reserve fund shall be equal to ten percent (10%) of the Association's current annual budget on a noncumulative basis. Since the minimum standard required by this subparagraph may prove to be inadequate for this particular project, the Association should carefully analyze the Condominium Project to determine if a greater amount should be set aside, or if additional reserve funds should be established for other purposes from time to time. Upon adoption of an annual budget by the Board of Directors, copies of the budget shall be delivered to each Co-owner and the assessment for said year shall be established based upon said budget, although the failure to deliver a copy of the budget to each Co-owner shall not affect or in any way diminish the liability of any Co-owner for any existing or future assessments. Should the Board of Directors at any time decide, in the sole discretion of the Board of Directors: (1) that the assessments levied are or may prove to be insufficient to pay the costs of operation and management of the Condominium, (2) to provide replacements of existing Common Elements, if any, (3) to provide additions to the Common Elements not exceeding Three Thousand Dollars (\$3,000) annually for the entire Condominium Project, or (4) in the event of emergencies, the Board of Directors shall have the authority to increase the general assessment or to levy such additional assessment or assessments as it shall deem to be necessary. The Board of Directors also shall have the authority, without Co-owner consent, to levy assessments pursuant to the provisions of Article V, Section 3 hereof. The discretionary authority of the Board of Directors to levy assessments pursuant to this subparagraph shall rest solely with the Board of Directors for the benefit of the Association and the members thereof, and shall not be enforceable by any creditors of the Association or of the members thereof.

(b) **Special Assessments.** Special assessments, in addition to those required in subparagraph (a) above, may be made by the Board of Directors from time to time and approved by the Co-owners as hereinafter provided to meet other requirements of the Association, including, but not limited to: (1) assessments for additions to the Common

Elements of a cost exceeding Three Thousand Dollars (\$3,000) for the entire Condominium Project per year, (2) assessments to purchase a Unit upon foreclosure of the lien for assessments described in Section 6 hereof, or (3) assessments for any other appropriate purpose not elsewhere herein described. Special assessments referred to in this subparagraph (b) (but not including those assessments referred to in subparagraph 2(a) above, which may be levied in the sole discretion of the Board of Directors) shall be levied only with the prior approval of more than sixty percent (60%) of all Co-owners in number and in value. The authority to levy assessments pursuant to this subparagraph is solely for the benefit of the Association and the members thereof and shall not be enforceable by any creditors of the Association or of the members thereof.

**Section 3. Apportionment of Assessments.** Unless otherwise provided herein or in the Master Deed, all assessments levied against the Co-owners to cover expenses of administration shall be apportioned among and paid by the Co-owners in accordance with each Co-owner's proportionate share of the expenses of administration as provided in Article V, Section 2 of the Master Deed and without increase or decrease for the existence of any rights to the use of any Common Elements.

**Section 4. Payment of Assessments and Penalty for Default.** Annual assessments as determined in accordance with Article II, Section 2(a) above shall be payable by Co-owners, commencing with acceptance of a deed to or a land contract vendee's interest in a Unit, or with the acquisition of fee simple title to a Unit by any other means. The payment of an assessment shall be in default if such assessment, or any part thereof, is not paid to the Association in full on or before the due date for such payment. Each installment in default for ten (10) or more days shall bear interest from the initial due date thereof at the rate of seven percent (7%) per annum until each installment is paid in full. Each Co-owner (whether 1 or more persons) shall be, and remain, personally liable for the payment of all assessments (including interest, fines for late payment and costs of collection and attorneys' fees for enforcement of payment) pertinent to his Unit which may be levied while such Co-owner is the owner thereof, including, in the case of a land contract, both the land contract vendor and the land contract vendee, who shall be jointly and severally liable for all assessments (including interest, fines for late payment and costs of collection and attorneys' fees for enforcement of payment) coming due during the term of the land contract. Payments on account of installments of assessments in default shall be applied as follows: first, to costs of collection and enforcement of payment, including reasonable attorneys' fees; second, to any interest charges and fines for late payment on such installments; and third, to installments in default in order of their due dates.

**Section 5. Waiver of Use or Abandonment of Unit.** No Co-owner may exempt himself from liability for his contribution toward the expenses of administration by waiver of the use or enjoyment of any of the Common Elements or by the abandonment of his Unit.



## **Section 6. Enforcement.**

(a) **Remedies.** In addition to any other remedies available to the Association, the Association may enforce collection of delinquent assessments by a suit at law for a money judgment or by foreclosure of the statutory lien that secures payment of assessments. In the event of default by any Co-owner in the payment of any installment of the annual assessment levied against his Unit, the Association shall have the right to declare all unpaid installments of the annual assessment for the pertinent fiscal year immediately due and payable. The Association also may discontinue the furnishing of any utilities or other services to a Co-owner in default upon seven (7) days' written notice to such Co-owner of its intention to do so. A Co-owner in default shall not be entitled to utilize any of the General Common Elements of the Project and shall not be entitled to vote at any meeting of the Association so long as such default continues; provided, however, this provision shall not operate to deprive any Co-owner of ingress or egress to and from his Unit. In a judicial foreclosure action, a receiver may be appointed to collect a reasonable rental for the Unit from the Co-owner thereof or any persons claiming under him. The Association may also assess fines for late payment or non-payment of assessments in accordance with the provisions of Article XX; Section 4 of these Bylaws. All of these remedies shall be cumulative and not alternative.

(b) **Foreclosure Proceedings.** Each Co-owner, and every other person who from time to time has any interest in the Project, shall be deemed to have granted to the Association the unqualified right to elect to foreclose the lien securing payment of assessments either by judicial action or by advertisement. The provisions of Michigan law pertaining to foreclosure of mortgages by judicial action and by advertisement, as the same may be amended from time to time, are incorporated herein by reference for the purposes of establishing the alternative procedures to be followed in lien foreclosure actions and the rights and obligations of the parties to such actions. Further, each Co-owner and every other person who from time to time has any interest in the Project shall be deemed to have authorized and empowered the Association to sell the Unit with respect to which the assessment(s) is or are delinquent or to cause such Unit to be sold and to receive, hold and distribute the proceeds of such sale in accordance with the priorities established by applicable law. Each Co-owner of a Unit in the Project acknowledges that at the time of acquiring title to such Unit, he was notified of the provisions of this subparagraph and that he voluntarily, intelligently and knowingly waived notice of any proceedings brought by the Association to foreclose by advertisement the lien for nonpayment of assessments and a hearing on the same prior to the sale of the subject Unit.

