I hereby certify that according to our records all taxes returned to this office are paid for five years preceding the date to this instrument. This does not include taxes in the

process of collection.

Sherry A. Comben, Antrim County Treasurer

PATTY NIEPOTH

Antrim County Register of Deeds

1/4/2002 14:31:19

MASTER DEED

Recorded

For

SPARTAN SHORES

MASTER DEED, Made this 3rd day of January, 2002, by Elk River Holding Company, LLC, a Michigan limited liability company, of 1503 Garfield Road North, Traverse City, Michigan, 49686 (hereinafter referred to as the "Developer").

WITNESSETH:

WHEREAS, the Developer is the owner of lands herein described and desires to establish the same together with improvements to be located thereon and the appurtenances thereto as a condominium project under the provisions of Act 59 of the Public Acts of 1978, as amended, by recording this Master Deed together with the condominium bylaws attached hereto as Exhibit "A" and the condominium subdivision plans attached hereto as Exhibit "B," both of which are incorporated herein by reference and made a part hereof.

NOW, THEREFORE, the Developer does hereby establish SPARTAN SHORES by recording of this Master Deed as a condominium project and does declare that SPARTAN SHORES (hereinafter referred to as the "Condominium"), shall be henceforth held, conveyed, encumbered, leased, occupied, improved and in any other manner utilized, subject to the provisions of said Act and to the covenants, conditions, restrictions, uses, limits and affirmative obligations set forth in this Master Deed and Exhibits "A" and "B" hereunder, all of which shall be deemed to run with the land. In furtherance of the establishment of said Condominium, it is provided as follows:

05-47-021-001-25

I.

TITLE AND NATURE

The Condominium project shall be known as SPARTAN SHORES, Antrim County Condominium Subdivision Plan No. 95. The condominium project is established in accordance with Act 59 of the Public Acts of 1978, as amended. The bylaws attached hereto as Exhibit "A" are hereby incorporated herein by reference. The Condominium Subdivision Plans attached hereto as Exhibit "B" are hereby incorporated herein by reference.

II.

LEGAL DESCRIPTION

The land on which the condominium project is located and which is established by this Master Deed is situated in the Village of Elk Rapids, County of Antrim and State of Michigan, and described as:

Part of Government Lot 11, Section 21, Town 29 North, Range 9 West, Village of Elk Rapids, Antrim County, Michigan, described as:

Commencing at the East 1/4 corner of said Section 21; thence North 20°45'13" East, 1726.95 feet to the South line of Meadowview Commons, recorded in Liber 470, Page 1328; thence along said South line for the following three courses: North 48°00'24" West, 298.53 feet; thence South 45°44'45" West 100.00 feet; thence North 89°52'44" West, 315.97 feet to a point on the East line of said Section 21; thence North 00°29'40" East 18.44 feet along said East line to the POINT OF BEGINNING; thence North 89°03'07" West, 366.28 feet to a point on a traverse line along the shore of Bass Lake; thence along said traverse line for the following three courses: North 16°45'16" East, 150.23 feet; thence North 31°43'15" East, 376.59 feet; thence North 26°26'12" East, 202.05 feet; thence South 89°44'16" East, 40.58 feet; thence South 00°29'40" West 650.96 feet to the POINT OF BEGINNING.

Containing 3.18 acres.

Together with riparian rights to Bass Lake.

Together with a 40 foot wide easement for ingress, egress and the installation and maintenance of public and private utilities in part of the Northwest 1/4 of Section 22, Town 29 North, Range 9 West, Village of Elk Rapids, Antrim County, Michigan, the centerline of which is more fully described as follows:

Commencing at the West 1/4 corner of said Section 22; thence N 20° 45'13" E, 1726.95 feet to the centerline of Ames Street (Cairn Highway); thence along said centerline 161.97 feet along a 1161.72 foot radius curve to the left

(central angle = 07° 59'17", cord bearing = N 39° 46'52" E chord length = 161.84 feet) to the POINT OF BEGINNING of said centerline; thence N 52° 28'27" W, 237.59 feet; thence 115.63 feet along a 150.00 foot radius curve to the left (central angle = 44° 09'57", chord bearing = N 74° 33'25" W, chord length = 112.78 feet); thence S 83° 21'36" W, 148.74 feet; thence 200.27 feet along a 125.00 foot radius curve to the right (central angle = 91° 47'57", chord bearing = N 50° 44'26" W, chord length = 179.53 feet); thence 63.86 feet along a 450.00 foot radius curve to the right (central angle = 08° 07'49", chord bearing = N 00° 46'33" W, chord length = 63.80 feet); thence N 83° 20'53" W, 126.15 feet to a point on the West line of said Section 22 and the POINT OF ENDING of said centerline.

The sidelines of said easement to extend or shorten to meet at angle points and to begin at the Westerly Right-of-Way of Ames Street (Cairn Highway) and end at the West line of said Section 22.

Together with a 10' wide utility easement located in part of Government Lot 11, Section 21, Town 29 North, Range 9 West, Village of Elk Rapids, Antrim County, Michigan, the West line of which is more fully described as follows:

Commencing at the East 1/4 corner of said Section 21; thence N 20° 45'13 E, 1726.95 feet to the Southerly line of Meadowview Commons; thence along said line for the following three courses: N 48° 00'24" W, 298.53 feet; thence S 45° 44'45" W, 100.00 feet; thence N 89° 52'44"W, 315.97 feet; thence N 00° 29'40" E, 18.44 feet along the East line of said Section 21; thence N 89° 03'07" W, 211.24 feet to the POINT OF BEGINNING of said West line; thence N 03° 11'05" E, 76.64 feet; thence N 31° 51'54" E, 323.33 feet; thence S 83° 20'53" E, 39.55 feet to a point on the East line of said Section 21 and the POINT OF ENDING.

East line of said easement to extend or shorten to meet at angle points and end at the East Section line.

The above-described premises are conveyed subject to the Restrictive Covenants stated hereinafter in Article VIII.

III.

DEFINITIONS

The following terms, whenever utilized in this Master Deed, Articles of Incorporation, Condominium Bylaws, Bylaws of Association of Co-Owners, Purchase Agreement, instruments of conveyance including amendments to Master Deed and consolidating Master Deed, and in any other document or instrument without limitation shall be defined as follows, viz:

- A. The Act means the Condominium Act, being Act No. 59 of the Public Acts of 1978 as amended.
- B. <u>Association</u> shall mean the person designated in the condominium documents to administer the Condominium Project.
- C. <u>Condominium Bylaws</u> means Exhibit "A" hereto, being the Bylaws setting forth the substantive rights and obligations of the Co-Owners and required by the Act to be recorded as part of the Master Deed.
- D. <u>Consolidating Master Deed</u> means the final amended Master Deed which shall describe the Condominium as a completed Condominium Project and shall reflect the entire land area, and all units and common elements therein, and which shall express percentages of value pertinent to each unit as finally readjusted. Such consolidating Master Deed, when recorded in the office of the Antrim County Register of Deeds, shall supersede any previously recorded Master Deed for the Condominium.
- E. <u>Unit</u> shall each mean the enclosed space constituting a single complete residential unit in the Condominium as such space may be described on Exhibit "B" hereto, and shall have the same meaning as the term "unit" is defined in the Act.
- F. <u>Condominium Documents</u> wherever used means and includes this Master Deed and Exhibits "A" and "B" hereto, the Articles of Incorporation, Bylaws and the Rules and Regulations, if any, of the Association.
- G. Condominium Project, Condominium or Project means SPARTAN SHORES as an Condominium Project established in conformity with the provisions of the Act.
 - H. Condominium Subdivision Plan means Exhibit "B" hereto.
- I. <u>Co-Owner</u> means a person, firm, corporation, partnership, association, trust or other legal entity or any combination thereof who or which owns one or more units in the Condominium Project. A

land contract vendee of a unit in this project shall be the Co-Owner for all purposes relating to the project.

The term "owner", wherever used, shall be synonymous with the term "co-owner".

- J. <u>Condominium Premises</u> means and includes the land and the buildings, all improvements and structures thereof, and all easements, rights and appurtenances belonging to the Condominium Project and described in Article II above.
- K. <u>Common Elements</u> where used without modification shall mean both the general and limited common elements described in Article IV hereof.
- L. <u>Percentage of Value</u>. The percentage assigned to each individual condominium unit in the condominium Master Deed.
 - M. <u>Developer</u>. Elk River Holding Company, L.L.C., a Michigan limited liability company.
- N. Terms not defined herein, but defined in the Act, shall carry the meaning given them in the Act unless the context clearly indicates to the contrary. 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 shall also be included to the plural where the same would be appropriate.

IV.

COMMON ELEMENTS

The common elements of the project described in Exhibit "B" attached hereto and the respective responsibilities for maintenance, decoration, repair or replacement thereof are as follows:

- A. The general common elements are:
- 1. The land described in Article II hereof, excepting however, the space within each unit boundary and the limited common elements, all as shown on Exhibit "B" attached hereto.
- 2. The electrical wiring network throughout the project up to the point of connection with electrical fixtures within any unit;

- 3. The roof area of each garage as designated on Exhibit "B" attached hereto;
- 4. The telephone wiring network throughout the project;
- 5. The plumbing and heating network throughout the project including that contained within unit walls, up to the point of connection with plumbing, heating or air conditioning fixtures within any unit;
 - 6. The water distribution system and sanitary sewer system throughout the project;
- 7. Foundations, first floor construction, supporting columns, unit perimeter walls (including windows and doors therein), roofs, ceilings, crawl spaces and floor constructions between unit levels;
- 8. The television cable network throughout the project, if and when available and installed;
- 9. Such other elements of the project not herein designated as general or limited 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.

B. The limited common elements are:

- 1. The concrete porches, concrete condenser slabs, concrete patios and utility closets designated on Exhibit "B" attached hereto, each being assigned as a limited common element to a specific Condominium unit.
- 2. The garages shown on Exhibit "B" which shall be assigned to specific Co-Owners who shall have exclusive use of each assigned garage and sole responsibility for maintenance, repair and replacement thereof.

- 3. The interior surfaces of unit perimeter walls (including windows and doors therein); ceilings and floors contained within a unit shall be subject to the exclusive use and enjoyment of the Co-Owner of such unit.
- 4. The costs of maintenance, repair and replacement of all general and limited common elements described above shall be borne by the Association except as stated above (in Section B(2)) and the costs of decoration and maintenance (but not repair or replacement except in cases of Co-Owner fault) of all surfaces referred to in Paragraph B(3) above shall be borne by the Co-Owner of each unit to which such limited common elements are adjacent and appurtenant to.
- 5. No Co-Owner shall use his unit or the common elements in any manner inconsistent with the purposes of the project or in any manner which will interfere with or impair the rights of any other Co-Owner in the use and enjoyment of his unit or the common elements.
- 6. Any maintenance, repair or replacement (the cost of which is to be borne by the Co-Owner) may be performed by or under the direction of the Association and the cost may be assessed against the responsible Co-Owners or Co-Owner as provided in the Association Bylaws.

V.

UNIT DESCRIPTION AND PERCENTAGE OF VALUE

- A. Each unit in the project is described in this paragraph with reference to the Subdivision and Site Plan of the project attached hereto as Exhibit "B". Each unit shall include all that space contained within the interior finished unpainted walls and ceilings and from the finished subfloor all as shown on the floor plan sheet in Exhibit "B" hereto.
- B. The percentage of value assigned to each unit is set forth in subparagraph D below. The percentage of value assigned to each unit shall be determinative of the proportionate share of each respective Co-Owner in the expenses and proceeds of administration of the Association and common elements of the Condominium. Each respective Co-Owner shall have one vote at meetings of the Association. The total

value of the project is 100. The percentage of value allocated to each unit may be changed only with the unanimous consent of all of the Co-Owners expressed in an amendment to this Master Deed, duly approved and recorded.

- C. The determination of the percentage of value which should be assigned was made after reviewing the comparative characteristics of each unit in the project and concluding that a combination of square footage, location, value and anticipated use of common elements were the proper determining factors.
 - D. Each unit shall be assigned an equal percentage of value.

VI.

EASEMENTS

In the event any portion of a unit or common element encroaches upon another unit or common element due to shifting, settling or moving of a building, or due to survey errors, or construction deviations, reciprocal easements shall exist for the maintenance of such encroachment for so long as such encroachment exists, and for maintenance thereof after rebuilding in the event of any destruction. There shall be easements to, through and over those portions of the land, structures, buildings, improvements, and walls (including interior unit walls) contained therein for the continuing maintenance and repair of all utilities in the Condominium. There shall exist easements of support with respect to any unit interior wall which supports a common element.

