

**M-72 RECREATIONAL STORAGE CONDOMINIUM ASSOCIATION  
P.O. Box 6611  
Traverse City, MI 49696**

September \_\_\_\_, 2019

To all Co-owners in M-72 Recreational Storage Condominium

Dear Unit Owner:

This letter is to advise you that M-72 Recreational Storage Condominium Association, as the Association of M-72 Recreational Storage Condominium (Grand Traverse County Subdivision Plan No. 182), intends to record a Consolidated Master Deed for M-72 Recreational Storage Condominium, which is attached hereto as **Exhibit "A"**.

The purpose of this Consolidated Master Deed is to consolidate the Master Deed and Condominium Bylaws and all amendments into a single document as provided for on the attachment. Our records indicate that you are an owner of a Unit in M-72 Recreational Storage Condominium and this notice is accordingly given to you pursuant to the requirements of Section 90(5) of the Michigan Condominium Act (Act No. 59 Public Acts of 1978) as amended.

Sincerely,

M-72 RECREATIONAL STORAGE CONDOMINIUM ASSOCIATION

George Kobernus  
President

# **EXHIBIT “A”**

**CONSOLIDATED MASTER DEED**

**FOR**

**M-72 RECREATIONAL STORAGE CONDOMINIUM**

GRAND TRAVERSE CONDOMINIUM SUBDIVISION PLAN NO. 182

**This Consolidated Master Deed amends, supplants in its entirety, and restates the Master Deed for M-72 Recreational Storage Condominium previously recorded on June 27, 2002, at Liber 1701, Page 977 et seq., as amended; and the Amended and Restated Master Deed for M-72 Recreational Storage Condominium previously recorded on November 14, 2005, at Document No. 2005C-00093; as amended by the First Amendment to Amended and Restated Master Deed recorded on May 21, 2013, at Document No. 2013C-00016; as amended by the Second Amendment to Amended and Restated Master Deed recorded on October 1, 2015, at Document No. 2015C-00073; and as amended by the Third Amendment to Amended and Restated Master Deed recorded on August 26, 2016, at Document No. 2016C-00032, Grand Traverse County Records.**

This Consolidated Master Deed is made and executed this \_\_\_\_ day of \_\_\_\_\_ 2019, by M-72 RECREATIONAL STORAGE CONDOMINIUM ASSOCIATION, a Michigan nonprofit corporation, whose address is P.O. Box 6611, Traverse City, Michigan 49696 (hereinafter referred to as the “Association”).

**FACTUAL BACKGROUND:**

- A. M-72 Recreational Storage Condominium LLC (the “Developer”) caused the Master Deed for M-72 Recreational Storage Condominium (the “Condominium”) to be recorded on June 27, 2002, in Liber 1701, Page 977, as amended
- B. The M-72 Recreational Storage Condominium Association caused an Amended and Restated Master Deed for M-72 Recreational Storage Condominium to be recorded on November 14, 2005, at Document No. 2005C-00093; as amended by the First Amendment to Amended and Restated Master Deed recorded on May 21, 2013, at Document No. 2013C-00016; as amended by the Second Amendment to Amended

and Restated Master Deed recorded on October 1, 2015, at Document No. 2015C-00073; and as amended by the Third Amendment to Amended and Restated Master Deed recorded on August 26, 2016, at Document No. 2016C-00032, Grand Traverse County Records ("Master Deed").

- C. Article VIII(a) of the Master Deed permits the Association to make amendments.
- D. The Association and all of the Co-owners desire by recording this Consolidated Master Deed, together with the Consolidated Condominium Bylaws attached hereto as Exhibit A, and the Condominium Subdivision Plan attached to the original Master Deed as Exhibit B (both of which are hereby incorporated by reference and made a part hereof), to establish the real property described in Article II below, together with the improvements located thereon, and the appurtenances thereto, as a condominium under the provisions of the Condominium Act, and as a User Association under Part 41 of the NREPA, both of the State of Michigan;

NOW, THEREFORE, upon the recording hereof, Developer establishes M-72 Recreational Storage Condominium as a condominium under the Condominium Act, and M-72 Recreational Storage Condominium Association as a User Association under Part 41 of NREPA and the Condominium Act and declares that each user and the User Association of the Condominium will be held, conveyed, hypothecated, encumbered, leased, rented, occupied, improved, or in any other manner utilized, subject to the provisions of said Act, and subject to the covenants, conditions, restrictions, uses, limitations, and affirmative obligations set forth in this Consolidated Master Deed and the Exhibits hereto, all of which will run with the land and shall be a burden and a benefit to the Association, its Co-owners, and any persons acquiring or owning an interest in the real property comprising M-72 Recreational Storage Condominium, or any unit therein, their grantees, successors, heirs, executors, administrators and assigns. The following govern and apply to the operation of M-72 Recreational Storage Condominium Association as a User Association under Part 41 of NREPA.

**ARTICLE I**  
**TITLE AND NATURE**

The plans and specifications for the Condominium were filed with Grand Traverse County Register of Deeds at Liber 1701, Pages 1004-1008. The User Association under Part 41 of NREPA is known as M-72 Recreational Storage Condominium Association. The Units and other improvements contained in the Condominium, including the number, boundaries and dimensions of each Unit therein are parts of M-72 Recreational Storage Condominium Association and are set forth in the Condominium Subdivision Plan attached as Exhibit B to the original Master Deed. The parts of this condominium that are specific to Part 41 of the NREPA, and the rules promulgated thereunder, are held jointly and severally by the M-72 Recreational Storage Condominium Association. Each building contains individual Units for storage purposes only. Each unit is capable of individual use, having its own entrance from, and exit to a Common Element of the Condominium. Each Co-owner in the Condominium shall have an exclusive right to the Unit owned and shall have undivided and inseparable rights to share with other Co-owners the Common Elements of the Condominium as designated by the Master Deed. Co-owners shall

have voting rights in the M-72 Recreational Storage Condominium Association, as set fourth herein, in the Consolidated Condominium Bylaws, and Articles of Incorporation of the Association. Additionally, each individual Unit has been created for purposes of use and development by its Co-owner as a single storage facility, and each Unit is capable of individual utilization of the services provided for by the M-72 Recreational Storage Condominium Association. Each Co-owner in the M-72 Recreational Storage Condominium Association will have an exclusive right to his/her/their Unit and will have joint and several rights to share with other Co-owners within the User Association as are designated by the Master Deed

## **ARTICLE II** **LEGAL DESCRIPTION**

The land which comprises the Condominium established by the original Master Deed and continuing in this Consolidated Master Deed is a parcel of land in the Township of Long Lake, Grand Traverse County, Michigan described as follows:

Part of the NE ¼ of Section 2, T 27 N, R 12 W, more fully described as: Commencing at the North quarter corner of said Section 2, thence N 88°17'30" E, 500.29 feet, along the north line of said Section 2; thence S 00°30'33" W, 1146.06 feet to the Point of Beginning; thence S 00°30'33" W, 428.44 feet; thence N 88°50'26" W, 256.71 feet, along the North 1/8 line of said Section 2; thence N 00°31'44" E, 425.53 feet; thence S 89°29'27" E, 256.55 feet to the Point of Beginning. Containing 2.52 acres.

Subject to rights-of-way, easements, restrictions, and reservations of record; and all governmental limitations, including (without limitation) such approvals as were made by Long Lake Township. The Condominium project may be adjacent to working farm land, and under the Michigan Right to Farm Act, all purchasers and future Co-owners of Units take subject to the rights of the adjacent farmers.

## **ARTICLE III** **DEFINITIONS**

Certain terms used in this Consolidated Master Deed and the Exhibits hereto, and in the Articles of Incorporation of the M-72 Recreational Storage Condominium Association are defined as follows:

- (a) The "Act" or "Condominium Act" means Act 59 of the Public Acts of Michigan of 1978, as amended.
- (b) "Association" means the Michigan nonprofit corporation, M-72 Recreational Storage Condominium Association, organized under Michigan law of which all Co-owners shall be members, which shall administer, operate, manage and maintain the Condominium and the facilities and improvements permitted under Part 41 of NREPA. Any action required of or permitted to the Association shall be exercisable by its Board of Directors unless specifically reserved to its members by the Condominium Documents or the laws of the State of Michigan.