(c) **Notice of Action.** Notwithstanding the foregoing, neither a judicial foreclosure action nor a suit at law for a money judgment shall be commenced, nor shall any notice of foreclosure by advertisement be published, until the expiration of ten (10) days after mailing, by first class mail, postage prepaid, addressed to the delinquent Co-owner(s) at his or their last known address: a written notice that one (1) or more installments of the annual assessment levied against the pertinent Unit is or are delinquent and that the Association may





invoke any of its remedies hereunder if the default is not cured within ten (10) days after the date of mailing. Such written notice shall be accompanied by a written affidavit of an authorized representative of the Association that sets forth (i) the affiant's capacity to make the affidavit, (ii) the statutory and other authority for the lien, (iii) the amount outstanding (exclusive of interest, costs, attorneys' fees and future assessments), (iv) the legal description of the subject Unit(s), and (v) the name(s) of the Co-owner(s) of record. Such affidavit shall be recorded in the office of the Register of Deeds in the county in which the Project is located prior to commencement of any foreclosure proceeding, but it need not have been recorded as of the date of mailing as aforesaid. If the delinquency is not cured within the (ten (10) day period, the Association may take such remedial action as may be available to it hereunder or under Michigan law. In the event the Association elects to foreclose the lien by advertisement, the Association shall so notify the delinquent Co-owner and shall inform him that he may request a judicial hearing by bringing suit against the Association.

(d) **Expenses of Collection.** The expenses incurred in collecting unpaid assessments, including interest, costs, actual attorneys' fees (not limited to statutory fees) and advances for taxes or other liens paid by the Association to protect its lien, shall be chargeable to the Co-owner in default and shall be secured by the lien on his Unit.

**Section 7. Liability of Mortgagee.** Notwithstanding any other provisions of the Condominium Documents, the holder of any first mortgage covering any Unit in the Project who takes title as a result of foreclosure of the first mortgage shall take the property free of any claims for unpaid assessments or charges against the mortgaged Unit which accrue prior to the acquisition of title to the Unit by such person (except for assessments that have priority over the first mortgage under Section 108 of the Act).

**Section 8. Developer's Responsibility for Association Assessments.** The Developer shall be responsible for payment of all assessments for all Units owned by it until such time as the Unit is sold to a Co-owner not affiliated with Developer.

**Section 9. Property Taxes and Special Assessments.** All property taxes and special assessments levied by any public taxing authority shall be assessed in accordance with Section 131 of the Act.

**Section 10. Personal Property Tax Assessment of Association Property.** The Association shall be assessed as the person or entity in possession of any tangible personal property of the Condominium owned or possessed in common by the Co-owners, and personal property taxes based thereon shall be treated as expenses of administration.

**Section 11. Construction Lien.** A construction lien otherwise arising under Act No. 497 of the Michigan Public Acts of 1980, as amended, shall be subject to Section 132 of the Act.

**Section 12. Statement as to Unpaid Assessments.** The purchaser of any Unit may request a statement of the Association as to the amount of any unpaid Association assessments thereon, whether regular or special, together with any interest, late charges, fines, costs and attorneys' fees incurred in the collection thereof. Upon written request to the Association accompanied by a copy of the executed purchase agreement pursuant to which the purchaser holds the right to acquire a Unit, the Association shall provide a written statement of such unpaid assessments, interest, late charges, fines, costs and attorneys' fees as may exist or a statement that none exist, which statement shall be binding upon the Association for the period stated therein. Upon the payment of that sum within the period stated, the Association's lien for assessments as to such Unit shall be deemed satisfied; provided, however, the failure of a purchaser to request such statement at least five (5) days prior to the closing of the purchase of such Unit shall render any unpaid assessments, interest, late charges, fines, costs and attorneys' fees and the lien securing the same fully enforceable against such purchaser and the Unit itself, to the extent provided by the Act. Under the Act, unpaid assessments, interest, late charges, fines, costs and attorneys' fees constitute a lien upon the Unit and the proceeds of sale thereof prior to all claims except real property taxes and certain first mortgages of record.

### **ARTICLE III**

#### **ARBITRATION**

**Section 1. Scope and Election.** Disputes, claims, or grievances arising out of or relating to the interpretation or the application of the Condominium Documents, or any disputes, claims or grievances arising among or between the Co-owners and the Association, upon the election and written consent of the parties to any such disputes, claims or grievances (which consent shall include an agreement of the parties that the judgment of any circuit court of the State of Michigan may be rendered upon any award pursuant to such arbitration), and upon written notice to the Association, shall be submitted to arbitration and the parties thereto shall accept the arbitrator's decision as final and binding, provided that no question affecting the claim of title of any person to any fee or life estate in real estate is involved. The Commercial Arbitration Rules of the American Arbitration Association as amended and in effect from time to time hereafter shall be applicable to any such arbitration.

**Section 2. Judicial Relief.** In the absence of the election and written consent of the parties pursuant to Section 1 above, no Co-owner or the Association shall be precluded from petitioning the courts to resolve any such disputes, claims or grievances.

**Section 3. Election of Remedies.** Such election and written consent by Co-owners or the Association to submit any such dispute, claim or grievance to arbitration shall preclude such parties from litigating such dispute, claim or grievance in the courts.

## ARTICLE IV

### INSURANCE

**Section 1. Extent of Coverage.** The Association shall, to the extent appropriate given the nature of the Common Elements of the Project, if any, carry fire and extended coverage, vandalism and malicious mischief and liability insurance, and workers' compensation insurance, if applicable, pertinent to the ownership, use and maintenance of the Common Elements and such insurance shall be carried and administered in accordance with the following provisions:

(a) **Responsibilities of Association.** All such insurance shall be purchased by the Association for the benefit of the Association, and the Co-owners and their mortgagees, as their interests may appear, and provision shall be made for the issuance of certificates of mortgagee endorsements to the mortgagees of Co-owners.

(b) **Insurance of Common Elements.** All Common Elements of the Condominium Project shall be insured against fire and other perils covered by a standard extended coverage endorsement, if appropriate, in an amount equal to the current insurable replacement value, excluding foundation and excavation costs, as determined annually by the Board of Directors of the Association.

(c) **Premium Expenses.** All premiums on insurance purchased by the Association pursuant to these Bylaws shall be expenses of administration.

(d) **Proceeds of Insurance Policies.** Proceeds of all insurance policies owned by the Association shall be received by the Association, held in a separate account and distributed to the Association and the Co-owners and their mortgagees, as their interests may appear; provided, however, whenever repair or reconstruction of the Condominium shall be required as provided in Article V of these Bylaws, the proceeds of any insurance received by the Association as a result of any loss requiring repair or reconstruction shall be applied for such repair or reconstruction and in no event shall hazard insurance proceeds be used for any purpose other than for repair, replacement or reconstruction of the Project unless all of the institutional holders of first mortgages on Units in the Project have given their prior written approval.