The Village of Elk Rapids or its designee shall have the right of access to all water and sewer lines and mains for inspection and videotaping to insure proper maintenance.

VII.

EASEMENTS RETAINED BY DEVELOPER

The Developer reserves for the benefits of itself, its successors and assigns, perpetual easements for the unrestricted use of all roads, driveways and walkways in the Condominium for the purposes of ingress and egress to and from all or any portion of the parcel described in Article II or any portion or portions thereof, and any other land contiguous to the condominium premises which may be now owned or hereafter acquired by the Developer or its successors. The Developer also hereby reserves for the benefit of itself, its successors and assigns, and all future owners of the land described in Article II or any portion or portions thereof and any other land contiguous to the condominium premises which may be now owned or hereafter acquired by the Developer, perpetual easements to utilize, tap and tie into all utility mains located on the Condominium premises. The Developer reserves to itself, its successors and assigns, the right to terminate and revoke any utility or other easements granted in Exhibit "B" at such time as the particular easement has become unnecessary. This may occur by way of example but not limitation when water or sewer systems are connected to municipal systems or when a water or sewer system or other utility easement is relocated to coordinate further and future development of the project. No easement utility may be terminated or revoked unless and until all units served by it are adequately served by an appropriate substitute or replacement utility. Any termination or revocation of any such easement shall be effected by the recordation of an appropriate amendment to this Master Deed.

VIII.

RESTRICTIVE COVENANTS

The land described in Article II above (as amended from time to time as herein provided) shall be subject to the restrictions described in Article VI of the Condominium Bylaws attached hereto as Exhibit "A," which restrictions shall run with the land and shall be binding on all heirs, successors and assigns of said land and which restrictions, notwithstanding Article IX hereafter or any other provision of this Master Deed or its Exhibits, shall not be modified, amended nor altered without the express written consent of the Developer.

A. All roads or drives constructed within the Condominium Project are "private" and not subject to the jurisdiction of the Village of Elk Rapids. The cost of maintaining, repairing and improving said roads is the sole and exclusive responsibility of the Association. The fact that this project has received a Special

Use Permit from the Village of Elk Rapids does not, in any fashion, constitute acknowledgment or approval by the Village that said roads meet or exceed Village or County road standards; and that the "approval" (to the extent "approval" is evidenced by issuance of the Special Use Permit) is for purposes of zoning only to determine appropriate setbacks from road frontage; and accordingly, the Developer and the Association and all Co-Owners shall hold the Village of Elk Rapids harmless for the use, maintenance and construction of said roads.

- B. The Developer, the Association and each Co-Owner agree that no provision will be included, or subsequently changed, in the Master Deed or the Condominium Bylaws which would in any way change the terms and provisions of the Special Use Permit issued by the Village of Elk Rapids, absent prior written approval of the Elk Rapids Village Planning Commission according to the Special Use Permit Procedures of the Village Zoning Ordinance. It is the intent of this paragraph to recognize that the Developer, the Association or individual Co-Owners may, from time to time, amend the Condominium Bylaws, the Association Bylaws, or in certain limited circumstances this Master Deed, when such amendments or changes relate solely to administrative matters outside the scope of the Special Use Permit; but that no changes, whether by way of construction or otherwise, may be made to the Plans received and approved by the Planning Commission without such proposed changes being submitted for review and possible review by the Planning Commission. The Planning Commission may, after review of such modifications to the Site Plan, accept or reject same, as the Planning Commission, after a hearing, shall determine appropriate.
- C. The water frontage included within this project is of special concern and interest to the Developer and all Co-owners. Therefore, the Developer believes it necessary to adopt specific regulations regarding the waterfront area. Those regulations are as follows:
- 1. Each lot shall be permitted one dock as depicted on Exhibit B to this Master Deed.

 Each dock will be of a temporary nature such that it shall be removed in the fall and replaced in the spring in the location designated on Exhibit B. The Association reserves the right to regulate the method of

installation (of each dock), the materials used in construction of such dock, and the length and width of each dock... all for the purpose of assuring uniformity and consistency of dockage within this project.

- 2. No other docks than specifically authorized in subparagraph 1 above shall be allowed or permitted within this project.
- Association and is intended solely for the use of the Co-Owners, their guests, and invitees. No other parties shall be permitted use of any portion of the water frontage (comprising this project) and the Association shall have the right to pass rules and regulations to ensure that the water frontage is utilized in a safe, consistent, and uniform manner, so as to promote the best interest of all Co-Owners.

IX.

AMENDMENT

- A. The condominium documents may be amended for a proper purpose, without consent of Co-Owners, mortgagees and other interested parties, including the modification of the types and sizes of units prior to construction of units and unsold condominium units and their appurtenant limited common elements as long as the amendments do no materially alter or change the rights of the Co-Owners, mortgagees, or other interested parties.
- B. The condominium documents may be amended for a proper purpose, even if the amendment will materially alter or change the rights of the Co-Owners, mortgagees or other interested parties with the approval of two-thirds of the votes of the Co-Owners. A Co-Owner's condominium unit dimensions or appurtenant limited common elements may not be modified without his consent. Co-Owners and mortgagees of record shall be notified of proposed amendments.
- C. A person causing or requesting an amendment to the condominium documents shall be responsible for costs and expenses of the amendment except for amendments based upon a vote of a

prescribed majority of Co-Owners or based upon the advisory committee's decision, the costs of which are expenses of administration.

A Master Deed Amendment, including the consolidating Master Deed, dealing with the D. addition or modification of units or the physical characteristics of the project shall comply with the standards prescribed in the Act for preparation of an original condominium.

IN WITNESS WHEREOF, the Developer has caused this Master Deed to be executed the day and

*	
year first above written.	
Signed in the Presence of:	DEVELOPER:
Thomas E. Robb Gail A. Holland	By: Robert M. Boeve Its: Manager
STATE OF MICHIGAN) ss	
County of Grand Traverse)	
On this 3rd day of January, 2002, before me, a Notary Public in and for said County and State, personally appeared Robert M. Boeve, Manager of Elk River Holding Company, L.L.C., to me personally known, who, being by me duly sworn, did say that he is the Developer of said condominium project, and he acknowledged that he has executed said instrument as his free and voluntary act and deed.	

Notary Public, <u>Grand Traverse</u> County, MI 8-3-2005

My Commission Expires:

Prepared in the Law Office of: When Recorded, Return to:

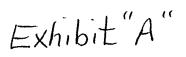
DONALD A. BRANDT, ESQ.

BRANDT, FISHER, ALWARD & ROY, P.C.

1241 E. Eighth Street

Traverse City, MI 49696-5817

(231) 941-9660



CONDOMINIUM BYLAWS

SPARTAN SHORES CONDOMINIUM ASSOCIATION

ARTICLE I.

ASSOCIATION OF CO-OWNERS

Section 1. SPARTAN SHORES CONDOMINIUM ASSOCIATION shall be administered by an Association of Co-owners which shall be a non-profit corporation, hereinafter called the "Association" organized under the laws of the State of Michigan.

Section 2. The Association shall be organized to manage, maintain, and operate the Condominium in accordance with the Master Deed, these Bylaws, the Articles of Incorporation and Bylaws of the Association and the laws of the State of Michigan. The Association may provide for independent management of the Condominium Project.

Section 3. Membership in the Association and voting by the members of the Association shall be in accordance with the following provisions:

- (a) Each Co-owner shall be a member of the Association and no other person or entity shall be entitled to membership.
- (b) 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 in the Condominium.
- (c) Except as limited in these Bylaws, each Co-owner shall be entitled to one vote for each Condominium unit owned when voting by number and one vote, the value of which shall equal the total of the percentages allocated to the unit owned by such Co-owner as set forth in Article V of the Master Deed, when voting by value. Voting shall be by number except in those instances when voting is specifically required to be in value.
- (d) 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. No Co-owner, other than the Developer, shall be entitled to vote prior to the First Annual Meeting of Members held in accordance with Section 8 of this Article I. The vote of each Co-owner may only be cast by the individual representative designated by such Co-owner in the notice required in sub-paragraph (e) below or by a proxy given by such individual representative. The Developer shall be entitled to vote each unit which it owns and with respect to which it is paying full monthly assessments. Notwithstanding anything herein to the contrary, a purchaser of a unit by means of a land contract shall be designated the owner of that unit and entitled to the vote for that unit.
- (e) 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 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.

- There shall be an annual meeting of the members of the Association commencing with the First Annual Meeting held as provided in Section 7 of this Article I. Other meetings may be provided for in the Bylaws of the Association. Notice of the time, place and subject matter of all meetings shall be given to each Co-owner by mailing the same to each individual representative designated by the respective Co-owner at least ten (10) days prior to said meeting.
- The presence, in person or by proxy, of one-fifth (1/5) of the Co-owners in number and in value shall constitute a quorum for holding a meeting of the members of the Association, except for voting on questions specifically required to require a greater quorum. The written vote of any person furnished at or prior to any duly called meeting, at which meeting said 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 a vote is cast.
- (h) Votes may be cast in person or by proxy or by writing, duly signed by the designated voting representative not present at a given meeting in person or by proxy. Proxies and any written vote 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.
- (i) A majority, except where otherwise provided herein, shall consist of more than fifty (50%) per cent 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 herein above set forth and may require such majority to be one of both number and value of designated voting representatives present in person or by proxy, or by written ballot, if applicable, at a given meeting of the member of the Association.

Section 4. The Association shall keep detailed books of account showing all expenditures and receipts of administration 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 an annual financial statement, the contents of which shall be defined by the Association. Any institutional holder of a first mortgage lien on any lien in the Condominium shall be entitled to receive a copy of such annual financial statement within ninety (90) days following the end of the Association's fiscal year upon request therefor. The accounting expenses shall be expenses of administration. The Association also shall maintain on file current copies of the Master Deed for the Project, any amendments thereto and all other Condominium documents, and shall permit all Co-owners, prospective purchasers and prospective mortgagees interested in the Project, to inspect the same during reasonable hours.

Section 5. The affairs of the Association shall be governed by a Board of Directors, all of whom shall serve without compensation and who must be members of the Association, except for the first Board of Directors designated in the Articles of Incorporation of the Association and any successors thereto elected by the Developer prior to the therefor.

Section 6. The Association Bylaws shall provide the designation, number, terms of office, qualifications, manner of election, duties, removal and replacement of the officers of the Association and may contain any other provisions pertinent to officers of the Association in furtherance of the provisions and purposes of the Condominium documents and not inconsistent therewith. Officers may be compensated but only upon the affirmative vote of more than sixty (60%) per cent of all Co-owners in number and in value.

Section 7. Every director and every officer of the corporation shall be indemnified by the corporation against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him in connection with any proceeding to which he may be a party, or in which he may become involved, by reason of his being or having been a director or officer when expenses are incurred, except in such cases wherein the director or officer is adjudged guilty of willful or wanton misconduct or gross negligence in the performance of his duties; provided that, in the event of any claim for reimbursement or indemnification hereunder based upon a settlement by the director or officer seeking reimbursement or indemnification, the indemnification herein shall apply only if the Board of Directors (with the directors seeking reimbursement abstaining) approves such settlement and reimbursement as being in the best interest of the corporation. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such director or officer may be entitled. At least ten (10) days prior to payment to any indemnification which it has approved, the Board of Directors shall notify all Co-owners thereof.

Section 8. The First Annual Meeting of the members of the Association may be convened by the Board of Directors and may be called at any time after conveyance of legal or equitable title to a unit to a non-developer co-owner but in no event later than one hundred twenty (120) days after such event. The date, time and place of such First Annual 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. Thereafter, an annual meeting shall be held each year on such date as is specified in the Association Bylaws. The Board of Directors shall establish an Advisory Committee of non-developer members upon the passage of: (a) one hundred twenty (120) days after legal or equitable title to two (2) condominium units has been conveyed to non-developer co-owners; or (b) one (1) year after the first conveyance of legal or equitable title to a condominium unit to a non-developer co-owner, whichever first occurs. The Advisory Committee shall meet with the Board of Directors to facilitate communication with the non-developer members and to aid in transferring control from the Developer to non-developer members. The Advisory Committee shall be composed of not less than one (1) nor more than three (3) non-developer members, who shall be appointed by the Board of Directors in any manner it selects, and who shall serve at the pleasure of the Board of Directors. The Advisory Committee shall automatically dissolve after a majority of the Board of Directors is comprised of non-developer co-owners. The Advisory Committee shall meet at least quarterly with the Board of Directors. Reasonable notice of such meetings shall be provided to all members of the Committee, and such meetings may be open or closed, in the discretion of the Board of Directors.