- (c) "Bylaws" means Exhibit A hereto, which are the Bylaws required for the Condominium, and which are also the Bylaws of the Association, and which supplants in its entirety the original recorded Bylaws.
- (d) "Common Elements" means the portions of the Condominium other than the Condominium Units.
- (e) "Condominium" means M-72 Recreational Storage Condominium as a condominium established pursuant to the provisions of the Act, and includes the Association created by it and the land, all improvements thereon, and all easements, rights and appurtenances belonging to the Condominium.
- (f) "Condominium Documents," wherever used, means and includes this Consolidated Master Deed, the Exhibit(s) hereto, the Plans, the Articles of Incorporation, and any rules and regulations adopted by the Association.
- (g) "Condominium Subdivision Plan" or "Plan" means the Plan (that is, the drawings) previously recorded and attached to the original Master Deed as Exhibit B. The Plan assigned a number to each Condominium Unit and included a description of the nature, location and approximate size of certain Common Elements.
- (h) "Condominium Unit" or "Unit" means the space constituting a single complete Unit designed and intended for separate ownership and use in the Condominium as such space is described in Article VI of this Consolidated Master Deed and on Exhibit B to the Master Deed.
- (i) "Co-owner" means a person, firm, corporation, partnership, limited liability company, association, trust or other legal entity or combination thereof who or which owns one or more Units in the Condominium. Developer is a Co-owner as long as Developer owns one or more Units.
- (j) "Developer" means M-72 Recreational Storage Condominium, LLC, a Michigan limited liability company, and its successors or assigns, which made and executed the original Master Deed. The Developer turned over all aspects of the Condominium to the Association at the organizational meeting held on August 21, 2004, and the Condominium is now controlled by the Co-owners. All of Developer's rights and obligations are now assumed by the Association.
- (k) "General Common Elements" means the Common Elements other than the Limited Common Elements.
- (l) "Limited Common Elements" means a portion of the Common Elements reserved in this Consolidated Master Deed for the exclusive use of less than all of the Co-owners.

- (m) “Master Deed” means this document, as a consolidated version, and which supplants in its entirety the original recorded Master Deed, as amended.
- (n) “Mortgagee” means the named mortgagee or owner of any mortgage on all or any portion of the Condominium.
- (o) “Owner” means M-72 Recreational Storage Condominium Association, which has made and executed this Consolidated Master Deed and which shall be the permittee and legal owner of the facilities and improvements under Part 41 of NREPA, and its successors and assigns.
- (p) “Percentage of Value” means the percentage assigned to each Condominium Unit in this Consolidated Master Deed. The Percentages of Value of all Units shall total one hundred (100%) percent. The Percentages of Value shall be determinative only with respect to those matters to which they are specifically deemed to relate either in the Condominium Documents or in the Act.
- (q) “Person” means an individual, firm, corporation, partnership, association, trust, the State or an agency of the State or other legal entity, or any combination thereof.
- (r) “Corporation” means a professional corporation registered under the laws in the State of Michigan; a limited liability company registered under the law in the State of Michigan; a limited liability partnership registered under the law in the State of Michigan; or another form of partnership registered under law in the State of Michigan.
- (s) “Size” means the number of square feet of ground within each Condominium Unit computed by reference to the Plan and rounded off to a whole number.
- (t) “Transitional Control Date” means the date on which the Board of Directors of the Association takes office pursuant to an election in which, the votes which may be cast by eligible Co-owners unaffiliated with the Developer, exceed the votes which may be cast by the Developer. That date has already occurred as of the date of this Consolidated Master Deed.
- (u) “Unit or User Association Unit” each mean a single unit in the M-72 Recreational Storage Condominium Association Condominium, owned by and entered into agreement by a Co-owner.

**ARTICLE IV**  
**COMMON ELEMENTS**

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

- (a) The General Common Elements are:

- (1) **Land.** The land described in Article II hereof, excluding those portions within the boundaries of any Condominium Unit or defined as Limited Common Elements, all as described in Article VI hereof and shown on Exhibit B to the original Master Deed, but including easement interests of the Condominium in the property within the boundaries of any Unit;
  - (2) **Improvements.** The private drives, parking areas, all walkways, and unused open space within the Condominium; as well as utility rights-of-way, as indicated in the Condominium Subdivision Plan.
  - (3) Foundations, supporting columns. Unit exterior perimeter walls (including windows and doors, except the interior surface of the windows and doors located on the exterior walls), and exterior roofs and eaves;
  - (4) If any meter, appliance, or fixture services a Unit other than a Unit it is located within, then such meter, appliance or fixture shall be a General Common Element;
  - (5) The electrical, gas, and telephone (if any) networks or systems throughout the Condominium, up to the point of entry into each Unit.
  - (6) The common **sanitary sewer system** and **well water system** servicing the Condominium, including, without limitation, the mains thereof throughout the Condominium, up to the boundary of each Unit, as well as the mains located within the sewer easement thereof and for the location, operation and maintenance of the sanitary sewer system therein and the well pump and any housing thereto.
  - (7) The **beneficial easements** appurtenant to the Condominium to the extent of the interest of the Condominium, or the Co-owners in such easement, and specifically including the sewer and drainage easement.
  - (8) The interest of the M-72 Recreational Storage Condominium Association or the Co-owners in the improvements described in subparagraphs (6) and (7).
  - (9) All structures or improvements which are not otherwise specifically identified in this Article IV or the Plans as located within a Unit or as Limited Common Elements.
  - (10) Such other elements of the Condominium not herein designated as 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 Condominium.
- (b) The Limited Common Elements are those Common Elements limited in use to the Co-owners of the Unit they abut or to which they pertain. The Limited Common Elements are:

- (1) Areas in and around each Unit necessary to access a Unit or to temporarily park a vehicle or keep other personalty outside of a Unit; and
  - (2) Interior surfaces of all ceilings, floors, Unit interior perimeter walls and interior surfaces of the windows and doors which are limited to the sole use of the Co-owner of such Unit.
- (c) Maintenance, repair and replacement of all Common Elements shall be the responsibility and conducted at the exclusive control and direction of the Association. The costs of all maintenance, repair and replacement of all Common Elements to be assessed to all Co-owners according to their Percentages of Value, subject to the following:
- (1) The cost of repair or replacement of any Common Element damaged by a Co-owner or its employee, agent, contractor, family member, or invitee of a Co-owner (regardless of fault), shall be assessed by the Association against the Co-owner; and
  - (2) The cost to maintain, repair and replace Limited Common Elements shall be the expense of the Units the Limited Common Elements pertain, except for those costs specified in Article IV(c)(1).
- (d) In accordance with Section 72b of the Act, each Unit shall end at the uppermost extent, in a vertical plane, of the interior portions of the roofs and eaves, as shown in sheet #5 to the Plans. Therefore, the fee in the air space above that vertical plane shall remain as General Common Elements.

**ARTICLE IV-A**  
**SPECIAL MDEQ REQUIREMENTS FOR CERTAIN COMMON ELEMENTS**

- (a) **Responsibilities.** The respective responsibilities for the maintenance, repair and replacement of certain Common Elements are as follows:
- (1) **Co-owner Responsibilities for Units.** It is anticipated that separate storage units, water wells and sanitary sewer system will be located within the User Association land area. The construction of each well and sanitary sewer system will be the sole responsibility of the Co-owner(s) of the Unit(s) which are served and shall be performed strictly in accordance of the User Association rules/requirements and all applicable state, county and local public health and other statutes, regulations, rules and ordinances. Except as otherwise expressly provided, the responsibility for the sanitary sewer system, and the costs of maintenance, repair and replacement of any and all part of the sanitary sewer system, including by not limited to Units, dwellings, well and portion of the sanitary sewer facility appurtenant to each Unit will be jointly and severally borne by the sum of all Co-owners, which is served thereby. Each Co-owner of a Unit shall be responsible for payment of appropriate charges/fees made for the use of the sanitary sewer system and payment of appropriate charges/assessed fees made into perpetual escrow fund, as hereinafter described.