**Section 2. Authority of Association to Settle Insurance Claims.** Each Co-owner, by ownership of a Unit in the Condominium Project, shall be deemed to appoint the Association as his true and lawful attorney-in-fact to act in connection with all matters concerning the maintenance of fire and extended coverage, vandalism and malicious mischief, liability insurance and workmen's compensation insurance, if applicable, pertinent to the Condominium Project and the Common Elements appurtenant thereto, with such insurer as

may, from time to time, provide such insurance for the Condominium Project. Without limitation on the generality of the foregoing, the Association as said attorney shall have full power and authority to purchase and maintain such insurance, to collect and remit premiums therefor, to collect proceeds and to distribute the same to the Association, the Co-owners and respective mortgagees, as their interests may appear (subject always to the Condominium Documents), to execute releases of liability and to execute all documents and to do all things on behalf of such Co-owner and the Condominium as shall be necessary or convenient to the accomplishment of the foregoing.

**Section 3. Responsibilities of Co-owners.** Each Co-owner shall be obligated and responsible for obtaining fire and extended coverage and vandalism and malicious mischief insurance with respect to the building and all other improvements constructed or to be constructed within the perimeter of his Condominium Unit, and for his personal property located therein or thereon or elsewhere on the Condominium Project. All such insurance shall be carried by each Co-owner in an amount equal to the maximum insurable replacement value, excluding foundation and excavation costs. Each Co-owner shall deliver certificates of insurance to the Association from time to time to evidence the continued existence of all insurance required to be maintained by the Co-owner hereunder. In the event of the failure of a Co-owner to obtain such insurance or to provide evidence thereof to the Association, the Association may obtain such insurance on behalf of such Co-owner and the premiums therefor shall constitute a lien against the Co-owner's Unit which may be collected from the Co-owner in the same manner that Association assessments may be collected in accordance with Article II hereof. Each Co-owner also shall be obligated to obtain insurance coverage for his personal liability for occurrences within the perimeter of his Unit or the improvements located thereon, and also for any other personal insurance coverage that the Co-owner wishes to carry. The Association shall under no circumstances have any obligation to obtain any of the insurance coverage described in this Section 3 or any liability to any person for failure to do so.

**Section 4. Waiver of Right of Subrogation.** The Association and all Co-owners shall use their best efforts to cause all property and liability insurance carried by the Association or any Co-owner to contain appropriate provisions whereby the insurer waives its right of subrogation as to any claims against any Co-owner or the Association.

## ARTICLE V

### RECONSTRUCTION OR REPAIR

**Section 1. Responsibility for Reconstruction or Repair.** If any part of the Condominium Premises is damaged, the determination of whether or not it shall be reconstructed or repaired, and the responsibility therefor, shall be as follows:



(a) **General Common Element.** If the damaged property is a General Common Element, the damaged property shall be rebuilt or repaired unless all of the Co-owners and all of the institutional holders of first mortgages on any Unit in the Project unanimously agree to the contrary.

(b) **Unit or Improvements Thereon.** If the damaged property is a Unit or any improvements thereon, the Co-owner of such Unit alone shall determine whether to rebuild or repair the damaged property, subject to the rights of any mortgagee or other person or entity having an interest in such property, and such Co-owner shall be responsible for any reconstruction or repair that he elects to make. The Co-owner shall in any event remove all debris and restore his Unit and the improvements thereon to a clean and slightly condition satisfactory to the Association as soon as reasonably possible following the occurrence of the damage.

**Section 2. Repair in Accordance with Master Deed, Etc.** Any such reconstruction or repair shall be substantially in accordance with the Master Deed and the original plans and specifications for any damaged improvements located within the Unit unless the Co-owners unanimously decide otherwise.

**Section 3. Association Responsibility for Repair.** Immediately after the occurrence of a casualty causing damage to property for which the Association has the responsibility of maintenance, repair and reconstruction, the Association shall obtain reliable and detailed estimates of the cost to place the damaged property in a condition as good as that existing before the damage. If the proceeds of insurance are not sufficient to defray the estimated cost of reconstruction or repair required to be performed by the Association, or if at any time during such reconstruction or repair, or upon completion of such reconstruction or repair, the funds for the payment of the cost thereof are insufficient, assessment shall be made against all Co-owners for the cost of reconstruction or repair of the damaged property in sufficient amounts to provide funds to pay the estimated or actual cost of repair. This provision shall not be construed to require replacement of mature trees and vegetation with equivalent trees or vegetation.

**Section 4. Timely Reconstruction and Repair.** If damage to the General Common Elements adversely affects the appearance of the Project, the Association shall proceed with replacement of the damaged property without delay.

**Section 5. Eminent Domain.** The following provisions shall control upon any taking by eminent domain:

(a) **Taking of Unit or Improvements Thereon.** In the event of any taking of all or any portion of a Unit or any improvements thereon by eminent domain, the award for such taking shall be paid to the Co-owner of such Unit and the mortgagee thereof, as their interests may appear, notwithstanding any provision of the Act to the contrary. If a Co-owner's

entire Unit is taken by eminent domain, such Co-owner and his mortgagee shall, after acceptance of the condemnation award therefor, be divested of all interest in the Condominium Project.

(b) **Taking of General Common Elements.** If there is any taking of any portion of the General Common Elements, the condemnation proceeds relative to such taking shall be paid to the Co-owners and their mortgagees in proportion to their respective interests in the Common Elements and the affirmative vote of more than fifty percent (50%) of the Co-owners in number and in value shall determine whether to rebuild, repair or replace the portion so taken or to take such other action as they deem appropriate.

(c) **Continuation of Condominium After Taking.** In the event the Condominium Project continues after taking by eminent domain, then the remaining portion of the Condominium Project shall be resurveyed and the Master Deed amended accordingly, and, if any Unit shall have been taken, then Article V in of the Master Deed shall also be amended to reflect such taking and to proportionately readjust the percentages of value of the remaining Co-owners based upon the continuing value of the Condominium of one hundred percent (100%). If any portion of a building located within a Unit is taken, Article II, Section 3 of these Bylaws also shall be amended as provided therein to reflect such taking. All such amendments may be effected by an officer of the Association duly authorized by the Board of Directors without the necessity of execution or specific approval thereof by any Co-owner.

(d) **Notification of Mortgagees.** In the event any Unit in the Condominium, or any portion thereof, or the Common Elements or any portion thereof, is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, the Association promptly shall so notify each institutional holder of a first mortgage lien on any of the Units in the Condominium.

(e) **Applicability of the Act.** To the extent not inconsistent with the foregoing provisions, Section 133 of the Act shall control upon any taking by eminent domain.

**Section 6. Priority of Mortgagee Interests.** Nothing contained in the Condominium Documents shall be construed to give a Co-owner or any other party priority over any rights of first mortgagees of Condominium Units pursuant to their mortgages in the case of a distribution to Co-owners of insurance proceeds or condemnation awards for losses to or a taking of Condominium Units and/or Common Elements.