ARTICLE II.

ASSESSMENTS

Section 1. 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 2. 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, a 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.

Section 3. Assessments shall be determined in accordance with the following provisions:

- The Board of Directors of the Association shall establish an annual budget in advance for (a) each fiscal year and such budget shall project all expenses for the forthcoming year which 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 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 4 below rather than by special assessments. At a minimum, the reserve fund shall be equal to ten (10%) per cent of the Association's current annual budget on a noncumulative basis. The minimum standard required by this section may prove to be inadequate for a particular project. The Association of Co-owners shall carefully analyze their Condominium Project to determine if a greater amount should be set aside, or if additional reserve funds should be established for other purposes. Upon adoption of an annual budget by the Board of Directors, copies of said budget shall be mailed to each Co-owner, although the delivery of a copy of the budget to each Co-owner shall not affect the liability of any Co-owner for any existing or future assessments. Should the Board of Directors, at any time determine, 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;
 - (3) to provide additions to the common elements not exceeding \$1,000.00 annually; or
 - 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.
- (b) Special assessments, in addition to those required in (a) above may be made by the Board of Directors from time to time and approved by the Co-owners. Special assessments referred to in this paragraph shall not be levied without the prior approval of more than sixty (60%) per cent of all Co-owners in value and in number.

Section 4. 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 the percentage of value allocated to each unit in Article V of the Master Deed without increase or decrease for the existence of any rights to the use of limited common elements appurtenant to a unit. Annual assessments as determined in accordance with Article II, Section 3(a) above, shall be payable by Co-owners in twelve (12) equal monthly installments, commencing with acquisition of legal or equitable title to a unit. 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. Assessments in default shall bear interest at the rate of seven

(7%) per cent per annum until paid in full. Each Co-owner (whether one or more persons) shall be and remain personally liable for the payment of all assessments pertinent to his unit which may be levied while such Co-owner is the owner thereof.

Section 5. 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. 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. 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 such lien either by judicial action or by advertisement, and further, to have authorized and empowered the Association to sell or to cause to be sold the unit with respect to which the assessment(s) is or are delinquent and to receive, hold, and distribute the proceeds of such sale in accordance with the priorities established by applicable law. Notwithstanding anything to the contrary, 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 of a written notice that one 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 in recordable form, executed by an authorized representative of the Association and shall set forth the following: (1) the name of the Co-owner of record thereof, (2) the legal description of the Condominium unit or units to which the notice applies, (3) the amounts due the Association of Co-owners at the date of notice, exclusive of interest, costs, attorney fees and future assessments. The notice shall be recorded in the office of the Register of Deeds in the county in which the Condominium Project is located prior to the 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. The expenses incurred in collecting unpaid assessments, including interest, costs, actual attorney 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(s). 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 may also discontinue the furnishing of any services to a Co-owner in default upon seven (7) days' written notice to such Co-owner of its intent to do so. A Co-owner in default shall not be entitled to vote at any meeting of the Association so long as such default continues. A receiver may be appointed in an action for foreclosure of the assessment lien and may be empowered to take possession of the Condominium unit, if not occupied by the Co-owner, and to lease the Condominium unit and to collect and apply the rental therefrom.

Section 7. Notwithstanding any other provisions of the Condominium documents, the holder of any first mortgage covering any unit in the Project which comes into possession of the unit, pursuant to the remedies provided in the mortgage or by dced (or assignment) in lieu of foreclosure, or any purchaser at a foreclosure sale, shall take the property free of any claims for unpaid assessments or charges against the mortgaged unit which accrue prior to the time such holder comes into possession of the unit (except for claims for a pro rata share of such assessments or charges resulting from a pro rata reallocation of such assessments or charges to all units including the mortgaged unit).

Section 8. Obligation of the Developer.

- (a) The Developer shall be responsible for payment of the full monthly Association maintenance assessment, and all special assessments, for all completed units owned by it and shall also maintain, at its own expense, any incomplete units owned by it. "Completed unit" shall mean a unit with respect to which a certificate of occupancy has been issued by the local public authority. An "incomplete unit" shall mean any unit that is not a Completed unit.
- (b) In addition to maintaining any incomplete units owned by it, the Developer shall be charged a portion of the established monthly Association assessment for each incomplete unit established in the Master Deed, whether constructed or not. Such portion shall be determined by the officers of the Association based upon the level of common expenses incurred in respect of such incomplete units, and it may be altered on a month-to-month basis. Each incomplete unit must, at a minimum, bear its pro rata portion of the cost of all accounting and legal fees, public liability and casualty insurance, road maintenance (including landscaping), real estate taxes in the year of the establishment of the condominium, and the reserve for the repair and replacement of major common elements. Such pro rata portion of such costs shall be allocated to each unit by the Master Deed, without increase or decrease for the existence of any rights to the use of limited common elements appurtenant thereto.

Section 9. All property taxes and special assessments levied by any public taxing authority shall be assessed in accordance with the Act.

Section 10. A mechanic's lien otherwise arising under Act No. 179 of the Michigan Public Acts of 1891, as amended, shall be subject to the Act. Pursuant to Section 111 of the Act, the purchaser of any Condominium unit may request a statement of the Association as to the outstanding amount of any unpaid assessments. Upon receipt of a written request to the Association accompanied by a copy of the right to acquire a unit, the Association shall provide a written statement of such unpaid assessments 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, that the failure of a purchaser to request such statement at least five days prior to the closing of the purchase of such unit, shall render any unpaid assessments and the lien securing same, fully enforceable against such purchaser and the unit itself, to the extent provided by the Act. Under the Act, unpaid assessments constitute a lien upon the unit and the proceeds of sale thereof prior to all claims except real property taxes and first mortgages of record.

ARTICLE III.

<u>ARBITRATION</u>

Section 1. 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 Co-owners and the Association shall, upon the election and written consent of the parties to any such disputes, claims or grievances and written notice to the Association, be submitted to arbitration and the parties thereto shall accept the arbitrator's decision as final and binding. 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. No Co-owner or the Association shall be precluded from petitioning the courts to resolve any such disputes, claims or grievances.
- Section 3. Election 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. The Association shall carry fire and extended coverage, vandalism and malicious mischief, directors and officers and general liability insurance, and workmen's compensation insurance, if applicable, pertinent to the ownership, use and maintenance of the common elements of the Condominium Project.
- Section 2. 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 all premiums for insurance carried by the Association shall be an expense of administration.
- Section 3. Each Co-owner is obligated to obtain insurance coverage at his own expense upon his unit, and shall provide proof thereof to the Association. It shall be each Co-owner's responsibility to obtain insurance coverage for his personal property located within his unit or elsewhere on the Condominium and for his personal liability for occurrences within his unit or upon limited common elements appurtenant to his unit, and also for alternative living expense in the event of fire, and the Association shall have absolutely no responsibility for obtaining such coverage.
- Section 4. All common elements of the Condominium Project shall be insured against fire and other perils covered by standard extended coverage endorsement in an amount equal to the maximum insurable replacement value, excluding foundation and excavation costs, as determined annually by the Board of Directors of the Association. Such coverage shall also include interior walls within any unit and the pipes, wires, conduits and ducts contained therein, and shall further contain all fixtures, equipment and trim within a unit which were furnished with the unit as standard items in accordance with the plans and specifications thereof as are on file with the Association (or such replacements thereof as do not exceed the cost of such standard items). Any improvements made by a Co-owner within a unit shall be covered by insurance obtained by and at the expense of said Co-owner; provided that, if the Association elects to include such improvements under its insurance coverage, any additional premium cost to the Association attributable thereto shall be assessed to and borne solely by said Co-owner and collected as a part of the assessments against said Co-owner under Article II hereof.
- Section 5. The proceeds of any insurance policies 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 6. 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, his unit and the common elements appurtenant thereto with such insurer as may, from time to time, provide such insurance to the Condominium Project.

ARTICLE V.

RECONSTRUCTION OR REPAIR

Section 1. If any part of the Condominium property shall be damaged, the determination of whether or not it shall be reconstructed or repaired shall be made in the following manner:

- (a) If the damaged property is a common element or a unit, the property shall be rebuilt or repaired if any unit in the Condominium is tenantable, unless it is determined that the Condominium shall be terminated and each institutional holder of a first mortgage lien on any unit in the Condominium has given its prior written approval of such termination.
- (b) If the Condominium is so damaged that no unit is tenantable, and if each institutional holder of a first mortgage lien on any unit in the Condominium has given its prior written approval of the termination of the Condominium, the damaged property shall not be rebuilt and the Condominium shall be terminated, unless seventy-five (75%) percent or more of the Co-owners in value and in number agree to reconstruction by vote or in writing within ninety (90) days after the destruction.

Section 2. Any such reconstruction or repair shall be substantially in accordance with the Master Deed and the plans and specifications for the Project.

Section 3. If the damage is only to a part of a unit, which is the responsibility of a Co-owner to maintain and repair, it shall be the responsibility of the Co-owner to repair such damage in accordance with Section 4 hereof. In all other cases, the responsibility for construction and repair shall be that of the Association.

Section 4. Each Co-owner shall be responsible for the reconstruction, repair and maintenance of the interior of his unit, including, but not limited to, floor coverings, wall coverings, window shades, draperies, interior walls (but not any common elements therein), interior trim, furniture, light fixtures and all appliances whether free standing or built-in. In the event damage to interior walls within a Co-owner's unit or to pipes, wires, conduits, ducts, or other common elements thereof, or to any fixtures, equipment and trim which are standard items within a unit is covered by insurance held by the Association, then the reconstruction or repair shall be the responsibility of the Association in accordance with Section 5 hereof. If any other interior portion of a unit is covered by insurance held by the Association for the benefit of the Co-owner, the Co-owner shall be entitled to receive the proceeds of insurance relative thereto and if there is a mortgagee endorsement, the proceeds shall be payable to the Co-owner and the mortgagees jointly. In the event of substantial damage to or destruction of any unit or any part of the common elements, the Association shall promptly notify each institutional holder of a first mortgage lien on any of the units of the Condominium.

Section 5. The Association shall be responsible for the reconstruction, repair, and maintenance of the common elements. Immediately after a casualty causing damage to property for which the Association has a responsibility for maintenance, repair and reconstruction, the Association shall obtain reliable and

detailed estimates of the cost to replace the damaged property in a condition as good as that sufficient to defray the estimated costs 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 costs thereof are insufficient, assessments 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.

Section 6. The following provisions shall control upon any taking by eminent domain:

- In the event of any taking of an entire unit by eminent domain, the award for such taking shall be paid to the owner of such unit and the mortgagee thereof, as their interests may appear. After acceptance of such award by the owner and his mortgagee, they shall be divested of all interest in the Condominium Project. In the event that any condemnation award shall become payable to any Co-owner whose unit is not wholly taken by eminent domain, then such award shall be paid the condemning authority to the Co-owner and his mortgagee, as their interest may appear.
- (b) If there is any taking of any portion of the Condominium other than any unit 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 seventy-five (75%) per cent 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.
- 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 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 100%. Such amendment 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, but only with the prior written approval of all holders of first mortgage liens on individual units in the Project.
- (d) The Association shall promptly notify each institutional holder of a first mortgage lien on any of the units in the Condominium in the event that any unit or portion thereof or the common elements or any portion thereof is made the subject matter of any condemnation or eminent domain proceeding.

Section 7. Nothing contained in the Condominium documents shall be construed to give a Condominium unit owner or any other party priority or any rights of first mortgagees of Condominium units pursuant to their mortgages and in the case of a distribution to Condominium unit owners of insurance proceeds or condemnation awards for losses to or a taking of Condominium units and/or common elements.

ARTICLE VI.