(2) **Association Responsibility for Sanitary Sewer System and Common Elements.**

The Association will be responsible for the initial construction and installation of the common sanitary sewer system (“Sewer System”), including without limitation mains and septic fields, to be located on-site within the sewer easement granted for such purposes. The Association shall thereafter be responsible for the maintenance, repair and ultimate replacement of the Sewer System, all of which shall be performed in strict conformance with all applicable statutes, ordinances, rules and regulations of the State of Michigan, Grand Traverse County, and other governmental units and agencies thereof having jurisdiction and the Condominium Documents. All costs of such maintenance, repair and/or replacement shall be the cost of administration of the Association.

(3) **Sewer System Easement.** M-72 Recreational Storage Condominium Association will be serviced by a sanitary sewer system constructed by the Association. The Association has therefore established a common sanitary sewer system, together with sanitary sewer mains leading to the Units. The Association will be responsible for the maintenance, repair and replacement of the Sewer System, including the mains located within the roadways within the Association, as well as those within the easement and the Sewer System.

(b) **Co-Responsibilities for the Perpetual Funding Mechanism for the Operation, Maintenance and Replacement of the Sewer System.**

(1) Each participating Co-owner will be responsible for payment of appropriate charges/fees for the use of the Sewer System services and payment of appropriate charges/assessed fees made into the perpetual escrow fund.

(i) A perpetual escrow fund shall be established and maintained solely for the use, operating, maintenance, and possible replacement of those elements of the Sewer System other than those elements defined herein as Limited Common Elements. This fund is established solely for the use by the owner/User Association in the event that the owner is otherwise unable to sufficiently operate and maintain the Sewer System. The escrow fund shall be separate from any other fund established and held for M-72 Recreational Storage Condominium.

(ii) The perpetual escrow fund shall be initially established for a two year amount of operation, maintenance and possible replacement of the Sewer System as was certified by a Michigan licensed engineer and review by the MDEQ for administrative completeness in the permit application process for a sanitary sewer system construction permit under the authority of Part 41 of the NREPA, 1994 PA 451, as amended. Additionally, not later than two years after the first day of operation of the Sewer System, this perpetual escrow fund shall be increased to the amount as was certified by the Michigan licensed engineer and review for

administrative completeness by the MDEQ for the 5 year amount of operating, maintenance and possible replacement of the Sewer System. This amount may be increased in the future as determined to be necessary by a Michigan licensed engineer; but shall never be decreased. If this fund is accessed for the sole purpose of operating, maintaining or completing necessary replacements of the Sewer System, notice shall be sent to the User Association and the MDEQ within 10 dates of the initial withdrawal. The notice to the User Association members shall include a description of the additional prorated fee for reimbursement of the escrow. Each Co-owner consents and agrees to pay a prorated amount of money into the escrow account as is necessary to fully replenish it to the required amount as identified herein, in the event the escrow funds or portion thereof are utilized for the operation, maintenance, repair, replacement or for other sewage treatment purposes of the entire Sewer System. The certified 5 year amount shall be achieved not later than 5 years from the date of the initial withdrawal.

- (2) Use of the Sewer System is for “household-type” use only (with all industrial and commercial uses being prohibited). The placement of waste into the Sewer System, other than for “household-type” use, is prohibited. Any costs borne by the User Association to pay for remediation due to the placement of harmful substances into the Sewer System shall be fully reimbursed by the person or persons, including Co-owner, that placed the harmful substance in the system.

#### **ARTICLE IV-B** **CONSENT TO SPECIAL ASSESSMENT DISTRICT**

- (a) **Permit.** The Sewer System will be established, constructed, owned, operated and maintained pursuant to, and subject to the provisions of Part 41 of the Michigan Natural Resources and Environmental Protection Act, MCLA 324.4101 et seq. (“Act 451”), as amended. Section 4105 of Act 451 requires that a permit be applied for by the owner and issued by the Michigan Department of Environmental Quality (“MDEQ”) prior to commencement of construction of the Sewer System.
- (b) **Municipality Requirements.** Long Lake Township may be required to undertake the operation and maintenance of the Sewer System at some time in the future if they have entered into such agreement with the Owner. Long Lake Township shall, in this case of agreement, undertake the operation and maintenance of the system in the event the Owner becomes insolvent or dissolves the association, corporation, LLC, LLP or partnership and is no longer able to operate the Sewer System and/or the User Association fails or refuses to undertake or complete any necessary repairs or maintenance. In consideration of, and as an inducement to, Long Lake Township’s action in approving a Resolution, an agreement has thereby required the Association to indemnify Long Lake Township for funds required to be expended by Long Lake Township with respect to the maintenance and operation of the Sewer System in the

future, and to consent to the establishment of a special assessment district (“SAD”) to recover such expenditures.

- (c) **Consent to Establishment of Special Assessment District (SAD).** The Association, and each of the Co-owners, on behalf of themselves and their respective heirs, devisees, personal representatives, successors and assigns, and with the express intent to bind, and run with, their respective Units and the User Association Condominium in perpetuity, hereby irrevocably consent to choose to grant the Owner the authority to assess a user fee to each Unit to be paid in monthly payments to the Owner at the rate proportionate to each Unit based upon the gallons of waste water generated and sent to the Sewer System, or water SAD, granting the owner the authority to assess the user fee as indicated above until such time that the municipality may need to assume representatively for operation and maintenance of the Sewer System. This establishment shall be the User Association Premises for the SAD. In connection therewith, the Association, its officers, directors, and members covenant and agree to enter into, and execute, any and all documentation from time to time determined by the Municipality and its attorneys to be necessary for the establishment of such SAD.
- (d) **Indemnification; Assignment of Lien Rights.** In connection with the foregoing, the Co-owners authorize and empower the Association’s President and Vice President, or any of them, to enter into and execute such indemnification agreement or agreements as may be required by Long Lake Township to evidence the indemnity undertaking of the Association hereunder. Further, the Association shall be deemed to have collaterally assigned to Long Lake Township the Association’s lien rights under the Condominium Documents, for the Township in carrying out any future undertaking with respect to the operation and maintenance of the wastewater treatment system, if for any reason the contemplated SAD is not established, or if established, is determined to be invalid.

## **ARTICLE V** **USE OF PREMISES**

No person shall use any Unit or the Common Elements in any manner inconsistent with the purposes of the Condominium or in any manner which will interfere with or impair the rights of any other Co-owner in the use and enjoyment of the Condominium. No Unit shall be used as a permanent or temporary dwelling place. **The use restrictions outlined more fully in the Condominium Bylaws, Exhibit A, shall be complied with by every Co-owner and their invitees and guests.**

## **ARTICLE VI** **CONDOMINIUM UNIT DESCRIPTION** **AND PERCENTAGE OF VALUE**

- (a) The Condominium consists of nineteen (19) storage Units which shall be located in two stand alone buildings. The basic development plan is appended as Sheet #3 of the Plans. Each Unit is described in this paragraph with reference to the Condominium Subdivision Plan attached to the original Master Deed as Exhibit B, as amended herein. Each Unit

shall include all that space contained within the interior sides of the perimeter walls (including all doors and windows), and within the ceilings and finished floor, all as shown on the Plan and specifically excluding all Common Elements. For all purposes, individual Units may hereafter be defined and described by reference to this Consolidated Master Deed and the individual number assigned to the Unit in the Plan. The Plans were prepared by Elmer's Construction Engineering, Inc., 3600 Rennie School Road, P.O. Box 6150, Traverse City, Michigan 49696. The site design (including engineering) was prepared by Wells-Mansfield as to the community water and septic treatment systems.

- (b) For all purposes, individual Units may hereafter be defined and described by reference to this Consolidated Master Deed and the individual number assigned to the Unit in the Plan.
- (c) The Percentage of Value assigned to each Unit is set forth below and shall be determinative of the proportionate share of each respective Co-owner in the proceeds and expenses of the Association, the value of such Co-owner's vote at meetings of the Association, and the undivided interest of the Co-owner in the Common Elements. The total Percentage of Value of the Condominium is 100%. All Units continue to be assigned an equal Percentage of Value because all Units are expected to have equal allocable expenses or maintenance. **Each Unit shall have a 5.2632 Percentage of Value.** Developer previously rounded off percentages and made minor adjustments to achieve a total of 100%.