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## ARTICLE VI

### RESTRICTIONS

**Section 1. Uses Permitted.** No Unit in the Condominium shall be used for other than commercial use and the Common Elements, if any, shall be used only for purposes consistent with such use.

**Section 2. Changes in Common Elements.** So long as the Developer owns any Unit in the Project, no Co-owner shall make changes in any of the Common Elements without the express written approval of the Developer. At such time as the Developer no longer owns any Unit in the Project, the Developer's rights and obligations hereunder shall belong to the Association and shall be exercised by its Board of Directors.

**Section 3. Activities.** No immoral, improper, unlawful or offensive activity shall be carried on within any Unit or the improvements thereon or upon the Common Elements; nor shall anything be done which may be or become an annoyance or a nuisance to the Co-owners of the Condominium. No unreasonably noisy activity shall occur in or on the Common Elements or within any Unit or the improvements thereon at any time. No flammable, explosive or hazardous materials may be stored within a Unit or the improvements thereon without the written consent of the Association. No Co-owner shall do or permit anything to be done or keep or permit to be kept in his Unit or on the Common Elements anything that will increase the rate of insurance on the Condominium without the written approval of the Association, and each Co-owner shall pay to the Association the increased cost of insurance premiums resulting from any such activity or the maintenance of any such condition even if approved.

**Section 4. Aesthetics.** The Common Elements shall not be used for storage of supplies, materials, personal property or trash or refuse of any kind, except as provided in duly adopted rules and regulations of the Association. Trash receptacles shall be maintained in areas designated therefor at all times except for such short periods of time as may be reasonably necessary to permit periodic collection of trash. In general, no activity shall be carried on nor condition maintained by a Co-owner, either in his Unit or upon the Common Elements, which is detrimental to the appearance of the Condominium.

**Section 5. Exterior Lighting.** The type, position and height of any lights used for exterior illumination shall be set forth in the plans and specifications referred to in Article VII, Section 2 of these Bylaws. All lights shall be positioned or shielded in order to direct light away from adjoining Units.

**Section 6. Compliance with Environmental Laws.** No Co-owner shall cause or permit the violation of or non-compliance with any applicable Federal, State or local

environmental, health, safety or sanitation laws, ordinances, codes, rules and regulations, and interpretations and orders of regulatory and administrative authorities with respect thereto.

Any Co-owner who provides any notification of the release of any hazardous wastes or substances upon an Unit or Common Element pursuant to one or more of the foregoing laws shall concurrently provide a copy of such notice to the Developer and the Association.

Any Co-owner which (a) fails to comply with any law of a type described in this Section; (b) causes or permits the release of any hazardous wastes or substances on, upon or into any Unit or Common Element; or (c) causes or permits any damage to natural resources or real property and/or harm or injury to persons or property resulting or alleged to have resulted from such failure to comply or release of hazardous materials or substances, shall indemnify, defend and hold harmless the Developer, the Association and its officers and directors from and against all loss, liability, damage and expense, including costs associated with administrative and judicial proceedings and attorneys fees, resulting therefrom.

**Section 7. Vehicles.** No house trailers, boat trailers, boats, camping vehicles, camping trailers, snowmobiles, snowmobile trailers, recreational vehicles or vehicles other than automobiles or commercial vehicles reasonably related to the business of a Co-owner may be parked or stored upon the Condominium Premises. Commercial vehicles and trucks not reasonably related to the business of a Co-owner shall not be parked in or about the Condominium (except as above provided) unless while making deliveries or pickups in the normal course of business.

**Section 8. Rules and Regulations.** It is intended that the Board of Directors of the Association may make rules and regulations from time to time to reflect the needs and desires of the majority of the Co-owners in the Condominium. Reasonable regulations consistent with the Act and the Condominium Documents concerning the use of the Common Elements may be made and amended from time to time by any Board of Directors of the Association, including the first Board of Directors (or its successors) prior to the Transitional Control Date. Copies of all such rules, regulations and amendments thereto shall be furnished to all Co-owners.

**Section 9. Co-owner Maintenance.** Each Co-owner shall maintain his Unit and the improvements thereon in a safe, clean and sanitary condition. Each Co-owner shall also use due care to avoid damaging any of the Common Elements including, but not limited to, the telephone, water, gas, plumbing, electrical or other utility conduits and systems and any other Common Elements in any Unit which are appurtenant to or which may affect any other Unit. Each Co-owner shall be responsible for damages or costs to the Association resulting from negligent damage to or misuse of any of the Common Elements by him, or his employees, guests, agents or invitees, unless such damages or costs are covered by insurance carried by the Association (in which case there shall be no such responsibility, unless





reimbursement to the Association is limited by virtue of a deductible provision, in which case the responsible Co-owner shall bear the expense to the extent of the deductible amount). Any costs or damages to the Association may be assessed to and collected from the responsible Co-owner in the manner provided in Article II hereof.

#### **Section 10. Reserved Rights of Developer.**

(a) **Developer's Rights in Furtherance of Development and Sales.** None of the restrictions contained in this Article VI or in Article VII below shall apply to the commercial activities or signs or billboards, if any, of the Developer during the Construction and Sales Period or of the Association in furtherance of its powers and purposes set forth herein and in its Articles of Incorporation, as the same may be amended from time to time. Notwithstanding anything to the contrary elsewhere herein contained, the Developer shall have the right during the entire Construction and Sales Period to maintain a sales office, a business office, a construction office, model units, storage areas and reasonable parking incidental to the foregoing and such access to, from and over the Project as may be reasonable to enable development and sale of the entire Project by the Developer. The Developer shall restore the areas so utilized upon termination of use.

(b) **Enforcement of Bylaws.** If at any time the Association fails or refuses to carry out its obligation to maintain, repair, replace and landscape the Common Elements, then the Developer, or any entity to which it may assign this right, at its option, may elect to maintain, repair and/or replace any Common Elements and/or to do any landscaping required by these Bylaws and charge the cost and a reasonable mark-up to the Association as an expense of administration. The Developer shall have the right to enforce these Bylaws throughout the Construction and Sales Period, notwithstanding that it may no longer own a Unit in the Condominium, which right of enforcement shall include (without limitation) an action to restrain the Association or any Co-owner from any activity prohibited by these Bylaws.

### **ARTICLE VII**

#### **DEVELOPMENT GUIDELINES**

##### **Section 1. Development Guidelines.**

(a) **Purpose of Development Guidelines.** The purpose of the development guidelines is to promote and facilitate the development of the Condominium Project as a harmonious project for the benefit of the Association and its Co-owners.



(b) **Construction Interpretation and Enforcement.** The construction, interpretation and enforcement of the development guidelines shall be within the sole discretion and authority of the Architectural Control Committee, which shall be constituted and maintained in accordance with the provisions of Section 2 of this Article.