RESTRICTIONS

- Section 1. No unit in the Condominium shall be used for other than single-family residential purposes and the common elements shall be used only for purposes consistent with the use of single-family residences.
- Section 2. A Co-owner may lease his unit for the same purposes set forth in Section 1 of this Article VI; provided however, that the Co-owner may lease his unit only for periods in excess of six (6) months with leases which have been approved by the Association. A Co-owner may not otherwise lease his unit.
- Section 3. No Co-owner shall make alterations in exterior appearance or make structural modifications to his unit (including interior walls through or in which there exists easements for support or utilities) or make changes in any of the common elements, limited or general, including (but not by way of limitation) exterior painting or the erection of antennas, lights, aerials, awnings, doors (including screen doors), shutters or other exterior attachments or modifications nor shall any Co-owner damage or make modifications or attachments to common element walls between units which in any way impairs sound conditioning provisions. In order to maintain uniformity of Condominium exterior appearance, no Co-owner shall use any color of drape or drape liner on the exterior side of the windows of his unit other than white, nor shall any Co-owner paint the exterior surface of any door or other exterior surface to his unit in a color or shade not approved in writing by the Board of Directors. The Board of Directors may approve only such modifications as do not impair the soundness, safety, utility, or appearance of the Condominium.
- Section 4. No immoral, improper, unlawful or offensive activity shall be carried on in any unit or upon the common elements, limited or general, nor shall anything be done which may or becomes an annoyance or a nuisance to the Co-owners of the Condominium, nor shall any unreasonably noisy activity be carried on in any unit or on the common elements. 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.
- Section 5. No animals of any kind shall be raised, kept or permitted upon the property or any part thereof other than dogs, cats and birds owned by Co-Owners. Such animals are not be kept, bred or raised for commercial purposes or in unreasonable numbers, and are to be reasonably controlled to avoid their being a nuisance to other lot or unit owners. Dogs shall be confined with enclosed fences or leashed at all times while out of doors and shall not be allowed to run free. All animals shall be subject to such rules and regulations as the Association shall from time to time adopt.
- Section 6. The common elements, limited or general, 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 and shall not be permitted to remain elsewhere on the common elements except for such short periods of time as may be reasonably necessary to permit periodic collection of trash. The common elements shall not be used in any way for the drying, shaking or airing of clothing or other fabrics. Automobiles may only be washed in areas approved by the Association, however, until such an area is designated, automobiles may be washed in any convenient area of the parking lot. 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 spoils the appearance of the Condominium.

Section 7. Sidewalks, yards, landscaped areas, driveways, roads, parking areas, balconies, and stairs shall not be obstructed in any way nor shall they be used for purposes other than for which they are reasonably and obviously intended. No bicycles, vehicles, chairs, or benches may be left unattended on or about the common elements.

Section 8. No house trailers, commercial vehicles, boat trailers, boats, camping vehicles, camping trailers, snowmobiles, snowmobile trailers, or vehicles other than automobiles may be parked or stored outside upon the premises of the Condominium. In the event that there arises a shortage of parking spaces, the Association may allocate or assign parking spaces from time to time on an equitable basis. There shall be unrestricted parking for motor vehicles which are used for personal transportation.

Section 9. No Co-owner shall use, or permit the use by any occupant, agent, employee, invitee, guest or member of his family of any firearms, air rifles, pellet guns, B-B guns, bows and arrows or other similar dangerous weapons, projectiles or devices anywhere on or about the Condominium premises.

Section 10. No signs or other advertising devices shall be displayed which are visible from the exterior of a unit or on the common elements, including "For Sale" signs, without written permission from the Association and the Developer.

Section 11. Reasonable regulations consistent with the Act, the Master Deed and these Bylaws, 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 elected by the Developer) prior to the First Annual Meeting of the entire Association held as provided in Article I, Section 8, of these Bylaws. Copies of all such regulations and amendments thereto shall be furnished to all Co-owners and shall become effective thirty (30) days after mailing or delivery thereof to the designated voting representative of each Co-owner. Any such regulation or amendment may be revoked at any time by the affirmative vote of more than fifty (50%) per cent of all Co-owners in number and in value except that the Co-owners may not revoke any regulation or amendment prior to said First Annual Meeting of the entire Association.

Section 12. The Association or its duly authorized agents shall have access to each unit and any limited common elements appurtenant thereto from time to time, during reasonable working hours, upon notice to the Co-owner thereof, as may be necessary for the maintenance, repair or replacement of any of the common elements. The Association or its agents shall also have access to each unit and any limited common elements appurtenant thereto at all times without notice as may be necessary to make emergency repairs to prevent damage to the common elements or to another unit. It shall be the responsibility of each Co-owner to provide the Association means of access to his unit and any limited common elements appurtenant thereto during all periods of absence and in the event of the failure of such Co-owner to provide means of access, the Association may gain access in such manner as may be reasonable under the circumstances and shall not be liable to such Co-owner for any necessary damage to his unit and any limited common elements appurtenant thereto caused thereby or for repair or replacement of any doors or windows damaged in gaining such access.

Section 13. No Co-owner shall perform any landscaping or plant any trees, shrubs or flowers or place any ornamental materials upon the common elements. No trees shall be removed from the Condominium premises.

Section 14. No unsightly condition shall be maintained upon any balcony and only furniture and equipment consistent with ordinary residential and recreational use shall be permitted to remain there during seasons when such areas are reasonably in use and no furniture or equipment of any kind shall be stored on any deck during seasons when such areas are not reasonably in use.

Section 15. Each Co-owner shall maintain his unit and any limited common elements appurtenant thereto for which he has maintenance responsibility 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 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 family, 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 excluded 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 16. None of the restrictions contained in this Article VI shall apply to the commercial activities or signs or billboards, if any, of the Developer during the development and sales period as defined hereinafter, or of the Association in furtherance of its powers and purposes set forth herein and in its Articles of Association and Bylaws as the same may be amended from time to time. For the purposes of this Section, the development and sales period shall be deemed to continue so long as Developer owns any unit which he offers for sale. Until all units in the entire Condominium Project (including the initial stage and any successive stages) are sold by Developer, Developer shall have the right to maintain a sales office, a business office, a construction office, model units, storage areas, reasonable parking incident 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 Developer. Developer shall restore the areas so utilized to habitable status upon termination of use.

ARTICLE VII.

MORTGAGES

Section 1. 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. 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. Upon request submitted to the Association, any institutional holder of a first mortgage lien on any unit on 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 VIII.

AMENDMENTS

- Section 1. 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 by one-third or more in number of the members or by instrument in writing signed by them.
- Section 2. Upon any such amendment being proposed, a meeting for consideration of the same shall be duly called in accordance with the provisions of the Association Bylaws.
- Section 3. Except as expressly limited in Section 5 of this Article VIII, these Bylaws may be amended by the Association at any regular annual meeting or a special meeting called for such purpose, by an affirmative vote of not less than two-thirds (2/3) of all Co-owners in number and in value.
- Section 4. Prior to the First Annual Meeting of Members, these Bylaws may be amended by the First Board of Directors upon proposal of amendments by Developer without approval from any person as shall not increase or decrease the benefits or obligations or materially affect the rights of any member of the Association.
- Section 5. Any amendment to these Bylaws (but not the Association Bylaws) shall become effective upon the recording of such amendment in the Office of the Register of Deeds in the county where the Condominium is located.
- Section 6. A copy of each amendment to the Bylaws shall be furnished to every member of the Association after adoption; provided, however, that any amendment to these Bylaws that is adopted in accordance with this Article shall be binding upon all persons who have an interest in the Project irrespective of whether such person actually receives a copy of the amendment.

ARTICLE IX.

COMPLIANCE

The Association of Co-owners and all present or future Co-owners, tenants, future tenants or any other persons acquiring an interest in or using the facilities of 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 X.

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 XI.

REMEDIES FOR DEFAULT

Section 1. Any default by a Co-owner shall entitle the Association or another Co-owner or Co-owners to the following relief:

- (a) Failure to comply with any of the terms or provisions of the Condominium documents or the Act shall be grounds for relief, which may include, but without limiting, an action to recover sums due for damages, injunctive relief, foreclosure of lien, or any combination thereof, and such relief may be sought by the Association or, if appropriate, by an aggrieved Co-owner or Co-owners.
- (b) 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.
- 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, limited or general, or into 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 violation of any of the provisions of the Condominium documents by any Co-owner shall be grounds for assessment by the Association, acting through its duly constituted Board of Directors, of monetary fines for such violations. No fine may be assessed unless Rules and Regulations establishing such fine have been first duly adopted by the Board of Directors of the Association, and notice thereof given to all Co-owner in the same manner as prescribed in Article II, Section 4, of the Association Bylaws. Thereafter, fines may be assessed only upon notice to the offending Co-owners as prescribed in Article II, Section 4, and an opportunity for such Co-owner to appear before the Board no less than seven (7) days from the date of the notice and offer evidence in defense of the alleged violation. All fines duly assessed may be collected in the same manner as provided in Article II of these Bylaws. No fines shall be levied for the first violation. No fine shall exceed \$25.00 for the second violation, \$50.00 for the third violation or \$100.00 for the subsequent violation.

Section 2. 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, provisions, covenant or condition in the future.

Section 3. 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 aforesaid Condominium documents shall be deemed to be cumulative and the exercise of any one or more shall not be deemed to constitute an election of remedies, nor shall it preclude any 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.

ARTICLE XII.

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.

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ATTENTION. COUNTY REGISTER OF DEEDS

THE CONDOMINUM SUBDIVISION PLAN NUMBER MUST BE ASSIGNED IN CONSECUTIVE SEQUENCE WHEN A NUMBER HAS BEEN ASSIGNED TO THIS PROJECT, IT MUST BE PROPERLY SHOWN IN THE TITLE, SHEET 1, AND THE SURVEYOR'S CERTIFICATE, SHEET 2.

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K RAPIDS

DEVELOPER

SPARTAN SHORES L.L.C. 1503 GARFIELD RD. TRAVERSE CITY, MICHIGAN

PROPERTY DESCRIPTIO

Part of Government Lot 11, Section 21, Town 29 North, Range 9 West, Village of Elk Rapids, Antrim County, Michigan, more fully described as follows:

Commencing at the East 1/4 corner of said Section 21; thence N 20*45'13" E, 1726.95 feet to the South line of Meddowiew Commons, recorded in liber 470, Page 1328; thence along said South line for the following three courses: N 46*00'24" W, 298.53 feet; thence N 54*2445" W, 100.00 feet; thence N 89*244" W, 375.97 feet to a point on the East line of said Section 21; thence N 00*29'40" E, 18.44 feet doing said East line to the POINT OF BECININIC; thence N 89*0'20" W, 366.28 feet to a point on a traverse line doing the share of Bass Lake; thence N 89*0'20" W, 366.28 feet to point on a traverse line doing the share courses: N 16*45'16" E, 150.23 feet; thence N 30*24'16" E, 40.58 feet; thence S 00*29'40" W, 650.96 feet to the POINT OF BECINNING.

Together with riparian rights to Bass Lake.

Together with a 40 fool wide easement for ingress, egress and the installation and maintenance public and private utilities in part of the Northwest 1/4 of Section 22, Tom 29 North, Range 9 West, Village of Elk Rapids, Antrim County, Michigan, the centerline of which is more fully described as follows:

Commencing at the West 1/4 corner of said Section 22; thence N 20*45'13" E, 1726.95 feet do the centerine of Arnes Street (Coim Highway); thence along said centerline 151.97 feet along a 116.172 foot radius curve to the left (central range = 0.75'51)", chord bearing = N 33*45'52" E, chord length = 151.84 feet) to the PONT OF BEDNINING of said centerline; thence N 52'78'27" W, 23'.59 feet; thence 115.63 feet along a 150.00 said centerline; thence 200.27 feet along a 150.00 foot radius curve to the left (central range = 474'95'7, chord bearing = N 74'33'25" W, chord length = 112.78 feet), thence \$ 8.3'21'35" W, 148.74 feet; thence 200.27 feet along a 125.00 foot radius curve to the right (central range = 9.4'4'57", chord bearing = N 50'44'26" W, chord length = 179.53 feet); thence \$ 53.86 feet) foot radius curve to the right (central angle = 0.6'71'43", chord bearing = N 00'46'33" W, chord length = 6.5.80 feet), thence N 8.2'70'53" W, 125.15 feet to a point on the West line of said Section 22 and the POINT OF ENDING of said centerline.