## **ARTICLE VII**

### **EASEMENTS, RESTRICTIONS AND AGREEMENTS**

The Condominium is subject to the following easement, restrictions and agreements;

- (a) The Association hereby reserves permanent non-exclusive easements for ingress and egress over the drives, parking areas, and walks, if any, in the Condominium and permanent easement to use, tap into, enlarge or extend all drives, parking areas, walks and utility lines in the Condominium, including without limitation, all communications, water, gas, electric, storm and sanitary sewer lines, and any pumps, sprinklers or water retention areas.
- (b) The Association reserves the right and power to grant easements over, or dedicate, portions of any of the Common Elements for utility, conservation, drainage, street, safety or construction purposes, and all persons acquiring any interest in the Condominium shall be deemed irrevocably to have appointed the president of the Association as their attorney-in-fact to make such easements or dedications.
- (c) In the event any portion of a Unit of Common Element encroaches upon another Unit or Common Element due to shifting, settling, moving of a building, survey errors, or construction deviations, reconstruction or repair, reciprocal easements shall exist for the maintenance of such encroachment for as 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 walls (including interior Unit walls) contained therein for the installation, maintenance and servicing of all utilities in the Condominium, including, but not limited to, lighting, heating, power, sewer, water and communications (including telephone and cable television) lines. There shall exist easements of support with respect to any Unit interior wall which supports a Common Element.

(d) All Co-owners of Units agree that the reserved easements herein are reasonable and necessary and, further, that the rights described in Section 40 of the Act - requiring consent at the time of easement or encroachment is sought - shall not apply to this development.

(e) In addition, the following easements required by MDEQ shall exist:

**Section 1. Easement for Maintenance of Utilities.** There will be easements to, through and over those portions of the Units for the continuing maintenance and repair for all utilities up to the point of connection with the Unit.

**Section 2. Easement for Maintenance of Dwellings.** The Users in, or the M-72 Recreational Storage Condominium Association are granted easements on and over all Units, for the purpose of enforcing, and carrying out all acts necessary or appropriate to the enforcement of the M-72 Recreational Storage Condominium Association's rules and restrictions.

**Section 3. Grant of Easements by Association.** The M-72 Recreational Storage Condominium Association, acting through its lawfully constituted Board of Directors is empowered and obligated to grant such easements, licenses, right-of-entry, and rights-of-way over, under, and across M-72 Recreational Storage Condominium Association premises for utility purposes, access purposes or other lawful purposes as may be necessary for the benefit of the M-72 Recreational Storage Condominium Association. No easements created under the Master Deed or M-72 Recreational Storage Condominium Association documents may be modified or obligations with respect thereto varied without the consent of each affected User.

**Section 4. Easements for Maintenance, Repair and Replacement.** The M-72 Recreational Storage Condominium Association and all public or private utilities shall have such easements as may be necessary over the M-72 Recreational Storage Condominium Association premises, including all Units and Common Elements to fulfill any responsibilities of maintenance, repair or replacement which they are required or permitted to perform under the M-72 Recreational Storage Condominium Association documents.

**Section 5. Sewer System Easement.** M-72 Recreational Storage Condominium Association will be serviced by a sanitary sewer facility constructed by the Association. The Association has therefore established an on-site common sanitary sewer system, together with sanitary sewer mains leading from the M-72 Recreational Storage Condominium Association to the wastewater treatment site. The Association will be

responsible for the maintenance, repair and replacement of the Sewer System, including the mains located within the roadways within the Association, as well as those within the easement and the wastewater treatment site.

### **ARTICLE VIII** **AMENDMENTS**

This Consolidated Master Deed and any Exhibit hereto may be amended in the following manner:

- (a) Amendments may be made and recorded by the Association.
- (b) If the amendment will materially change the rights of the Co-owners or Mortgagees, then such amendment requires the consent of not less than two-thirds (2/3) in value of the votes for each mortgage held.
- (c) Notwithstanding subparagraph (b) above, but subject to the limitation of subparagraph (d) below, the Association (acting through its Board of Directors) reserves the right to amend this Consolidated Master Deed or any of its Exhibits for any of the following purposes without the consent of Co-owners or Mortgagees;
  - 1. To correct arithmetic errors, typographical errors, survey errors, or any similar errors in the Consolidated Master Deed, Plan or Consolidated Condominium Bylaws;
  - 2. To clarify or explain the provisions of the Consolidated Master Deed or its Exhibits;
  - 3. To comply with the Act or rules promulgated thereunder, with any requirements of any governmental or quasi-governmental agency, requirements of any financing institution providing or proposing to provide a mortgage on any Unit, or to satisfy the title requirements of any title insurer insuring or proposing to insure title to any Unit; and
  - 4. To make, define or limit easements affecting the Condominium.
- (d) Notwithstanding any other provision of this Article VIII, the method or formula used to determine the Percentages of Value for Units in the Condominium, as described above, may not be modified without the consent of each affected Co-owner and Mortgagee. A Co-owner's Condominium Unit dimensions or appurtenant Limited Common Elements may not be modified without the Co-owner's consent.
- (e) **Termination, Vacation, Revocation or Abandonment.** The M-72 Recreational Storage Condominium Association may not be terminated, revoked, or abandoned without the written consent of two-thirds (66.67%) of all Co-owners and Mortgagees.

**ARTICLE IX**  
**ASSIGNMENT**

Any or all of the rights and powers granted or reserved to the Developer in the Condominium Documents or by law (including the power to approve or disapprove any act, use or proposed action or any other matter or thing) has been assigned by Developer to the Association.

**ARTICLE X**  
**INTERPRETATION**

The Articles of Incorporation, Bylaws and any rules and regulations of the Association shall be interpreted by the Board of Directors. Any such interpretation of the Board of Directors which is rendered in good faith shall be final, binding and conclusive if the Board of Directors receives a written opinion of legal counsel of the Association, or that the interpretation is not unreasonable, which opinion may be rendered before or after the interpretation is adopted by the Board of Directors. Notwithstanding any rule of law to the contrary, the provisions of this Consolidated Master Deed and the Articles, Bylaws and Rules and Regulations of the Association shall be liberally construed so as to effectuate the purposes herein expressed with respect to the efficient operation of the Association and the preservation of the values of the Units and the protection of the Association's rights, benefits and privileges herein contemplated.

**ASSOCIATION:**

M-72 RECREATIONAL STORAGE  
CONDOMINIUM ASSOCIATION, a  
Michigan nonprofit corporation

---

By: George Kobernus  
Its: President

STATE OF MICHIGAN                    )  
  ) ss.  
COUNTY OF GRAND TRAVERSE)

Acknowledged on the \_\_\_\_\_ day of \_\_\_\_\_ 2019, before me personally appeared George Kobernus, President of M-72 RECREATIONAL STORAGE CONDOMINIUM ASSOCIATION, a Michigan nonprofit corporation, the organization

described in and which executed the foregoing instrument, and that he signed his name thereto as and for his voluntary act and deed and as and for the voluntary act and deed of said organization.

\_\_\_\_\_  
\_\_\_\_\_, Notary Public  
\_\_\_\_\_ County, MI  
Acting in Grand Traverse County, Michigan  
My Commission Expires: \_\_\_\_\_

**Prepared by/Return to:**

David H. Rowe, Esq.  
Alward, Fisher, Rice, Rowe & Graf PLC  
202 E. State Street, Suite 100  
Traverse City, MI 49684  
(231) 346-5400

W:\M-72 Recreational Storage Condo Assoc\Association Matters\Consolidated Master Deed 9-23-19.docx

**EXHIBIT A TO CONSOLIDATED MASTER DEED**

**CONSOLIDATED CONDOMINIUM BYLAWS**

**ARTICLE I**  
**ASSOCIATION OF CO-OWNERS**

M-72 Recreational Storage Condominium, a storage condominium located in Grand Traverse County, Michigan, shall be administered by an Association of Co-owners. The Association shall be a nonprofit corporation organized under the applicable laws of the State of Michigan. The Association shall be responsible for the management, maintenance, operating and administration of the Common Elements, easements and affairs of the Condominium in accordance with the Condominium Documents and the laws of the State of Michigan.