(c) **Compliance with Applicable Law.** The provisions of the developmental guidelines are supplemental to, and not in lieu of, any statute, ordinance, administrative rule or regulation the purpose or effect of which is to regulate any use or development of the real property contained within the Condominium Project. No provision contained in the developmental guidelines shall be deemed to require compliance with a provision which would cause any Co-owner to be in violation of any such law.

## **Section 2. Architectural Control Committee.**

(a) **Constitution of Architectural Control Committee.** The Architectural Control Committee (the "Committee") shall consist of three (3) persons appointed by the Developer until the last Unit is sold and improvements completed. Thereafter, the Committee shall consist of three (3) persons appointed by the Board.

(b) **Approval of Improvements.** No building, structure or other improvement shall be constructed upon or within a Unit or elsewhere within the Condominium Project, nor shall any exterior modification be made to any existing buildings, structures or improvements, unless complete plans and specifications prepared by a registered architect and a registered engineer, containing such detail as the Committee may request, have first been approved in writing by the Committee. The Committee shall have the right to refuse to approve any such plans or specifications which are not in conformity with these Guidelines or which are not suitable or desirable in its opinion for aesthetic or other reasons, and in passing upon such plans and specifications it shall have the right to take into consideration the suitability of the proposed structure, improvement or modification, the site upon which it is proposed to be constructed and the degree of harmony with the Condominium as a whole and any area of future development described in the Master Deed. The Committee may also, in its discretion, require as a condition of approval of any such plans, an agreement for special assessment of increased maintenance charges from any Co-owner whose proposed building and related improvements will cause the Association abnormal expenses in carrying out its responsibilities under the Master Deed. The restrictions placed upon the Condominium Project shall not be construed or deemed to create negative reciprocal covenants, easements or any restrictions upon the use of any area of future development described in the Master Deed unless, until and only to the extent such land is included in this Project by Master Deed amendment. The Committee shall not have the authority to require any Co-owner to subsequently make any exterior modifications to any existing buildings, structures or improvements which differ from any plans or specifications previously approved by the Committee.



### Section 3. Building Restrictions.

(a) **Building Height Limit.** No building upon a Unit, or any part thereof, shall be greater in height than two (2) stories or thirty five (35) feet high, whichever is more restrictive (measured from the finished floor elevation of the ground floor level to the highest point of the building, including rooftop HVAC equipment, elevators, and rooftop telecommunications equipment).

(b) **Roof.** The roof of each building must have a minimum pitch of 7/12 (seven inches for each twelve inches horizontal), and be constructed using dimensional textured shingles.

(c) **Exterior Materials.** The exterior of every building, excluding windows, shall be a minimum of ninety percent (90%) clay brick (except for architectural features) and shall have offsets, projections and recesses with corresponding roof breaks. Building exteriors shall include architectural features, such as brick detailing, recesses, projections, special designed windows and doors, window projections and bays.

(d) **Utilities.** No pipe, conduit, cable, line or the like for water, sewage, drainage, steam, electricity or other utility or service, shall be installed or maintained upon the surface of the ground upon a Unit outside of a building. Trash or refuse shall be screened so as not to be visible to any other unit. Exceptions to the foregoing restriction shall be within the sole discretion of the Committee.

(e) **Signs.** Each Unit may display an identification sign or signs which shall conform to Meridian Township ordinances and be subject to the approval of the Committee with regards to size, location, composition, materials and lighting.

### Section 4. Landscaping/Irrigation.

(a) **Approval of Landscaping.** Plans and specifications for landscaping improvements to a Unit, and the extension of the irrigation system to service same, shall be subject to approval in advance by the Committee pursuant to Section 2(b) hereof. All portions of a Unit not developed with buildings, drives, parking and loading areas, walkways and similar improvements shall be landscaped with grass or other suitable ground cover, shrubbery, trees, bushes, vines and other suitable plantings in accordance with such approved plans and specifications.

(b) **Lawns.** All areas designated as lawn upon a Unit shall be sodded.

(c) **Maintenance.** Once the landscaping of a Unit is completed pursuant to Committee approved plans, thereafter, all plantings, landscaping materials and lawn irrigation equipment within the Unit shall be maintained by the Association and the cost and expense

incurred by the Association in performing such maintenance shall be an Association expense subject to collection and enforcement in accordance with the provisions of Article II of the Condominium Bylaws. The Developer retains, on behalf of the Association, an irrevocable easement for access to the landscaped areas within the Units for the purpose of satisfying its maintenance obligations hereunder.

## ARTICLE VIII

### MORTGAGES

**Section 1. Notice to Association.** Any Co-owner who mortgages his Unit shall notify the Association of the name and address of the mortgagee, and the Association shall maintain such information in a book entitled "Mortgages of Units." The Association may, at the written request of a mortgagee of any such Unit, report any unpaid assessments due from the Co-owner of such Unit. The Association shall give to the holder of any first mortgage covering any Unit in the Project written notification of any default in the performance of the obligations of the Co-owner of such Unit that is not cured within sixty (60) days.

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

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

## ARTICLE IX

### VOTING

**Section 1. Vote.** Each Co-owner shall be entitled to one vote, the value of which shall equal the percentage of value allocated to the Unit owned by such Co-owner as set forth in Article V of the Master Deed.

**Section 2. Eligibility to Vote.** No Co-owner, other than the Developer, shall be entitled to vote at any meeting of the Association until he has presented evidence of ownership of a Unit in the Condominium Project to the Association. Except as provided in

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

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

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

**Section 5. Voting.** Votes may be cast only in person or by a writing duly signed by the designated voting representative not present at a given meeting in person or by proxy. Proxies and any written votes must be filed with the Secretary of the Association at or before the appointed time of each meeting of the members of the Association. Cumulative voting shall not be permitted.

**Section 6. Majority.** A majority, except where otherwise provided herein, shall consist of more than fifty percent (50%) in value of those qualified to vote and present in person or by proxy (or written vote, if applicable) at a given meeting of the members of the Association. Whenever provided specifically herein, a majority may be required to exceed the simple majority hereinabove set forth and such majority may be required to be one of both

number and value of designated voting representatives present in person or by proxy, or by written vote, if applicable, at a given meeting of the members of the Association.

## ARTICLE X

### MEETINGS

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

**Section 2. First Annual Meeting.** The First Annual Meeting of members of the Association may be convened only by the Developer and may be called at any time after more than fifty percent (50%) in number of the Units in Jolly Center Condominium (determined with reference to the recorded Consolidating Master Deed) have been sold and the purchasers thereof qualified as members of the Association. In no event, however, shall such meeting be called later than one hundred twenty (120) days after the conveyance of legal or equitable title to non-developer Co-owners of seventy five percent (75%) in number of all Units that may be created or fifty four (54) months after the first conveyance of legal or equitable title to a non-developer Co-owner of a Unit in the Project, whichever first occurs. The Developer may call meetings of members for informative or other appropriate purposes prior to the First Annual Meeting of members and no such meeting shall be construed as the First Annual Meeting of members. The date, time and place of such meeting shall be set by the Board of Directors, and at least ten (10) days' written notice thereof shall be given to each Co-owner. The phrase "Units that may be created" as used in this paragraph and elsewhere in the Condominium Documents refers to the maximum number of Units which the Developer is permitted under the Condominium Documents to include in the Condominium.