The sidelines of said easement to extend or shorten to meet at angle points and to begin at the Westerly Right-of-Way of Ames Street (Cairn Highway) and end at the West line of said Section 22

A 10' wide utility easement located in part of Government Lot 11, Section 21, North, Range 9 West, Village of Elk Rapids, Antrim County, Michigan, the West which is more fully described as follows: Town 29

SIRVEY PLAN
SITE PLAN
UTILITY PLAN
FLOODPLAIN PLAN
FLOODPLAIN PLAN
HONTS 1-10- FIRST FLOOR PLAN
UNITS 1-12- SECTION A
UNITS 1-12- SECTION B
UNITS 1-12- SECTION B
UNITS 1-12- SECTION B
UNITS 1-12- SECTION B

Commencing at the East 1/4 corner of said Section 21; thence N 20*45*13" E, 1726.95 feet to the Southerly line of Meadlowiew Commons; thence along said line for the following three coures: N 48*00'24" W, 298.53 feet; thence S 45*44*45" W, 100.00 feet thence N 89*23-4" W, 315.97 feet; thence N 00*29*40" E, 1844 feet along the East line of said Section 21; thence N 89*03*07" W, 211.24 feet to the POINT OF EICHNING of said West line; thence N 03*11'05" E, 76.64 feet; thence N 31*51'54" E, 323.33 feet; thence S 83*20'553" E, 39.55 feet to a point on the East line of said Section 21 and the POINT OF ENDING.

East line of said easement the East Section line. to meet at angle points and end at

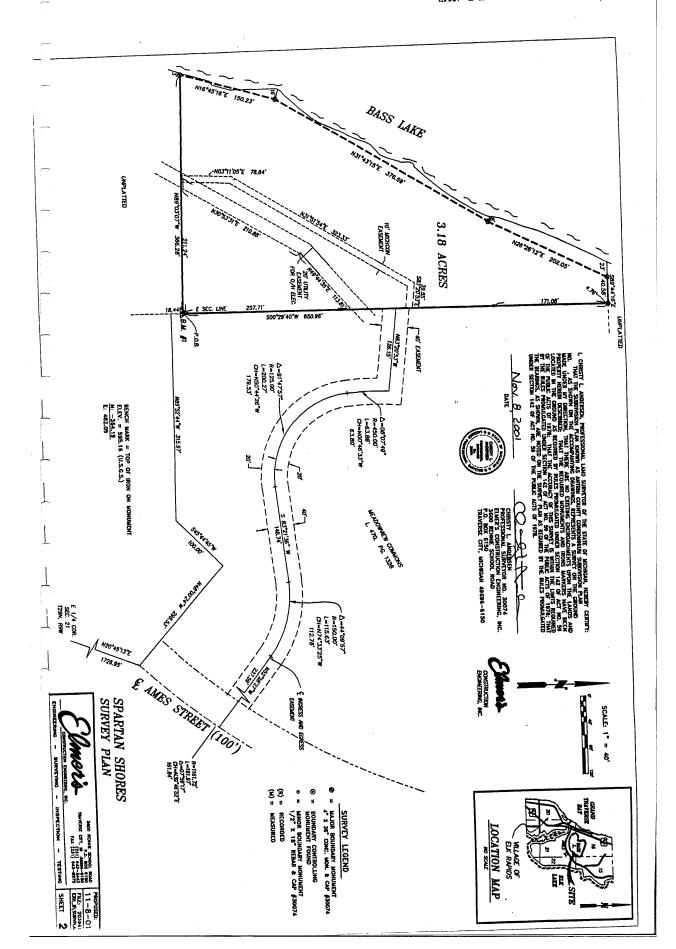


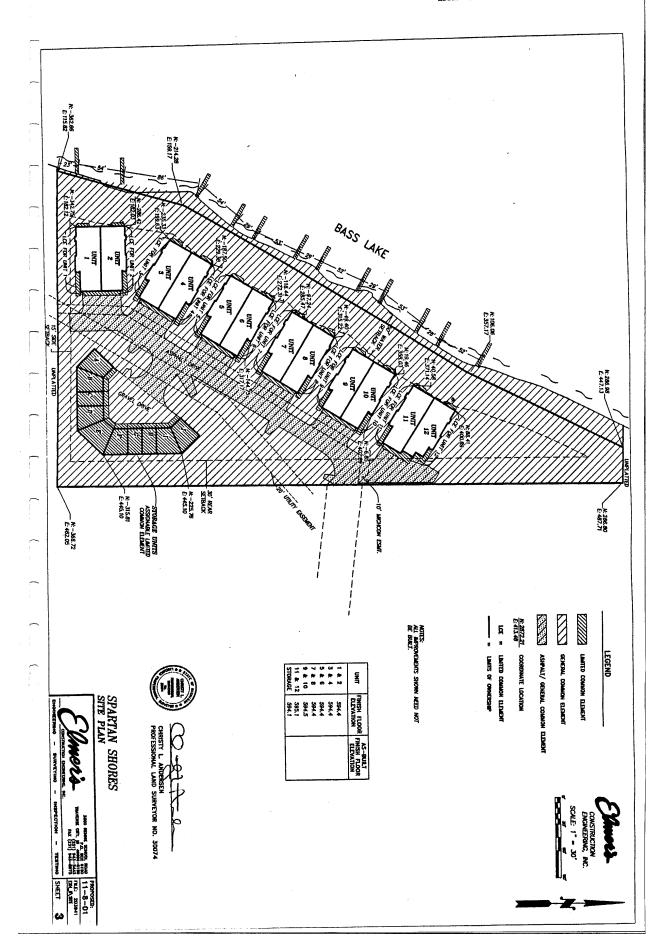
URVEYOR

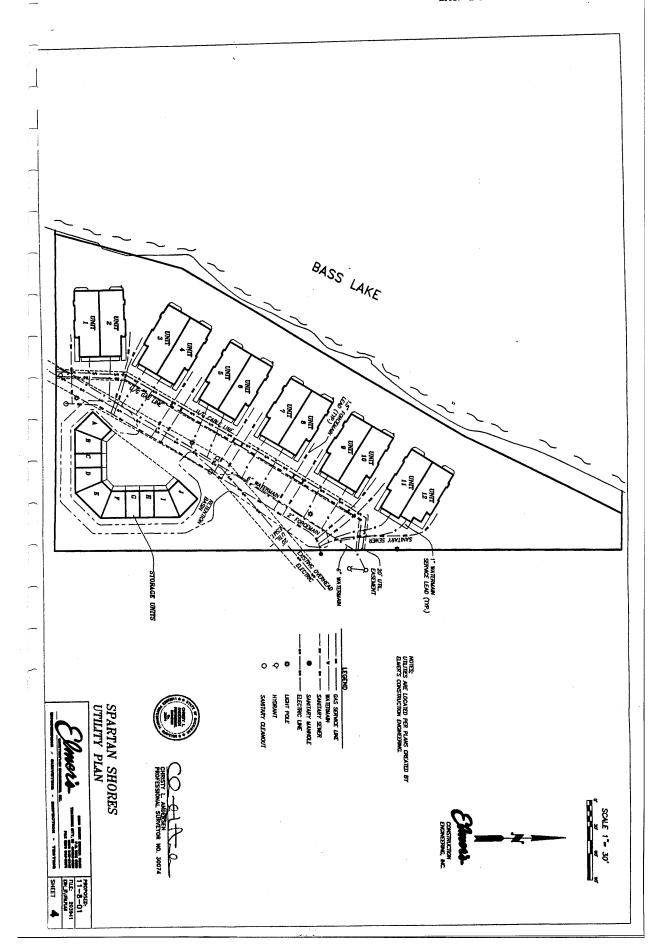
CHRISTY L ÂNDÀRSEN
PROFESSIONAL SURVETOR NO. 30074
ELMER'S CONSTRUCTION ENGINEERING, IN
3600 RENNIE SCHOOL ROAD
P.O. BOX 6150
TRAVERSE CITY, MICHIGAN 49696-6150 ₹

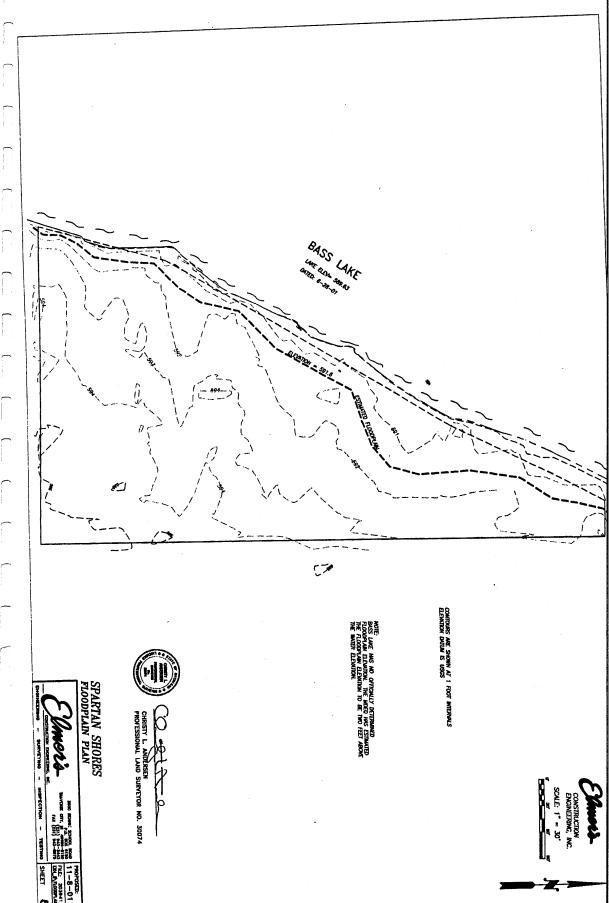
INSPECTION - TESTING

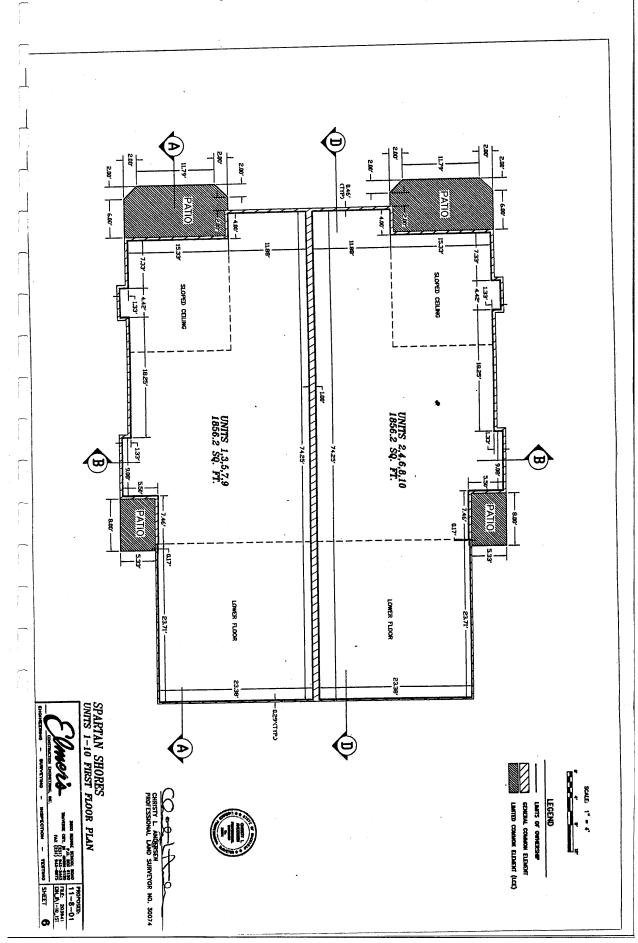
3600 RENNE SCHOOL FOAD F.O. BIX 6150 TRAVERSE CITY, MY 49594-6150 FAX (231) 943-8975