These Consolidated Bylaws shall constitute both the Bylaws referred to in the Consolidated Master Deed and required by Section 3(g) of the Act and the Bylaws provided for under the Michigan Nonprofit Corporation Act. Each Co-owner shall be entitled to membership, but no other person or entity shall be entitled to membership.

The share of a Co-owner in the lands and assets of the Association cannot be assigned, pledged or transferred in any manner except as an appurtenance to the Co-owner's Unit. The Association shall keep current copies of the Master Deed, all amendments to the Master Deed, and other Condominium Documents for the Condominium available at reasonable hours to Co-owners, prospective purchasers and prospective mortgagees of Units in the Condominium. The Association, all Co-owners in the Condominium and all persons using or entering upon or acquiring any interest in any Unit therein or the Common Elements thereof shall be subject to the provisions and terms set forth in the aforesaid Condominium Documents. All terms used herein shall have the same meaning as set forth in the Consolidated Master Deed to which these Consolidated Bylaws are attached as an Exhibit or as set forth in the Act.

**ARTICLE II**  
**ASSESSMENTS**

The Association's levying of assessments against the Units and collection of such assessments from the Co-owner in order to pay the expenses arising from the management, administration and operating of the Association shall be governed by the following provisions.

Section 1. Taxes Assessed on Personal Property Owned or Possessed in Common. 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 1a. Capital Contribution. Each Co-owner, at the time title is transferred to the Co-owner, shall pay a one-time non-refundable capital contribution to the Association in an amount established by the Board of Directors. Said capital contributions may be used for any purpose of the Association at the discretion of the Board of Directors including to pay for expenses of administration and/or for funding capital reserve funds.

Section 2. Receipts and Expenditures Affecting Administration. Expenditures affecting administration of the Condominium shall include all costs incurred in satisfaction of any liability arising within, caused by or connected with the Common Elements or the administration of the Condominium. Receipts affecting administration of the Condominium shall include all sums received by the Association as proceeds of, or pursuant to, a policy of insurance securing the interests of the Co-owners against liabilities or losses arising within, or caused by or connected with, the Common Elements or the administration of the Condominium.

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

(a) The Annual Budget and Regular Assessments. The Board of Directors of the Association shall establish an annual budget in advance for each fiscal year and such budget shall project all expenses for the forthcoming year which may be required for the proper operation, management and maintenance of the Condominium, including a reasonable allowance for Contingencies and reserves. Upon adoption of an annual budget by the Board of Directors, copies of the budget shall be delivered by mail or electronically sent to each Co-owner and the assessment for said year shall be established based upon said budget, although the failure to deliver a copy of the budget to each Co-owner shall not affect or in any way diminish the liability of any Co-owner for any existing or future assessments. 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 payments as set forth in Section 5 below rather than by special assessments. At a minimum, the reserve fund shall be equal to 10% of the Association's current annual budget (excluding that portion of the budget allocated to the reserve fund itself) on a non-cumulative basis. Since the minimum standard required by this subparagraph may prove to be inadequate, the Association should carefully analyze the Condominium to determine if a greater amount should be set aside, or if additional reserve funds, should be established for other purposes from time to time. The Board of Directors shall annually consider the needs of the Condominium to determine if a greater amount should be set aside in reserve or if additional reserve funds should be established for any other purposes. The regular Association assessments provided in this Article II, Section 3(a) shall be levied in the sole discretion of the Board of Directors.

(b) Special Assessments. Special assessments, in addition to those required in subparagraph (a) above, may be made by the Board of Directors from time to time and approved by the Co-owners as hereinafter provided to meet other appropriate requirements of the Association. Special assessments referred to in this subparagraph (b) shall be levied only with the prior approval of more than 60% of all Co-owners in value. The discretionary authority of the Board of Directors to levy assessments pursuant to this subparagraph shall rest solely with

the Board of Directors for the benefit of the Association and the members thereof, and shall not be enforceable by any creditors of the Association or of the members thereof.

Section 4. Apportionment of Assessments. Unless otherwise provided herein or in the Consolidated Master Deed, all assessments levied against Co-owners to cover expenses of management, administration and operation of the Condominium shall be apportioned among and paid by the Co-owners in accordance with the Percentage of Value assigned to each Unit in Article VI of the Consolidated Master Deed.

Section 5. Payment of Assessments and Penalty for Default. Annual assessments as determined in accordance with Article II, Section 3(a) above shall be payable by Co-owners in installments, commencing with acceptance of a deed to or a land contract vendee's interest in a Unit, or with the acquisition of fee simple title to a Unit by any other means. The payment of an assessment shall be in default if such assessment, or any part thereof, is not paid to the Association in full on or before the due date for such payment. Each installment in default for ten (10) or more days shall bear interest from the initial due date thereof at the rate of 7% per annum until each installment is paid in full. The Board of Directors may also adopt uniform late charges pursuant to Section 9 of Article VI of these Consolidated Bylaws. Each Co-owner (whether one or more persons) shall be, and remain, personally liable for the payment of all assessments (including interest, late charges and costs of collection and enforcement of payment) levied against the Unit which may be levied while such Co-owner is the owner thereof, except a land contract purchaser from any Co-owner (including Developer) shall be so liable and the land contract seller shall not be personally liable for all such assessments levied up to and including the date upon which, if applicable, such land contract seller actually takes possession of the Unit following extinguishment of all rights of the land contract purchaser in the Unit. Payments on account of installments of assessments in default shall be applied as follows, first, to costs of collection and enforcement of payment, including reasonable attorneys' fees; second, to any interest and other charges for late payment on such installments; and third, to installments in default in order of their due dates. A Co-owner selling a Unit shall not be entitled to any refund whatsoever from the Association with respect to any reserve, account or other asset of the Association.

Section 6. Effect of Waiver of Use or Abandonment of Unit. A Co-owner's waiver of the use or enjoyment of any of the Common Elements or abandonment of the Co-owner's Unit shall not exempt the Co-owner from liability for the Co-owner's contribution toward the expenses of administration.

Section 7. Enforcement.

(a) Remedies. In addition to any other remedies available to the Association, the Association may enforce collection of delinquent assessments by a suit at law for a money judgment or by foreclosure of the statutory lien that secures payment of assessments. In the event of default by any Co-owner in the payment of any installment of the annual assessment levied against the Co-owner's 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 utilities or other services to a Co-

owner in default upon seven (7) days' written notice to such Co-owner of its intention to do so. A Co-owner in default shall not be entitled to vote at any meeting of the Association so long as such default continues. In a judicial foreclosure action, a receiver may be appointed to and empowered to take possession of the Unit (if the Unit is not occupied by the Co-owner) and to lease the Unit and collect and apply the rental therefrom. All of these remedies shall be cumulative and not alternative.

(b) Foreclosure Proceedings. Each Co-owner, and every other person who from time to time has any interest in the Condominium, shall be deemed to have granted to the Association the unqualified right to elect to foreclose the statutory lien that secures payment of assessments either by judicial action or by advertisement. The provisions of Michigan law pertaining to foreclosure of mortgages by judicial action and by advertisement, as the same may be amended from time to time, are incorporated herein by reference for the purposes of establishing the alternative procedures to be followed in lien foreclosure actions and the rights and obligations of the parties to such actions. Further, each Co-owner and every other person who, from time to time has any interest in the Condominium shall be deemed to have authorized and empowered the Association to sell or cause to be sold the Unit with respect to which the assessment(s) is or are delinquent to receive, hold and distribute the proceeds of such sale in accordance with the priorities established by Michigan law. The Association, acting on behalf of all Co-owners, may bid at the foreclosure sale, and acquire, hold, lease, mortgage, or convey the Unit sold.

(c) Notice of Action. The Association may not commence proceedings to foreclose a lien for unpaid assessments without recording and serving a notice of lien in the following manner:

(i) The notice of lien shall set forth the legal description of the Condominium Units to which the lien attaches, the name of the Co-owner of record thereof, the amount due the Association as of the date of the notice, exclusive of interest, costs, attorney fees and future assessments.