**Section 3. Annual Meeting.** Annual meetings of members of the Association shall be held on the third Tuesday of March each succeeding year after the year in which the First Annual Meeting is held, at such time and place as shall be determined by the Board of Directors; provided, however, the second annual meeting shall not be held sooner than eight (8) months after the date of the First Annual Meeting. At such meetings there shall be elected by ballot of the Co-owners a Board of Directors in accordance with the requirements of Article XII of these Bylaws. The Co-owners may also transact at annual meetings such other business of the Association as may properly come before them.

**Section 4. Special Meetings.** It shall be the duty of the President to call a special meeting of the Co-owners as directed by resolution of the Board of Directors or upon



a petition signed by one third (1/3) of the Co-owners presented to the Secretary of the Association. Notice of any special meeting shall state the time and place of such meeting and the purposes thereof. No business shall be transacted at a special meeting except as stated in the notice.

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

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

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

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

if the action were taken at a meeting at which the total number of votes cast was the same as the total number of ballots cast.

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

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

## ARTICLE XI

### ADVISORY COMMITTEE

Within one (1) year after conveyance of legal or equitable title to the first Unit in the Condominium to a purchaser or within one hundred twenty (120) days after conveyance to purchasers of one third (1/3) of the total number of Units that may be created, whichever first occurs, the Developer shall cause to be established an Advisory Committee consisting of at least three (3) non-developer Co-owners. The purpose of the Advisory Committee shall be to facilitate communications between the temporary Board of Directors and the other Co-owners and to aid in the transition of control of the Association from the Developer to purchaser Co-owners. The Advisory Committee shall cease to exist automatically when the non-developer Co-owners have the voting strength to elect a majority of the Board of Directors of the Association. The Developer may remove and replace at its discretion at any time any member of the Advisory Committee who has not been elected thereto by the Co-owners.

## ARTICLE XII

### BOARD OF DIRECTORS

**Section 1. Number and Qualification of Directors.** The Board of Directors shall be comprised of three (3) members, all of whom must be members of the Association or



officers, partners, trustees, employees or agents of the members of the Association, except for the first Board of Directors. Directors shall serve without compensation.

## **Section 2. Election of Directors.**

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

(b) **Appointment of Non-developer Co-owners to Board Prior to First Annual Meeting.** Not later than one hundred twenty (120) days after conveyance of legal or equitable title to non-developer Co-owners of twenty five percent (25%) in number of the Units that may be created, one (1) of the three (3) directors shall be selected by non-developer Co-owners. When the required percentage of conveyances has been reached, the Developer shall notify the non-developer Co-owners and request that they hold a meeting and elect the required director. Upon certification by the Co-owners to the Developer of the director so elected, the Developer shall then immediately appoint such director to the Board to serve until the First Annual Meeting of members unless he is removed pursuant to Section 7 of this Article or he resigns or becomes incapacitated.

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

(i) Not later than one hundred twenty (120) days after conveyance of legal or equitable title to non-developer Co-owners of seventy five percent (75%) in number of the Units that may be created, and before the conveyance of ninety percent (90%) of such Units, the non-developer Co-owners shall elect all directors on the Board, except that the Developer shall have the right to designate at least one (1) director as long as the Developer owns and offers for sale at least ten percent (10%) of the Units in the Project or as long as ten percent (10%) of the Units that may be created remain to be created. Whenever the seventy five percent (75%) conveyance level is achieved, a meeting of Co-owners shall be promptly convened to effectuate this provision, even if the First Annual Meeting has already occurred.

(ii) Regardless of the percentage of Units that have been conveyed, upon the expiration of fifty four (54) months after the first conveyance of legal or equitable title to a non-developer Co-owner of a Unit in the Project, the non-developer Co-owners have the right to elect a number of members of the Board of Directors equal to the percentage of Units they own, and the Developer has the right to elect a number of members of the Board of Directors equal to the percentage of Units that are owned by the Developer and for which full assessments are payable by the Developer. This election may increase, but shall not reduce, the minimum election and designation rights otherwise established in subsection (i). Application of this subsection does not require a change in the size of the Board of Directors.

(iii) If the calculation of the percentage of members of the Board of Directors that the non-developer Co-owners have the right to elect under subsection (ii), or if the product of the number of members of the Board of Directors multiplied by the percentage of Units held by the non-developer Co-owners under subsection (b) results in a right of non-developer Co-owners to elect a fractional number of members of the Board of Directors, then a fractional election right of 0.5 or greater shall be rounded up to the nearest whole number, which number shall be the number of members of the Board of Directors that the non-developer Co-owners have the right to elect. After application of this formula the Developer shall have the right to elect the remaining members of the Board of Directors. Application of this subsection shall not eliminate the right of the Developer to designate one (1) director as provided in subsection (i).

(iv) At the First Annual Meeting, two (2) directors shall be elected for a term of two (2) years and one (1) director shall be elected for a term of one (1) year. At such meeting all nominees shall stand for election as one (1) slate and the two (2) persons receiving the highest number of votes shall be elected for a term of two (2) years and the one (1) person receiving the next highest number of votes shall be elected for a term of one (1) year. At each annual meeting held thereafter, either one (1) or two (2) directors shall be elected depending upon the number of directors whose terms expire. After the First Annual Meeting, the term of office (except for one (1) of the directors elected at the First Annual Meeting) of each director shall be two (2) years. The directors shall hold office until their successors have been elected and hold their first meeting.

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

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

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

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

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

- (c) To carry insurance and collect and allocate the proceeds thereof.
- (d) To rebuild improvements after casualty.
- (e) To contract for and employ persons, firms, corporations or other agents to assist in the management, operation, maintenance and administration of the Condominium Project.
- (f) To acquire, maintain, improve, operate, manage, sell, convey, assign, mortgage or lease any real or personal property (including any Unit in the Condominium and easements, rights-of-way and licenses) on behalf of the Association in furtherance of any of the purposes of the Association.
- (g) To borrow money and issue evidences of indebtedness in furtherance of any or all of the purposes of the Association, and to secure the same by mortgage, pledge, or other lien on property owned by the Association; provided, however, any such action shall also be approved by affirmative vote of seventy five percent (75%) of all of the members of the Association in number and in value.
- (h) To make rules and regulations in accordance with Article VI, Section 8 of these Bylaws.
- (i) To establish such committees as it deems necessary, convenient or desirable and to appoint persons thereto for the purpose of implementing the administration of the Condominium and to delegate to such committees any functions or responsibilities which are not by law or the Condominium Documents required to be performed by the Board.
- (j) To enforce the provisions of the Condominium Documents.