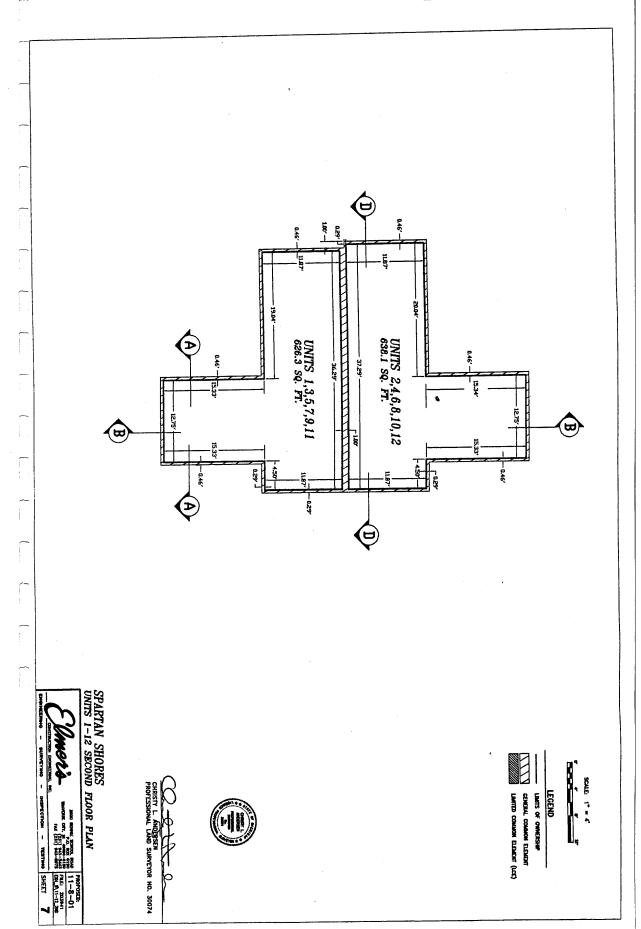


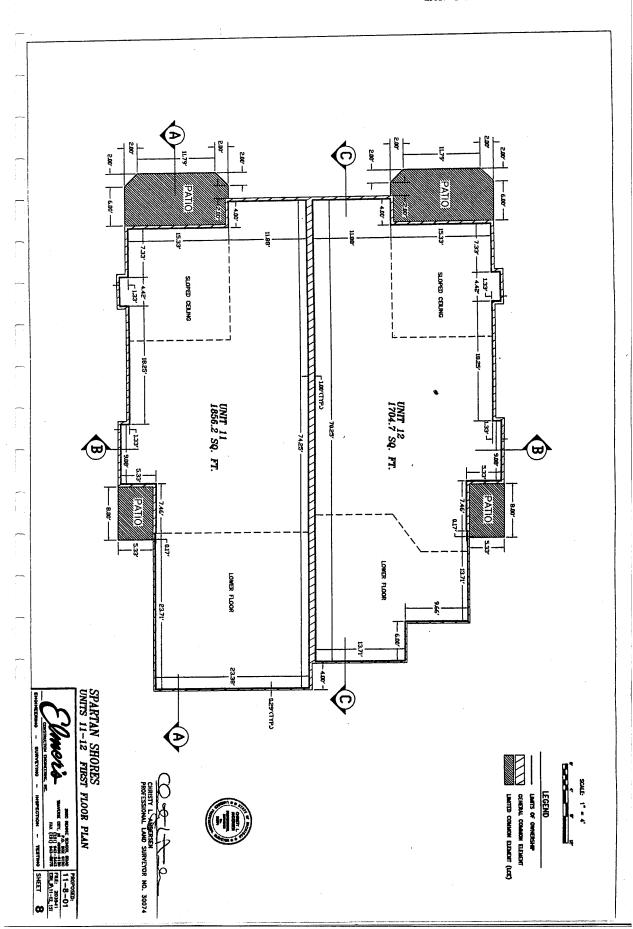


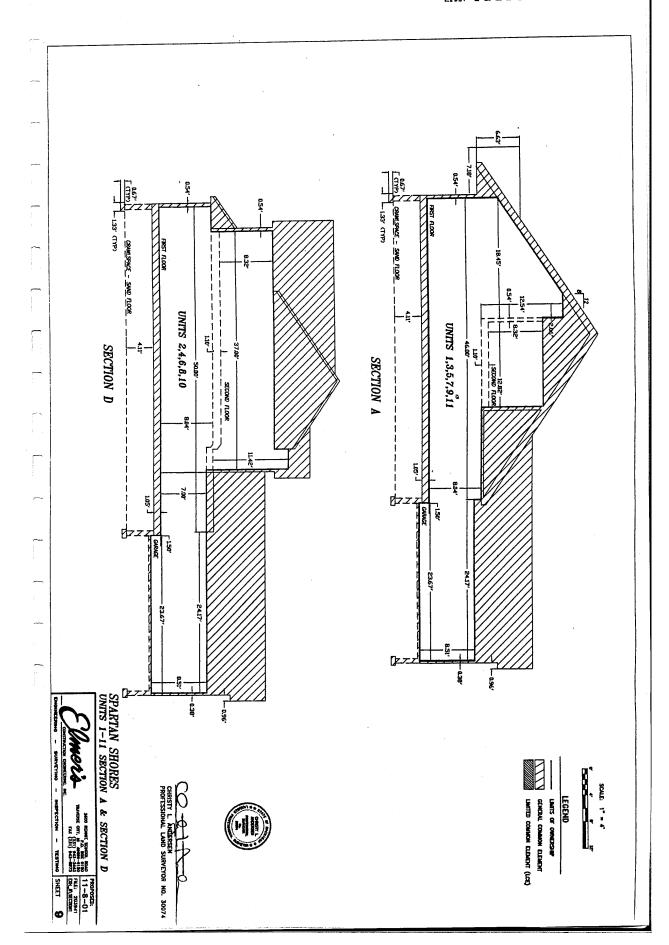


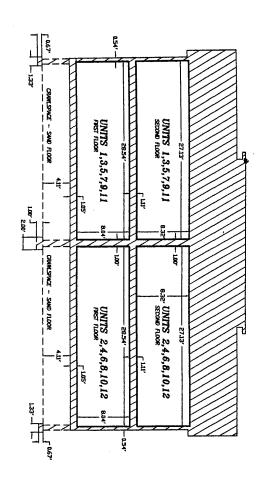








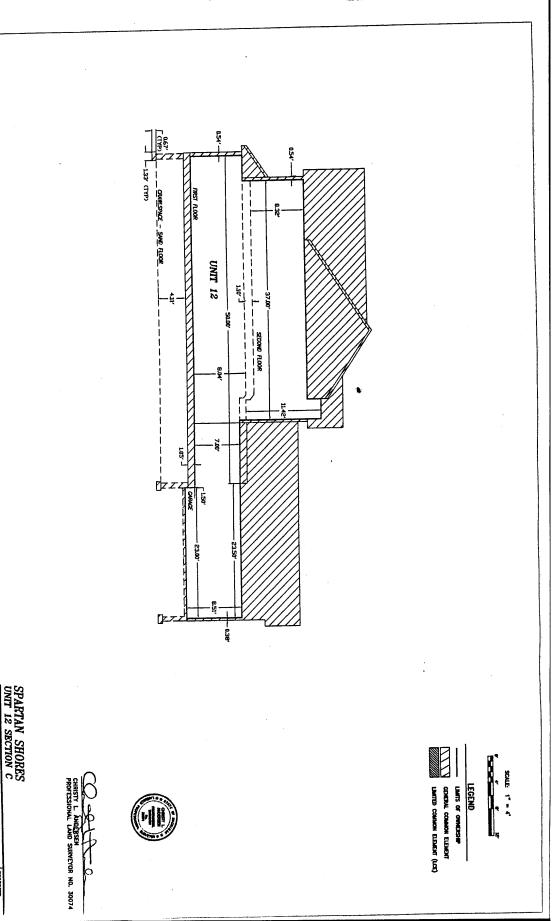






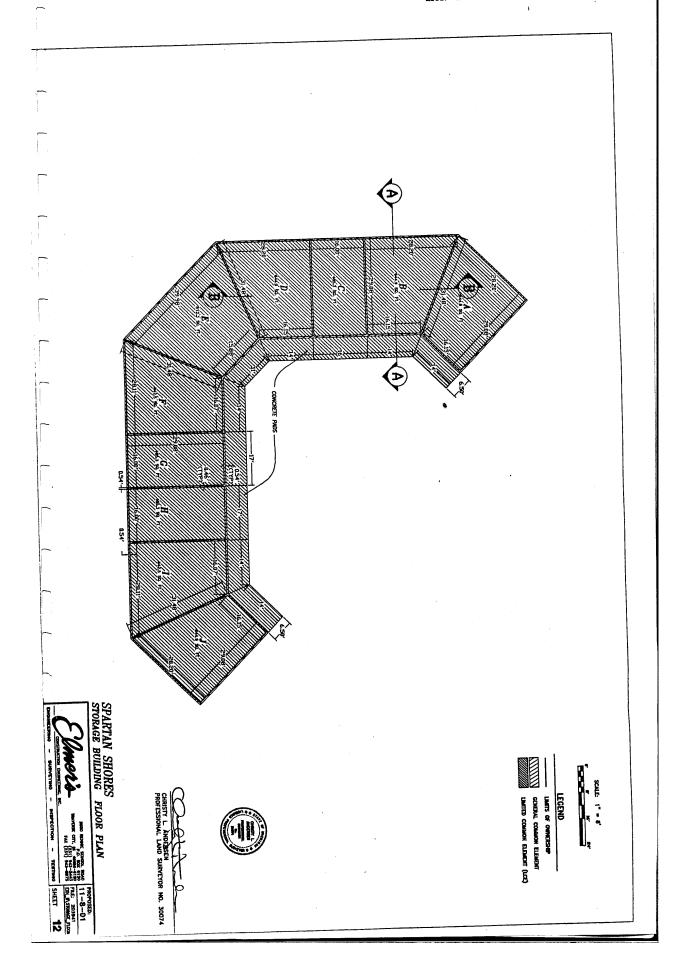


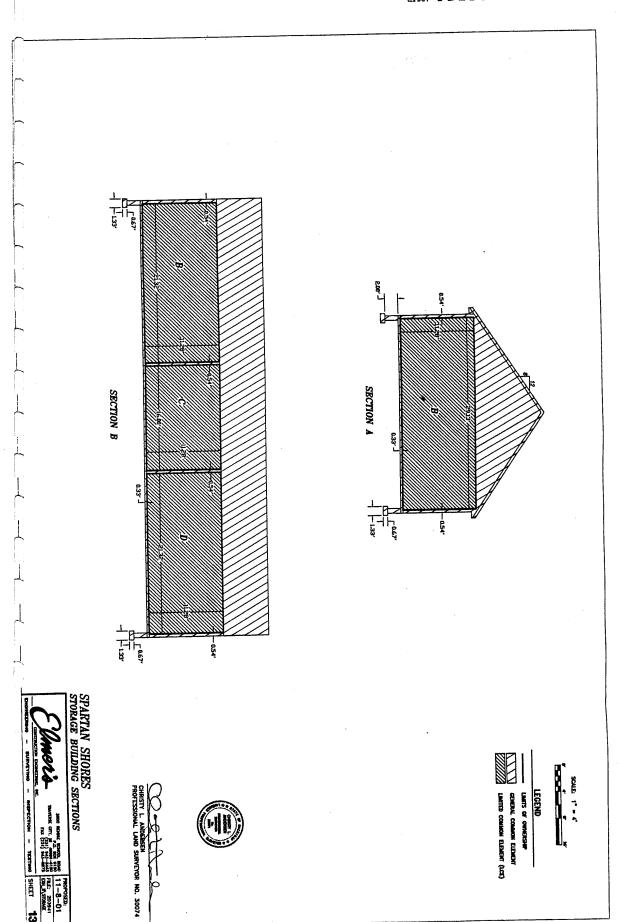




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PATTY NIEPOTH

Antrim County Register of Deeds

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Recorded

RECIPROCAL EASEMENT AND OPERATING AGREEMENT

THIS RECIPROCAL EASEMENT AND OPERATING AGREEMENT ("Agreement") is made this 3rd day of January, 2002, by and between MEADOWVIEW COMMONS CONDOMINIUM ASSOCIATION, a Michigan non-profit corporation of Traverse City, Michigan (hereinafter referred to as "Meadowview"); and SPARTAN SHORES CONDOMINIUM ASSOCIATION, a Michigan nonprofit corporation of Traverse City, Michigan (hereinafter referred to as "Spartan Shores"):

WITNESSETH:

WHEREAS, Meadowview is a non-profit corporation formed to manage, operate and control the common elements, covenants and restrictions, and other matters relating to Meadowview Commons, a condominium project located on the property more particularly described on Exhibit "A" attached hereto and made a part hereof ("Meadowview Property"); and

WHEREAS, Spartan Shores is a non-profit corporation formed to manage, operate and control the common elements, covenants and restrictions, and other matters relating to Spartan Shores, a condominium project located on the property more particularly described on Exhibit "B" attached herewith and made a part hereof ("Spartan Shores Property"); and

WHEREAS, the Meadowview Property and Spartan Shores Property are adjacent and contiguous to each other and, therefore, Meadowview and Spartan Shores desire to enter into this Agreement in order to provide for certain shared roadway access more particularly described on attached Exhibit "C", upon the terms and conditions hereinafter stated.