(ii) The notice of lien shall be in recordable form, executed by an authorized representative of the Association, and may contain such other information as the Association deems appropriate.

(iii) The notice of lien shall be recorded in the office of the register of deeds in the county in which the Condominium is situated and shall be served upon the delinquent Co-owner by first class mail, postage prepaid, addressed to the last known address of the Co-owner at least ten (10) days in advance of the commencement of the foreclosure proceedings.

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

Section 8. Liability of Mortgage. Notwithstanding any other provisions of the Condominium Documents, if the mortgagee of a first mortgage of record or other purchaser of a Condominium Unit obtains title to the Condominium Unit as a result of foreclosure of the first mortgage, such person, its successors and assigns, is not liable for the assessments by the Association chargeable to the Unit which became due prior to the acquisition of title to the Unit by such person and the expiration of the period of redemption from such foreclosure. The unpaid assessments are deemed to be common expenses collectible from all of the Condominium Unit Co-owners, including such persons, its successors and assigns.

Section 9. Unpaid Assessments Due on Unit Sale; Statement of Unpaid Assessments. Upon the sale or conveyance of a Condominium Unit, all unpaid assessments against the Condominium Unit shall be paid out of the sale price or by the purchaser in preference over any other assessments or charges of whatever nature except (a) amounts due the State of Michigan or any subdivision thereof for taxes or special assessments due and unpaid on the Unit and (b) payments due under first mortgages having priority thereto. A purchaser of a Condominium Unit is entitled to a written statement from the Association setting forth the amount of unpaid assessments outstanding against the Unit and the purchaser is not liable for unpaid assessments in excess of the amount set forth in such written statement, nor shall the Unit be subject to any lien for any amounts in excess of the amount set forth in the written statement. Any purchaser or grantee who fails to request a written statement from the Association as provided herein at least five days before the sale, or to pay any unpaid assessments against the Unit at the closing of the Unit purchase if such a statement was requested, shall be liable for any unpaid assessments against the Unit together with interest, costs, and attorney's fees incurred in connection with the collection thereof.

Section 10. Property Taxes and Special Assessments. All property taxes and special assessments levied by any public taxing authority shall be assessed in accordance with Section 131 of the Act.

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

### **ARTICLE III** **JUDICIAL ACTIONS AND CLAIMS**

Actions on behalf of and against the Co-owners shall be brought in the name of the Association. The Association may assert, defend or settle claims on behalf of all Co-owners in connection with the Common Elements of the Condominium. The commencement of any such civil action (other than one to enforce or collect delinquent assessments) shall require the approval of a majority in value of the Co-owners.

## **ARTICLE IV** **INSURANCE**

Section 1. Extent of Coverage. The Association shall carry fire and extended coverage vandalism and malicious mischief and liability insurance, and worker's compensation insurance, if applicable, pertinent to the ownership, use and maintenance of the Common Elements, and such other insurance as the Board of Directors deems advisable, and all such insurance shall be carried and administered in accordance with the following provisions:

(a) Responsibilities of Co-owners and Association. All such insurance shall be purchased by the Association for the benefit of the Association, and the Co-owners and their mortgagees, as their interests may appear, and provisions shall be made for the issuance of certificates of mortgagee endorsements to the mortgagees of Co-owners. Co-owners may obtain additional insurance upon their Units, at their own expense, in addition to the coverage carried by the Association. **It shall be each Co-owner's responsibility to obtain insurance coverage for personal property located within a Unit or elsewhere in the Condominium and for personal liability for occurrences within a Unit or upon Limited Common Elements appurtenant to a Unit,** and the Association shall have absolutely no liability for obtaining such coverages. The Association and all Co-owners shall use their best efforts to obtain property and liability insurance containing appropriate provisions whereby the insurer waives its right of subrogation as to any claims against any Co-owner or the Association.

(b) Amount of Insurance on Common Elements. All Common Elements of the Condominium shall be insured against fire and other perils covered by a standard extended coverage endorsement, in an amount equal to the appropriate percentage of maximum insurable replacement value, excluding foundation and excavation costs, as determined annually by the Board of Directors of the Association. Any other 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 may be assessed to and borne solely by said Co-owner and collected as part of the assessments against said Co-owner under Article II hereof.

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

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

for repair, replacement or reconstruction of the Condominium unless all of the institutional holders of first mortgagees on Units in the Condominium have give their prior written approval.

Section 2. Authority of Association to Settle Insurance Claims. Each Co-owner, by ownership of a Unit in the Condominium, shall be deemed to appoint the Association as the Co-owner's 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 worker's compensation insurance, if applicable, pertinent to the Condominium, with such insurer as may, from time to time, be designated to provide such insurance for the Condominium. Without limitation on the generality of the foregoing, the Association as attorney-in-fact shall have full power and authority to purchase and maintain such insurance, to collect and remit premiums therefor, to collect proceeds and to distribute the same to the Association, the Co-owners and respective mortgagees, as their interests may appear (subject always to the Condominium Documents), to execute releases of liability and to execute all documents and to do all things on behalf of such Co-owner and the Condominium as shall be necessary or convenient to the accomplishment of the foregoing.

## **ARTICLE V**

### **RECONSTRUCTION OR REPAIR**

Section 1. Reconstruction or Repair Unless Unanimous Vote to the Contrary. If any part of the Condominium shall be partially or completely destroyed, it shall be reconstructed or repaired unless it is determined by a unanimous vote of all Co-owners that the Condominium shall be terminated, and each institutional holder of a first mortgage lien on any Unit in the Condominium has given prior written approval of such termination.

Section 2. Repair in Accordance with Master Deed and Plans and Specification. Any such reconstruction or repair shall be substantially in accordance with the Consolidated Master Deed and the Plans and specifications for the Condominium to a condition as comparable as possible to the condition existing prior to damage unless the Co-owners shall unanimously decide otherwise.

Section 3. Responsibility for Reconstruction and Repair. 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 reconstruction and repair shall be that of the Association.

Section 4. Damage to Part of Unit Which Co-owner Has the Responsibility to Repair. Each Co-owner shall be responsible for the reconstruction and repair of the interior of the Co-owner's Unit, including, but not limited to, partition interior walls (but not any Common Elements therein), light fixtures and all appliances, whether free standing or built-in. In the event damage to any of the foregoing, or interior walls within a Co-owner's Unit or to pipes, wires, conduits, ducts or other Common Elements therein 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 of this Article. 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 mortgagee jointly. In the event of substantial damage to or destruction of any Unit or any part of the Common Elements, the Association promptly shall so notify each institutional holder of a first mortgage lien on any Unit in the Condominium.

(a) Personal Property. The Association is not liable for any damage to personal property stored in any Unit or on or within any Common Element of the Condominium, including, without limitation, any damage to or loss of personal property due to fire, flood, water leaks, rain, mildew, mold, hail, ice, snow, smoke, lightning, wind, storms, tornado, explosions, acts of God, insects, rodents and interruptions of utilities. The Association does not warrant heat or humidity control. The Association shall not be liable for any damages arising from any act or neglect of any other tenant or owner of any Unit. Notwithstanding, if any damage is covered by the insurance held by the Association for the benefit of the Co-owner, then the Co-owner shall be entitled to receive the proceeds of insurance relative thereto less any deductible paid or owed by the Association for such benefit.

Section 5. Association Responsibility for Reconstruction and Repair. The Association shall have the sole and exclusive responsibility for the reconstruction and repair of the Common Elements (except as specifically otherwise provided in the Consolidated Master Deed) and any incidental damage to a Unit caused by such Common Elements or the reconstruction and repair thereof. Immediately after a casualty causing damage to property for which the Association has the responsibility of 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 existing before the damage. If the proceeds of insurance are not 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 repayment 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. This provision shall not be construed to require replacement of mature trees and vegetation with equivalent trees or vegetation. Assessments pursuant to this Article V, Section 5 may be made by the Association without a vote of the Co-owners.