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

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

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

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

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

**Section 10. Special Meetings.** Special meetings of the Board of Directors may be called by the President on three (3) days' notice to each director given personally, by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of two directors.

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

**Section 12. Quorum.** At all meetings of the Board of Directors, a majority of the directors shall constitute a quorum for the transaction of business, and the acts of the majority of the directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, there is less than a quorum present, the majority of those present may adjourn the meeting to a subsequent time upon twenty four (24) hours prior written notice delivered to all directors not present. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice. The joinder of a director in the action of a meeting by signing and concurring in the minutes thereof, shall constitute the presence of such director for purposes of determining a quorum.

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

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

## ARTICLE XIII

### OFFICERS

**Section 1. Officers.** The principal officers of the Association shall be a President, who shall be a member of the Board of Directors, a Secretary and a Treasurer. The directors may appoint a Vice President, Assistant Treasurer, and an Assistant Secretary, and such other officers as in their judgment may be necessary. Any two (2) offices except that of President and Vice President may be held by one (1) person.

(a) **President.** The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board of Directors.

He shall have all of the general powers and duties which are usually vested in the office of the President of an association, including, but not limited to, the power to appoint committees from among the members of the Association from time to time as he may in his discretion deem appropriate to assist in the conduct of the affairs of the Association.

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

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

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

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

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

## ARTICLE XIV

### SEAL

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

## ARTICLE XV

### FINANCE

**Section 1. Records.** The Association shall keep detailed books of account showing all expenditures and receipts of administration, and which shall specify the maintenance and repair expenses of the Common Elements and any other expenses incurred by or on behalf of the Association and the Co-owners. Such accounts and all other Association records shall be open for inspection by the Co-owners and their mortgagees during reasonable working hours. The Association shall prepare and distribute to each Co-owner at least once a year a financial statement, the contents of which shall be defined by the Association. The books of account shall be audited at least annually by qualified independent auditors; provided, however, such auditors need not be certified public accountants nor does such audit need to be a certified audit. Any institutional holder of a first mortgage lien on any Unit in the Condominium shall be entitled to receive a copy of such annual audited financial statement within ninety (90) days following the end of the Association's fiscal year upon request therefor. The costs of any such audit and any accounting expenses shall be expenses of administration.

**Section 2. Fiscal Year.** The fiscal year of the Association shall be January 1 through December 31, unless changed by action of the Board for accounting reasons or other good cause.

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

## ARTICLE XVI

### INDEMNIFICATION OF OFFICERS AND DIRECTORS

The Association shall indemnify any person who was or is a party to or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative by reason of the fact that he or she is or was a director or officer of the Association against expenses (including attorney's fees), judgments, penalties, fines and amounts paid in settlement actually and



reasonably incurred by him or her in connection with such action, suit or proceeding if the person acted in good faith and in a manner that the person reasonably believed to be in or not opposed to the best interest of the Association or its members, and with respect to any criminal action or proceeding, if the person had no reasonable cause to believe that the conduct was unlawful.

## ARTICLE XVII

### AMENDMENTS

**Section 1. Proposal.** Amendments to these Bylaws may be proposed by the Board of Directors of the Association acting upon the vote of the majority of the directors or may be proposed by one third (1/3) or more in number of the Co-owners by instrument in writing signed by them.

**Section 2. Meeting.** Upon any such amendment being proposed, a meeting for consideration of the same shall be duly called in accordance with the provisions of these Bylaws.

**Section 3. Voting.** These Bylaws may be amended by the Co-owners at any regular annual meeting or a special meeting called for such purpose by an affirmative vote of not less than 66-2/3% of all Co-owners in number and in value. No consent of mortgagees shall be required to amend these Bylaws unless such amendment would materially alter or change the rights of such mortgagees, in which event the approval of 66-2/3% of the mortgagees shall be required, with each mortgagee to have one vote for each first mortgage held.

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

**Section 5. When Effective.** Any amendment to these Bylaws shall become effective upon recording of such amendment in the office of the Ingham County Register of Deeds.

**Section 6. Binding.** A copy of each amendment to the Bylaws shall be furnished to every member of the Association after adoption; provided, however, any amendment to these Bylaws that is adopted in accordance with this Article shall be binding upon all persons who have an interest in the Project irrespective of whether such persons actually receive a copy of the amendment.





## ARTICLE XVIII

### COMPLIANCE

The Association and all present or future Co-owners, tenants, future tenants, or any other persons acquiring an interest in or using the Project in any manner are subject to and shall comply with the Act, as amended, and the mere acquisition, occupancy or rental of any Unit or an interest therein or the utilization of or entry upon the Condominium Premises shall signify that the Condominium Documents are accepted and ratified. In the event the Condominium Documents conflict with the provisions of the Act, the Act shall govern.

## ARTICLE XIX

### DEFINITIONS

All terms used herein shall have the same meaning as set forth in the Master Deed to which these Bylaws are attached as an Exhibit or as set forth in the Act.

## ARTICLE XX

### REMEDIES FOR DEFAULT

Any default by a Co-owner shall entitle the Association or another Co-owner or Co-owners to the following relief:

**Section 1. Legal Action.** Failure to comply with any of the terms or provisions of the Condominium Documents shall be grounds for relief, which may include, without intending to limit the same, an action to recover sums due for damages, injunctive relief, foreclosure of lien (if default in payment of assessment) or any combination thereof, and such relief may be sought by the Association or, if appropriate, by an aggrieved Co-owner or Co-owners.

**Section 2. Recovery of Costs.** In any proceeding arising because of an alleged default by any Co-owner, the Association, if successful, shall be entitled to recover the costs of the proceeding and such reasonable attorneys' fees (not limited to statutory fees) as may be determined by the court, but in no event shall any Co-owner be entitled to recover such attorneys' fees.



**Section 3. Removal and Abatement.** The violation of any of the provisions of the Condominium Documents shall also give the Association or its duly authorized agents the right, in addition to the rights set forth above, to enter upon the Common Elements or any Unit, where reasonably necessary, and summarily remove and abate, at the expense of the Co-owner in violation, any structure, thing or condition existing or maintained contrary to the provisions of the Condominium Documents. The Association shall have no liability to any Co-owner arising out of the exercise of its removal and abatement power authorized herein.

**Section 4. Assessment of Fines.** Fines may be assessed as provided in Article XXI of these Bylaws for the violation of any of the provisions of the Condominium Documents or duly adopted rules and regulations of the Association.