NOW, THEREFORE, in consideration of the premises and the mutual promises of the parties and the parties intending to be legally bound,

IT IS AGREED AS FOLLOWS:

1. Roadway Ingress/Egress Cost Sharing. Pursuant to reserved easement contained within the Master Deed for Meadowview, the Developer of Meadowview and his assigns (herein the Developer of Spartan Shores, its co-owners, guest and invitees) have a right of ingress and egress on and over the roadways owned by Meadowview. The parties agree that, where applicable and appropriate, there should be an equitable sharing of the costs of the common roadway repair, replacement, maintenance and snowplowing. It is agreed that Spartan Shores shall pay to Meadowview a portion of the cost for repair, replacement, maintenance and snowplowing of that portion of Golf View Lane located within Meadowview described on Exhibit "C" hereto based upon the following formula:

Meadowview shall invoice Spartan Shores on a monthly basis for Spartan Shores's share of the above costs as determined in accordance with the above formula, which invoice shall be paid within thirty (30) days of receipt.

- 2. <u>Non-Disturbance</u>. Each party's exercise of their respective rights and powers granted in this Agreement shall not substantially interfere with any activity conducted by the other party upon their property or such party's successors and assigns.
- 3. <u>Miscellaneous</u>. All of the terms and conditions of this Agreement shall be binding upon and inure to the benefit of the heirs, successors, administrators, legal representatives and assigns, as the case may be, of the parties hereto.
- 4. <u>Disputes</u>. In the event of a dispute between the parties which cannot be amicably resolved, the disputed matter shall be submitted to arbitration in the County of Grand Traverse in accordance with the then current and applicable rules for commercial arbitration through the American Arbitration Association. The arbitration shall be conducted by a single arbitrator, and each party shall share equally in the cost of said arbitration excepting that each party shall bear solely their individual legal costs. The award entered pursuant to said arbitration shall be final and binding on the parties and may be submitted by either party to a court of competent jurisdiction for entry as a final judgment regarding the matter in dispute.
- 5. <u>Applicable Law</u>. This Agreement, together with the rights, duties and obligations hereunder, shall be construed in accordance with the laws of the State of Michigan.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year above first provided.

ASSOCIATION

ASSOCIATION

By: 3 nuce 4, tevers

Its: Treasurer

Thomas E. Robb

SPARTAN SHORES CONDOMINIUM ASSOCIATION

MEADOWVIEW COMMONS CONDOMINIUM

Gail A. Holland

Signed in the Presence of:

Thomas E Robb

Robert M. Boeve

Its: Manager of Elk River Holding
Company, L.L.C. and President,
Spartan Shores Condominium

Association

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STATE OF MICHIGAN)	Liber 00599 Page 1260
County of) ss	
appeared the above-named Bruce G. Stev	e me a Notary Public in and for said County, personally ens Treasurer, President of MEADOWVIEW, to me known to be the same person who before me ged the same to be his/her free act and deed.
	Antrim Notary Public, Grand-Traverse County, MI My Commission Expires: DONALD FEDRIGON JR.
STATE OF MICHIGAN)) ss County of Grand Traverse	
On this 3rd day of January, 2002, before appeared the above-named Robert M.	Jaie a. Holland
	Gail A. Holland Notary Public, Grand Traverse County, MI My Commission Expires: 8-3-2005

Prepared in the Law Office of:

DONALD A. BRANDT, ESQ.

Brandt, Fisher, Alward & Roy. P.C.
1241 E. Eighth Street, P.O. Box 5817

Traverse City, Michigan 49696-5817 (231) 941-9660

W:\DAB\Condos\Spartan Shores\Recriprocal Easement.wpd December 19, 2001

EXHIBIT A

Meadowview Commons Condominium

Part of the Northwest ¼ of Section 22, Town 29 North, Range 9 West, Village of Elk Rapids, Antrim County, Michigan, more fully described as follows:

Commencing at the West quarter corner of said Section 22; thence N 20°45'13" E, 1726.95 feet to the centerline of Ames Street (Cairn Highway) and POINT OF BEGINNING; thence N 48°00'24" W, 298.53 feet; thence S 45°44'45" W, 100.00 feet; thence N 89°52'44" W, 315.97 feet, to a point on the West line of said Section 22; thence N 00°29'40" E, 669.40 feet, along said west section line; thence S 75°28'39" E, 221.34 feet; thence N 71°32'51" E, 188.21 feet; thence N 75°57'12" E, 88.27 feet; thence N 82°00'43" E, 134.88 feet; thence N 85°49'50" E, 119.49 feet; thence S 82°12'18" E, 146.63 feet; thence S 74°58'23" E, 74.16 feet; thence S 70°27'46" E, 50.00 feet, to said centerline of Ames Street; thence along said centerline for the following two courses:

S 19°32'14" W, 405.19 feet; thence 491.45 feet along a 1161.72 foot radius curve to the right (central angle = 24°14'17" chord bearing = S 31°40'05" W, chord dist = 487.79 feet) to the POINT OF BEGINNING.

Containing 13.917 Acres.

Subject to the Right-of-Way of Ames Street over the Easterly 50 feet thereof.

EXHIBIT B

Spartan Shores Condominium Property

Part of Government Lot 11, Section 21, Town 29 North, Range 9 West, Village of Elk Rapids, Antrim County, Michigan, described as:

Commencing at the East 1/4 corner of said Section 21; thence North 20°45'13" East, 1726.95 feet to the South line of Meadowview Commons, recorded in Liber 470, Page 1328; thence along said South line for the following three courses: North 48°00'24" West, 298.53 feet; thence South 45°44'45" West 100.00 feet; thence North 89°52'44" West, 315.97 feet to a point on the East line of said Section 21; thence North 00°29'40" East 18.44 feet along said East line to the POINT OF BEGINNING; thence North 89°03'07" West, 366.28 feet to a point on a traverse line along the shore of Bass Lake; thence along said traverse line for the following three courses: North 16°45'16" East, 150.23 feet; thence North 31°43'15" East, 376.59 feet; thence North 26°26'12" East, 202.05 feet; thence South 89°44'16" East, 40.58 feet; thence South 00°29'40" West 650.96 feet to the POINT OF BEGINNING.

Containing 3.18 acres.

Together with riparian rights to Bass Lake.

Together with a 40 foot wide easement for ingress, egress and the installation and maintenance of public and private utilities in part of the Northwest 1/4 of Section 22, Town 29 North, Range 9 West, Village of Elk Rapids, Antrim County, Michigan, the centerline of which is more fully described as follows:

Commencing at the West 1/4 corner of said Section 22; thence N 20° 45'13" E, 1726.95 feet to the centerline of Ames Street (Cairn Highway); thence along said centerline 161.97 feet along a 1161.72 foot radius curve to the left (central angle = 07° 59'17", cord bearing = N 39° 46'52" E chord length = 161.84 feet) to the POINT OF BEGINNING of said centerline; thence N 52° 28'27" W, 237.59 feet; thence 115.63 feet along a 150.00 foot radius curve to the left (central angle = 44° 09'57", chord bearing = N 74° 33'25" W, chord length = 112.78 feet); thence S 83° 21'36" W, 148.74 feet; thence 200.27 feet along a 125.00 foot radius curve to the right (central angle = 91° 47'57", chord bearing = N 50° 44'26" W, chord length = 179.53 feet); thence 63.86 feet along a 450.00 foot radius curve to the right (central angle = 08° 07'49", chord bearing = N 00° 46'33" W, chord length = 63.80 feet); thence N 83° 20'53" W, 126.15 feet to a point on the West line of said Section 22 and the POINT OF ENDING of said centerline.

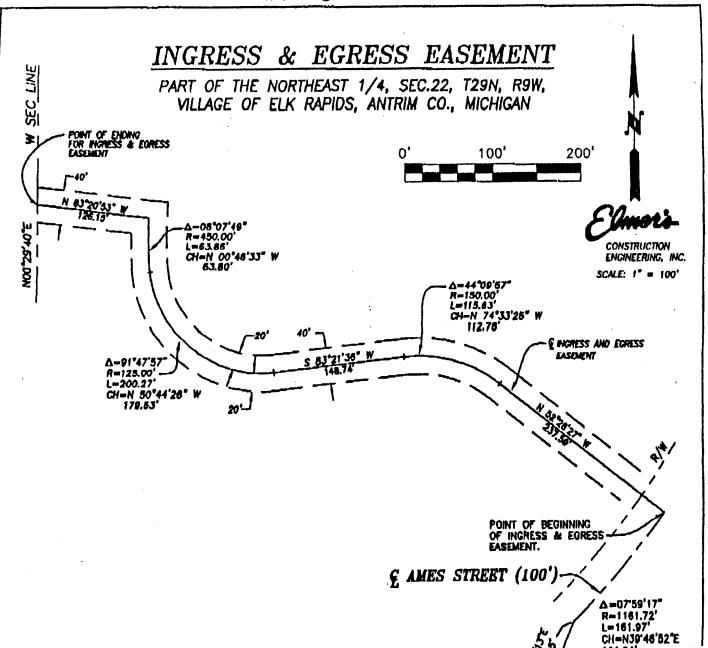
The sidelines of said easement to extend or shorten to meet at angle points and to begin at the Westerly Right-of-Way of Ames Street (Cairn Highway) and end at the West line of said Section 22.

Together with a 10' wide utility easement located in part of Government Lot 11, Section 21, Town 29 North, Range 9 West, Village of Elk Rapids, Antrim County, Michigan, the West line of which is more fully described as follows:

Commencing at the East 1/4 corner of said Section 21; thence N 20° 45'13 E, 1726.95 feet to the Southerly line of Meadowview Commons; thence along said line for the following three courses: N 48° 00'24" W, 298.53 feet; thence S 45° 44'45" W, 100.00 feet; thence N

89° 52'44"W, 315.97 feet; thence N 00° 29'40" E, 18.44 feet along the East line of said Section 21; thence N 89° 03'07" W, 211.24 feet to the POINT OF BEGINNING of said West line; thence N 03° 11'05" E, 76.64 feet; thence N 31° 51'54" E, 323.33 feet; thence S 83° 20'53" E, 39.55 feet to a point on the East line of said Section 21 and the POINT OF ENDING.

East line of said easement to extend or shorten to meet at angle points and end at the East Section line.



INGRESS AND EGRESS EA'

A 40 FOOT WIDE EAS' PUBLIC AND PRIVA' NORTH, RANGE S WHICH IS MOP'

COMMENC 1726,95 161.9' CH'

Michigan Department of Consumer and Industry Services

Filing Endorsement

This is to Certify that the ARTICLES OF INCORPORATION - NONPROFIT

for

SPARTAN SHORES CONDOMINIUM ASSOCIATION

ID NUMBER: 774936

received by facsimile transmission on January 4, 2002 is hereby endorsed Filed on January 4, 2002 by the Administrator.

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



hund und uffixed the Seal of the Department, in the City of Lansing, this 7th day of January, 2002.

In testimony whereof, I have hereunto set my

/ (/ , Director

Bureau of Commercial Services

Sent by Facsimile Transmission 02007

+2319419568

T-100 P.002/005 F-496

(A Non-Profit Domestic Corporation)

ARTICLES OF INCORPORATION

Of

SPARTAN SHORES CONDOMINIUM ASSOCIATION

These Articles of Incorporation are signed by the incorporators for the purpose of forming a non-profit corporation, pursuant to the provisions of Act 162, Public Acts of 1982 as follows:

ARTICLE I.

The name of the corporation is:

SPARTAN SHORES CONDOMINIUM ASSOCIATION.

ARTICLE IL

The purposes for which the Corporation is formed are as follows:

- (a) To manage, control and administer the common elements of **Spartan Shores**, a Condominium, (hereinafter called "Condominium") located in the City of Traverse City, County of Grand Traverse, and State of Michigan;
- (b) To levy and collect assessments against and from the members of the Corporation and to use the proceeds thereof for the purposes of the Corporation;
- (c) To carry insurance and to collect and allocate the proceeds thereof;
- (d) To rebuild improvements after casualty;
- (e) To contract for and employ persons, firms, or corporations to assist in management, operation, maintenance and administration of said Corporation;
- (f) To make and enforce reasonable regulations concerning the use and enjoyment of said Condominium:
- (g) To own, maintain and improve, and to buy, sell, convey, assign, mortgage, or lease (as landlord or tenant) any real and personal property, including, but not limited to, any Unit in the Condominium, for any purpose of providing benefit to the members of the Corporation and in furtherance of any of the purposes of the Corporation;
- (h) To borrow money and issue evidences of indebtedness in furtherance of any or all of the objects of its business; to secure by mortgage, pledge or other lien;

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- (i) To enforce the provisions of the Master Decd and Bylaws of the Condominium and of these Articles of Incorporation and such Bylaws and Rules and Regulations of this Corporation as may hereinafter be adopted;
- To do anything required of or permitted to it as administrator of said Condominium by the
 Condominium Master Deed or Bylaws or by Act No. 59 of Public Act of 1978, as amended;
 and
- (k) In general, to enter into any kind of activity, to make and perform any contract and to exercise all powers necessary, incidental or convenient to the administration, management, maintenance, repair, replacement and operation of said Condominium and to the accomplishment of any of the purposes thereof.