Section 6. Timely Reconstruction and Repair. Subject to Section 1 of this Article V, if damage to Common Elements or a Unit adversely affects the appearance of the Condominium, the Association or Co-owner responsible for the reconstruction and repair thereof shall proceed with replacement of the damaged property without delay.

Section 7. Eminent Domain. The following provisions shall control upon taking by eminent domain:

(a) The provisions of Section 133 of the Condominium Act of Michigan shall apply.

(b) In the event the Condominium continues after a taking by eminent domain, the remaining portion of the Condominium shall be re-surveyed and the Master Deed amended accordingly by the Association.

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

Section 8. Notices to Certain Mortgagees. In the event any mortgage in the Condominium is held by the Federal Home Loan Mortgage Corporation ("FHLMC"), or in the event any mortgage is held by or insured by the United States Department of Housing and Urban Development ("HUD"), the Association shall give FHLMC and HUD written notice at such address as it may from time to time direct of any loss to or taking of the Common Elements of the Condominium, or any loss to or taking of any Unit, or part thereof, if the loss or taking exceeds \$10,000 in amount.

Section 9. Priority of Mortgagees in Proceeds. Nothing contained in the Condominium Documents shall be construed to give a Co-owner or any other party priority over any rights of first mortgagees of Condominium Units pursuant to their mortgages in the case of a distribution to 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**

1. Condominium Units may only be used for storage purposes, including the storage of personal property, storage of boats, recreational vehicles, trailers, motorcycles, snowmobiles and other uses as approved in writing by the Board of Directors and Long Lake Township. Notwithstanding, a Co-owner may not use a Unit as a residence or for such uses as are typically considered residential uses. If a Co-owner changes the use of any Unit, it shall obtain a land use permit from Long Lake Township prior to having such use approved by the Board of Directors.

Section 1a. No retail sales establishments or personal services establishments to members of the general public shall be allowed or permitted in the Condominium, or from or in any Unit. No use shall increase traffic in the Condominium or cause additional wear and tear on any common elements.

Section 2. Alterations and Modifications. No Co-owner shall make alterations in exterior appearance or make structural modifications to any Unit (including interior walls through or in which there exist easements for support or utilities) or make changes in any of the Common Elements, limited or general, without the express written approval of the Board of Directors, including but not limited to, exterior painting or the erection of decks, antennas, lights, aerials, awnings, doors, shutters or other exterior attachments or modifications; nor shall any Co-owner damage or made modifications or attachments to Common Element walls, roofs or trusses

between Units which in any way impair the structural qualities of the Common Elements. The Board of Directors may approve only such modifications as do not impair the soundness, safety, utility or appearance of the Condominium.

Section 3. Activities. No immoral, improper, unlawful or offensive activity shall be carried on in any Unit or upon the Common Elements, nor shall anything be done which may be or become an annoyance or a nuisance to the Co-owners of the Condominium, nor shall any unreasonably noisy activity be conducted in or on the Common Elements or within any Unit at any time. No Co-owner shall do or permit anything to be done or keep or permit to be kept in the Co-owner's Unit or on the Common Elements anything that will increase the rate of insurance on the Condominium without the written approval of the Association, and each Co-owner shall pay to the Association the increased cost of insurance premiums resulting from any such activity or the maintenance of any such condition even if approved, which increased cost may be assessed to and collected from the Co-owner in the manner provided in Article II hereof.

Section 4. Animals or Pets. Without the prior written consent of the Board of Directors, no animal or pet shall be kept in the Condominium by any Co-owner. No animal may be permitted to run loose upon the Common Elements, and any animal shall at all times be attended by a responsible person while on the Common Elements. Any person who causes or permits an animal to be brought or kept on the Condominium property shall indemnify and hold harmless the Association for any loss, damage or liability which the Association may sustain as a result of the presence of such animal on the property.

Section 5. Aesthetics. Common Elements shall not be used for storage supplies, materials, personal property or trash or refuse of any kind, except as provided in the Consolidated Master Deed or in duly adopted rules and regulations of the Association. All rubbish, trash, garbage and other waste shall be regularly removed from each Unit and shall not be allowed to accumulate therein. Unless special areas are designated by the Association, trash receptacles shall not be permitted on the Common Elements except for such short periods of time as may be reasonably necessary to permit periodic collection of trash. In general, no activity shall be carried on nor condition maintained by a Co-owner, either in a Unit or upon the Common Elements, which is detrimental to the appearance of the Condominium.

Section 6. Common Elements. The Common Elements 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 Co-owner may leave personal property of any description unattended on or about the Common Elements. Use of all General Common Elements may be limited to such times and in such manner as the Board of Directors shall determine by duly adopted regulations.

Section 7. Hazardous Substances. Any and all hazardous substances kept or stored by a Co-owner shall be kept in a safe manner and shall not be allowed to accumulate so as to become a dangerous condition. Each Co-owner agrees to and shall indemnify the Association and all other Co-owners for all costs and expenses associated with a regulated spill of hazardous substances that occurs within a Unit or in the Common Elements that is caused by such Co-owner, its invitee, or licensee.

Section 8. Signs and Advertising. No signs or other advertising devices shall be displayed which are visible from the exterior of a Unit or on the Common Elements, without written permission from the Board of Directors. This prohibition shall not apply to “For Sale” signs that are no more than four square feet in size and affixed to the front and rear of a Condominium.

Section 9. Rules and Regulations. Reasonable regulations consistent with all laws and the Condominium Documents concerning the use of the Common Elements or the rights and responsibilities of the Co-owners and the Association with respect to the Condominium or the manner of operation of the Association and of the Condominium may be made and amended from time to time by any Board of Directors of the Association, including the first Board of Directors or its successors prior to the Transitional Control Date. Copies of all such rules, regulations and amendments thereto shall be furnished to all Co-owners by mail, electronically or posted on General Common Elements. Any such regulation or amendment may be revoked at any time by the affirmative vote of a majority of the Co-owners.

Section 10. Association’s Right of Access. 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 agent 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 the Co-owner’s 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 circumstance, and shall not be liable to such Co-owner for any necessary damage to any Unit or any Limited Common Elements appurtenant thereto caused thereby or for repair or replacement of such damage. Subject to the foregoing and other provisions in the Consolidated Master Deed and these Consolidated Bylaws, each Co-owner shall be entitled to exclusive occupancy and control over the Co-owner’s Unit and all Limited Common Elements appurtenant thereto.

Section 11. Co-owner Maintenance. Each Co-owner shall maintain the Unit owned and any Limited Common Elements appurtenant thereto for which the Co-owner 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 the Co-owner or the Co-owner’s 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 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 12. Leasing and Rental. Subject to the conditions contained herein, a Co-owner may rent or lease their Unit.

(a) A Co-owner desiring to rent or lease their Condominium Unit shall disclose that fact in writing to the Association at least ten (10) days before presenting a lease or otherwise agreeing to grant possession of the Unit to a potential lessees or occupants. Co-owners leasing their Units shall use the exact lease form provided and/or approved by the Association. Leasing a Unit using a lease form not approved by the Association shall be a violation of these Bylaws. The Co-owner shall also provide the Association with a copy of the executed lease.

(b) Tenants and/or nonco-owner occupants shall comply with all of the conditions of the Condominium Documents of the Condominium Project.

(c) If the Association determines that the tenant or nonco-owner occupant failed to comply with the conditions of the Condominium Documents, the Association shall take the following action:

(i) The Association shall notify the Co-owner by certified mail, advising of the alleged violation by the tenant. The Co-owner shall have fifteen (15) days after receipt of the notice to investigate and correct the alleged breach by the tenant or advise the Association that a violation has not occurred.

(ii) If after fifteen (15) days the Association believes that the alleged breach is not cured or may be repeated, it may institute on its behalf an action for both eviction against the tenant or nonco-owner occupant and, simultaneously, for money damages against the Co-owner and tenant or nonco-owner occupant for breach of the conditions of the Condominium documents. The relief provided for in this section may be by summary proceeding. The Association may hold both the tenant and the Co-owner liable for any damages to the general common elements caused by the Co-owner or tenant in connection with the Condominium Unit or Condominium Project.