**Section 5. Non-waiver of Right.** The failure of the Association or of any Co-owner to enforce any right, provision, covenant or condition which may be granted by the Condominium Documents shall not constitute a waiver of the right of the Association or of any such Co-owner to enforce such right, provision, covenant or condition in the future.

**Section 6. Cumulative Rights, Remedies and Privileges.** All rights, remedies and privileges granted to the Association or any Co-owner or Co-owners pursuant to any terms, provisions, covenants or conditions of the Condominium Documents shall be cumulative and the exercise of any one or more shall not be deemed to constitute an election of remedies, nor shall it preclude the party thus exercising the same from exercising such other and additional rights, remedies or privileges as may be available to such party at law or in equity.

**Section 7. Enforcement of Provisions of Condominium Documents.** A Co-owner may maintain an action against the Association and its officers and directors to compel such persons to enforce the provisions of the Condominium Documents. A Co-owner may maintain an action against any other Co-owner for injunctive relief or for damages or any combination thereof for noncompliance with the Condominium Documents or the Act.

## ARTICLE XXI

### ASSESSMENT OF FINES

**Section 1. General.** The violation by any Co-owner, occupant or guest of any of the provisions of the Condominium Documents including any duly adopted rules and regulations shall be grounds for assessment by the Association, acting through its duly constituted Board of Directors, of monetary fines against the involved Co-owner. Such Co-owner shall be deemed responsible for such violations whether they occur as a result of his

personal actions or the actions of his invitees, guests, tenants or any other person admitted through such Co-owner to the Condominium Premises.

**Section 2. Procedures.** Upon any such violation being alleged by the Board, the following procedures will be followed:

(a) **Notice.** Notice of the violation, including the Condominium Document provision violated, together with a description of the factual nature of the alleged offense set forth with such reasonable specificity as will place the Co-owner on notice as to the violation, shall be sent by first class mail, postage prepaid, or personally delivered to the representative of said Co-owner at the address as shown in the notice required to be filed with the Association pursuant to Article IX, Section 3 of these Bylaws.

(b) **Opportunity to Defend.** The offending Co-owner shall have an opportunity to appear before the Board and offer evidence in defense of the alleged violation. The appearance before the Board shall be at its next scheduled meeting, but in no event shall the Co-owner be required to appear less than ten (10) days from the date of the notice.

(c) **Default.** Failure to respond to the notice of violation constitutes a default.

(d) **Hearing and Decision.** Upon appearance by the Co-owner before the Board and presentation of evidence of defense, or, in the event of the Co-owner's default, the Board shall, by majority vote of a quorum of the Board, decide whether a violation has occurred. The Board's decision is final.

**Section 3. Amounts.** Upon violation of any of the provisions of the Condominium Documents and after default of the offending Co-owner or upon the decision of the Board as recited above. No fine shall be levied for the first violation. No fine shall exceed Twenty Five Dollars (\$25) for the second violation, Fifty Dollars (\$50) for the third violation or One Hundred Dollars (\$100) for any subsequent violation.

**Section 4. Collection.** The fines levied pursuant to Section 3 above shall be assessed against the Co-owner and shall be due and payable together with the regular Condominium assessment on the first of the next following month. Failure to pay the fine will subject the Co-owner to all liabilities set forth in the Condominium Documents including, without limitations, those described in Article II and Article XXI of the Bylaws.



## **ARTICLE XXII**

### **RIGHTS RESERVED TO DEVELOPER**

Any or all of the rights and powers granted or reserved to the Developer in the Condominium Documents or by law, including the right and power to approve or disapprove any act, use, or proposed action or any other matter or thing, may be assigned by it to any other entity or to the Association. Any such assignment or transfer shall be made by appropriate instrument in writing in which the assignee or transferee shall join for the purpose of evidencing its acceptance of such powers and rights and such assignee or transferee shall thereupon have the same rights and powers as herein given and reserved to the Developer. Any rights and powers reserved or granted to the Developer or its successors shall terminate, if not sooner assigned to the Association, at the conclusion of the Construction and Sales Period, as defined in Article III of the Master Deed. The immediately preceding sentence dealing with the termination of certain rights and powers granted or reserved to the Developer is intended to apply, insofar as the Developer is concerned, only to the Developer's rights to approve and control the administration of the Condominium and shall not, under any circumstances, be construed to apply to or cause the termination of any real property rights granted or reserved to the Developer or its successors and assigns in the Master Deed or elsewhere (including, but not limited to, access easements, utility easements and all other easements created and reserved in such documents, which shall not be terminable in any manner hereunder and which shall be governed only in accordance with the terms of their creation or reservation and not hereby).

## **ARTICLE XXIII**

### **SEVERABILITY**

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



## ARTICLE XXIV

### CONFLICTING PROVISIONS

In the event of a conflict between the provisions of the Act (or other laws of the State of Michigan) and any Condominium Document, the Act (or other laws of the State of Michigan) shall govern. In the event of any conflict between the provisions of any one or more Condominium Documents, the following order of priority shall prevail and the provisions of the Condominium Document having the highest priority shall govern:

- (a) The Master Deed, including the Condominium Subdivision Plan;
- (b) These Condominium Bylaws;
- (c) The Articles of Incorporation of the Association; and
- (d) The Rules and Regulations of the Association.

1212/011/bylaws



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DEVELOPER	SURVEYOR
SP INVESTMENT LIMITED PARTNERSHIP 4665 DOBIE ROAD, SUITE #130 OKLAND, MICHIGAN 48864	STEPHENS-KYES & ASSOCIATES, INC. 1401 EAST LANSING DRIVE, SUITE 1120 EAST LANSING, MICHIGAN 48823

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SHEET INDEX  
SHEET NO.  
1  
2  
3  
4

TITLE  
TITLE SHEET  
SURVEY PLAN  
SITE PLAN  
UTILITY PLAN

THE CONDOMINIUM SUBDIVISION PLAN NUMBER MUST BE ASSIGNED IN CONSECUTIVE SEQUENCE WHEN A NUMBER HAS BEEN ASSIGNED TO THINK PROJECT. IT MUST BE PROPERLY SHOWN IN THE TITLE ON THIS SHEET AND IN THE SURVEYOR'S CERTIFICATE ON SHEET 2.

AS PROPOSED

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APPROVED BY: JES SHEET NO. 1 CDR DRAWING NO. 1 EXPIRATION DATE: 99-10	REVISIONS DATE: 6/18/2002 REVISION: 1 DATE: 6/18/2002 REVISION: 2 DATE: 6/18/2002	TITLE SHEET JOLLY CENTER CONDOMINIUM	STEPHENS-KYES & ASSOCIATES, INC. CONSULTING ENGINEERS & SURVEYORS 1402 EAST LIVING ST. SUITE 101 FORT LAUDERDALE, FL 33304 PHONE 352/377-2014
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