ARTICLE III.

Said corporation is organized upon a membership non-stock basis; the amount of assets which said corporation possesses is:

Real Property

Personal Property

None

None

Said corporation is to be financed under the following general plan:

Assessment of members.

ARTICLE IV.

The address of the initial registered office is 1503 Garfield Road North, Traverse City, Michigan 49686. The name of the initial resident agent at the registered office is Robert M. Boeve.

ARTICLE V.

The name and address of the incorporator is as follows:

Robert M. Boeve, 1503 Garfield Road North, Traverse City, MI 49686.

ARTICLE VI.

The names and addresses of the first Board of Directors are as follows:

Robert M. Boeve, 1503 Garfield Road North, Traverse City, MI 49686.

Ronnie Shaw, c/o 1503 Garfield Road North, Traverse City, MI 49686.

Wayne A. Sternberg, c/o 1503 Garfield Road North, Traverse City, MI 49686.

+2319419568

T-100 P.004/005 F-486

ARTICLE VII.

The term of corporate existence is perpetual.

ARTICLE VIII.

The qualification of members, the manner of their admission to the corporation, the termination of membership, and voting by such members shall be as follows:

- a. Each Co-owner (including the Developer) of a unit (lot) in the condominium shall be a member of the corporation, and no other person or entity shall be entitled to membership; except that the subscribers hereto shall be members of the corporation until such time as their membership shall terminate, as hereinafter provided.
- b. Membership in the corporation (except with respect to any non-Co-owner incorporators, who shall cease to be members upon the qualification for membership of any Co-owner) shall be established by acquisition of fee simple title to a unit (lot) in the condominium and by recording with the Register of Deeds in the county where the condominium is located, a deed or other instrument establishing a change of record title to such unit (lot) and the furnishing of evidence of same satisfactory to the corporation (except that the Developer of the condominium shall become a member immediately upon establishment of the condominium) the new Co-owner thereby becoming a member of the corporation, and the membership of the prior Co-owner thereby being terminated.
- c. The share of a member in the funds and assets of the corporation cannot be assigned, pledged, encumbered or transferred in any manner except as an appurtenance to his unit (lot) in the condominium.
- d. Voting by members shall be in accordance with the provisions of the Bylaws of this corporation.

ARTICLE IX.

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

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

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T-100 P.005/005 F-496

(f) for any act or omission that is grossly negligent.

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

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

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

The Corporation assumes all liability to any person other than the Corporation or its members for all acts or omissions of an Officer and Director incurred in the good faith performance of the Officer's or Director's duties.

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

I, the incorporator, sign my name this 3rd day of January, 2002.

dy.

Robert M. Boeve

W;\DAB\Condos\Spartan Shores\Condo Dous\Articles of Incorporation.wpd

ASSOCIATION BYLAWS

SPARTAN SHORES CONDOMINIUM ASSOCIATION

ARTICLE I.

ADOPTION OF CONDOMINIUM BYLAWS

The Bylaws of **SPARTAN SHORES**, a Condominium, (hereinafter known as the "Condominium Bylaws") as attached to the Master Deed and recorded in Liber 599, Pages 1218 through 1257, Antrim County Records, are hereby incorporated by reference and adopted in their entirety as a part of the Bylaws of this Association.

ARTICLE II.

MEETINGS

Section 1. 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 in accordance with Roberts' Rules of Order or some other generally recognized manual of parliamentary procedure, when not otherwise in conflict with the Articles of Incorporation, the Bylaws of the Condominium, the Condominium Master Deed or the laws of the State of Michigan.

Section 2. The First Annual Meeting of the Members of the Association shall be held in accordance with Article I, Section 8, of the Condominium Bylaws. The date, time, and place of the First Annual 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. Thereafter, the annual meetings of members of the Association shall be held in the Fall of each succeeding year at such time and place as shall be determined by the Board of Directors. At such meetings there shall be elected, by ballot of the Co-owners, a Board of Directors in accordance with the requirements of Article III of these Bylaws. The Co-owners may also transact at annual meetings such other business of the corporation as may properly come before them.

Section 3. 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 meetings 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 4. 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 found in the notice required to be filed with the Association by Article I, Section 3(e) of the Condominium Bylaws 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 5. If any meeting of Co-owners cannot be held because a quorum is not in attendance, the owners who are present may adjourn the meeting for a time not less than forty-eight (48) hours from the time the original meeting was called.

ARTICLE III.

BOARD OF DIRECTORS

Section 1. The affairs of the corporation shall be governed by a board of three (3) directors, all of whom must be members of the corporation, except for the first Board of Directors designated in the Articles of Incorporation of the Association. Directors shall serve without compensation.

Section 2. The first Board of Directors designated in the Articles of Incorporation shall manage the affairs of the corporation until a successor Board of Directors is elected at the first meeting of members of the corporation convened at the time required by Article II, Section 2, of these Bylaws. The term of office (except for the Board of Directors elected at the First Annual Meeting of members) of each director shall be one (1) year. The director shall hold office until his successor has been elected and hold their meeting.

Section 3. The Board of Directors shall have the following powers and duties:

- (i) Management and administration of the affairs of and maintenance of the Condominium Project and the common elements thereof.
- (ii) To collect assessments from the members of the Association and to use the proceeds thereof for the purposes of the Association.
- (iii) To carry insurance and collect and allocate the proceeds thereof.
- (iv) To rebuild improvements after casualty.
- (v) To contract for and employ persons, firms, corporations or other agents to assist in the management, operation, maintenance and administration of the Condominium Project.
- (vi) To acquire, maintain, and improve, and to buy, 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 and in furtherance of any of the purposes of the Association, including, but without limitation, the lease or purchase of any unit in the Condominium for use by a resident manager).
- (vii) To borrow money and issue evidences of indebtedness in furtherance of any and all of the purposes of the business of the Association, and to secure the same by mortgage, pledge, or other lien on property owned by the Association; provided, however, that any such action shall also be approved by an affirmative vote of more than seventy-five (75%) per cent of all the members of the Association, both in number and in value.
- (viii) To make rules and regulations in accordance with Article VI, Section 11, of the Condominium Bylaws.

- (ix) 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.
- (x) To make rules and regulations and/or enter into agreements with institutional lenders, the purpose of which is to obtain mortgage financing for the unit Co-owners.
- (xi) To enforce the provisions of the Condominium documents.

Section 4. Vacancies in the Board of Directors, including the first Board of Directors named in the Articles of Incorporation caused by any reason other than the removal of a director by a vote of the members of the Association, shall be filled by the vote of the majority of the remaining directors, even though they may constitute even less than a quorum. Each person so elected shall be a director until a successor is elected at the next annual meeting of the Association. Prior to the First Annual Meeting of members, the Developer may remove and replace any and/or all of the directors from time to time in its sole discretion.

Section 5. At any regular or special meeting of the Association duly called, any one or more of the directors may be removed with or without cause by a majority of the Co-owners and a successor may then and there be elected to fill the vacancy thus created. Any director whose removal has been proposed by the Co-owners shall be given an opportunity to be heard at the meeting.

Section 6. The first meeting of the 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 meeting such directors were elected and no notice shall be necessary to the newly elected directors in order legally to constitute such a meeting, providing a majority of the whole board shall be present.

Section 7. 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 set for such meeting.

Section 8. 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 one director.

Section 9. Before or at any meeting of the Board of Directors any director may, in writing, waive notice of such a meeting, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting 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 10. 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 be less than a quorum present, the majority of those present may adjourn the meeting from

time to time. At any such adjourned meeting, any such 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 the purposes of determining a quorum.

Section 11. The Board of Directors may require that all officers and employees of the Association handling and responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be expenses of administration.

ARTICLE IV.

OFFICERS

- Section 1. The principal officers of the Association shall be a president, who shall be a member of the Board of Directors, a vice-president, secretary, and a treasurer. Directors may appoint an assistant treasurer and an assistant secretary, and such other officers as, in their judgment, may be necessary. Any two offices, except that of president and vice-president, may be held by one person.
- Section 2. 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. Upon affirmative vote of the 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 of Directors called for such purpose.
- Section 4. The president shall be the chief executive officer of the Association. He shall preside at all meetings of the Association. 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.
- Section 5. The vice-president shall take the place of the president and perform his duties whenever the president shall be absent and unable to act. If neither the president nor the vice-president is able to act, the Board of Directors shall appoint some other member of the board to do so on an interim basis. The vice-president shall also perform such other duties as shall, from time to time, be imposed upon him by the Board of Directors.
- Section 6. The secretary shall keep the minutes of all the meetings of the Board of Directors and the minutes of all the meetings of the members of the Association; he shall have charge of the corporate seal and 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.
- Section 7. The treasurer shall have responsibilities for the Association's funds and securities and shall be responsible for keeping full and accurate account 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 made, from time to time, be designated by the Board of Directors.

Section 8. The officers shall have other duties, powers, and responsibilities as shall, from time to time, be authorized by the Board of Directors.

ARTICLE V.

SEAL

Section 1. The corporation shall have a seal which shall have inscribed thereon the name of the corporation, the words "corporate seal," and "Michigan."

ARTICLE VI.

FINANCE

- Section 1. The finances of the corporation shall be handled in accordance with the Condominium Bylaws.
- Section 2. The fiscal year of the corporation shall be an annual period commencing on such date as may be initially determined by the directors. The commencement date of the fiscal year shall be subject to change by the directors for accounting reasons or other good cause.
- Section 3. The funds of the corporation shall be deposited in such bank as may be designated by the Board of Directors 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.

ARTICLE VII.

INDEMNIFICATION OF OFFICERS AND DIRECTORS

Section 1. Every director and every officer of the corporation shall be indemnified by the corporation against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him in connection with any proceeding to which he may be a party or in which he may become involved, by reason of his being or having been a director or officer of the corporation, whether or not he is a director or officer at the time such expenses are incurred, except in such cases wherein the director or officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided that, in the event of any claim for reimbursement or indemnification hereunder, based upon a settlement by the director or officer seeking such reimbursement or indemnification, the indemnification herein shall apply only if the Board of Directors (with the director seeking reimbursement abstained) proves such settlement and reimbursement as being in the best interest of the corporation. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such director or officer may be entitled. At least ten (10) days prior to payment of any indemnification of which it has approved, the Board of Directors shall notify all Co-owners thereof.

ARTICLE VIII.

AMENDMENT

- Section 1. These Bylaws (but not the Condominium Bylaws) may be amended by the Association at a duly constituted meeting for such purpose, by affirmative vote of a simple majority of the Co-owners present in person, by proxy, or by written vote, as such vote is defined in Article I, Section 3(i) of the Condominium Bylaws.
- Section 2. Amendment 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 by one-third or more in number of the members of the Association, whether meeting is members or by instrument in writing signed by them.
- Section 3. Upon any such amendment being proposed, a meeting for consideration of the same shall be duly called in accordance with the provisions of Article II of these Bylaws.
- Section 4. Any amendment to these Bylaws shall become effective upon adoption of the same in accordance with Section I of Article VIII, without approval by the State of Michigan, and without recording same in the Office of the Register of Deeds.
- Section 5. A copy of each amendment to these Bylaws shall be furnished to every member of the Association after adoption.

ARTICLE IX.

COMPLIANCE

Section 1. These Bylaws are set forth to comply with the requirements of Act 162 of the Public Acts of Michigan of 1982, as amended, and Act 59 of the Public Acts of Michigan of 1978, as amended, with the duly recorded Master Deed of the Condominium and Exhibits "A" and "B" thereto. In the case any of these Bylaws conflict with the provisions of said statutes or with the provisions of said Master Deed or the exhibits thereto, provisions of the statute and said Master Deed shall be controlling.

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