(d) When a Co-owner is in arrearage to the Association for assessments, the Association may give written notice of the arrearage to a tenant occupying a Co-owner's Condominium unit under a lease or rental agreement, and the tenant, after receiving the notice, shall deduct from rental payments due the Co-owner the arrearage and future assessments as they fall due and pay them to the Association. The deduction does not constitute a breach of the rental agreement or lease by the tenant. If the tenant, after being notified, fails or refuses to remit rent otherwise due the Co-owner to the Association, then the Association may do the following:

(i) Issue a statutory notice to quit for non-payment of rent to the tenant and shall have the right to enforce that notice by summary proceeding.

(ii) Initiate proceedings pursuant to Paragraph (c)(ii).

## **ARTICLE VII** **MORTGAGES**

Section 1. Notice to Association. Any Co-owner who mortgages the Co-owner's 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 Condominium written notification of any default in the performance of the obligations of the Co-owner of such Unit that is not cured within 60 days.

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

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

## **ARTICLE VIII** **VOTING**

Section 1. Vote. Except as limited in these Consolidated 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 Percentage of Value percentage allocated to the Units owned by such Co-owner as set forth in the Consolidated Master Deed, when voting by value. Voting shall be by value unless otherwise expressly required by the Condominium Documents or by law. In the case of any Unit owned jointly by more than one Co-owner, the voting rights appurtenant to that Unit may be exercised jointly as a single vote or may be split if all the joint Co-owners of the Unit so agree in writing.

Section 2. Eligibility to Vote. No Co-owner, other than the Developer, shall be entitled to vote at any meeting of the Association until the Co-owner has presented evidence of ownership of a Unit in the Condominium to the Association. Except as provided in Article XI, Section 2 of these Consolidated Bylaws, no Co-owner, other than the Developer, shall be entitled to vote prior to the date of the First Annual Meeting of members held in accordance with Section 2 of Article IX. The vote of each Co-owner may be cast only by the individual representative designated by such Co-owner in the notice required in Section 3 of this Article VIII or by a proxy given by such individual representative.

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

Section 4. Annual Meeting. There shall be an annual meeting of the Co-owners commencing with the First Annual Meeting held as provided in Article IX, Section 2 hereof. Other meetings shall be held as provided for in Article IX hereof. Notice of the time, place and subject matter of all meetings shall be given by mailing the same to each individual representative designated by the respective Co-owners.

Section 5. Quorum. The presence in person or by proxy of more than one-half (1/2) in value of the Co-owners qualified to vote shall constitute a quorum for holding a meeting of the members of the Association, except for voting on questions specifically required by the Condominium Documents to require a greater quorum. The written or electronic vote of any person furnished at or prior to any duly called meeting at which meeting such person is not otherwise present in person or by proxy shall be counted in determining the presence of a quorum with respect to the question upon which the vote is cast.

Section 6. Voting. Votes may be cast in person or by written or electronic ballot by the designated voting representative not present at a given meeting in person or by proxy. Proxies and any written and electronic votes must be filed with the Secretary of the Association at or before the appointed time of each meeting of the members of the Association. Cumulative voting shall not be permitted.

Section 7. Majority. Unless otherwise required by law or by the Condominium Documents, any action which could be authorized at a meeting of the members shall be authorized by an affirmative vote of more than fifty (50%) percent in value. The foregoing statement and any other provision of the Consolidated Master Deed or these Consolidated Bylaws requiring the approval of a majority (or other stated percentage) of the members shall be construed to mean, unless otherwise specifically stated, a majority (or other stated percentage) in value of the votes cast by those qualified to vote and present in person or by proxy (or written or electronic vote, if applicable) at a given meeting of the Co-owners duly called and held at which a quorum is present. Example: There are 19 Units each with a 5.2632% value; a quorum is 50% or 10 Units; a "majority" for voting purposes would be 6 Units or greater.

## **ARTICLE IX** **MEETINGS**

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

Section 2. Annual Meetings. Annual meetings of members of the Association shall be held on a date in May, June, August or September and 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 these Consolidated Bylaws. Co-owners may vote electronically before the meeting if such procedures are authorized by the Board of Directors. The Co-owners may also transact at annual meetings such other business of the Association as may properly come before them.

Section 3. Special Meetings. It shall be the duty of the President to call a special meeting of the Co-owners as directed by resolution of the Board of Directors or upon a petition signed or electronically approved by one-third (1/3) of the Co-owners presented to the Secretary of the Association, but only after the First Annual Meeting has been held. Notice of any special meeting shall state the time and place of such meeting and the purposes thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 4. Notice of Meetings. It shall be the duty of the Secretary (or other Association officer in the Secretary's absence) to serve a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, upon each Co-owner of record, at least ten (10) days but not more than sixty (60) days prior to such meeting. The mailing (postage prepaid) or electronic transmission of a notice to the voting representative of each Co-owner at the address shown in the notice required by Article VIII, Section 3 of these Consolidated Bylaws to be filed with the Association shall be deemed notice served. Any member may, by written waiver of notice signed by such member, waive such notice, and such waiver, when filed in the records of the Association, shall be deemed due notice. Attendance of a person at a meeting of members, in person or by proxy, constitutes a waiver of objection to lack of notice or defective notice of the meeting, unless the member at the beginning of the meeting objects to holding the meeting or transacting business at the meeting.

Section 5. Adjournment. If any meeting of Co-owners cannot be held because a quorum is not in attendance, the Co-owners who are present may adjourn the meeting to a time not less than ten (10) days from the time the original meeting was called, and notice of the meeting shall be provided as set forth in Section 4 of this Article IX.

Section 6. Order of Business. The order of business at all meetings of the members shall be as follows: (a) roll call to determine the voting power represented at the meeting; (b) determination of whether quorum is present; (c) proof of notice of meeting or waiver of notice;

(d) reading of minutes of preceding meeting; (e) reports of officers; (f) reports of committees; (g) appointment of inspectors of election (at annual meetings or special meetings held for the purpose of electing Directors or officers); (h) election of Directors (at annual meeting of special meetings held for such purpose); (i) unfinished business; and (j) new business. Meetings of members shall be chaired by the most senior officer of the Association present at such meeting. For purposes of this Section, the order of seniority of officers shall be President, Vice President, and Secretary/Treasurer.

Section 7. Action Without Meeting. Any action which may be taken at a meeting of the members (except for the election or removal of Directors) may be taken without a meeting by written or electronic ballot of the members. Ballots shall be solicited in the same manner as provided in Section 4 of this Article IX for the giving of notice of meetings of members. Such solicitations shall specify (a) the number of responses needed to meet the quorum requirements; (b) the percentage of approvals necessary to approve the action; and (c) the time by which ballots must be received in order to be counted. The form of written ballot shall afford an opportunity to specify a choice between approval and disapproval of each matter and shall provide that, where the member specifies a choice, the vote shall be cast in accordance therewith. Approval by written or electronic ballot shall be constituted by receipt, within the time period specified in the solicitation, of (i) a number of ballots which equals or exceeds the quorum which would be required if the action were taken at a meeting; and (ii) a number of votes or total percentage of approvals which equals or exceeds the number of votes or percentage of approvals which would be required for approval if the action were taken at a meeting at which the total number of votes cast was the same as the total number of ballots cast.

Section 8. Minutes; Presumption of Notice. Minutes or similar record of the proceedings of meetings of members, when signed by the President or Secretary, shall be presumed truthfully to evidence the matters set forth therein. A recitation in the minutes of any such meeting that notice of the meeting was properly given shall be prima facie evidence that such notice was given.

## **ARTICLE X**

### **BOARD OF DIRECTORS**

Section 1. Number and Qualification of Directors. The Board of Directors shall consist of at least three (3) members, all of whom must be members of the Association or officers, partners, trustees, employees or agents of members of the Association, except for the first Board of Directors. Directors shall serve without compensation. After the First Annual Meeting, the number of directors may be increased or decreased by action of the Board of Directors, provided that the Board of Directors shall be comprised of at least three (3) members.

Section 2. Election of Directors. Beginning in the year 2005, the Board of Directors shall be elected for two-year terms but staggered so that there is continuity from year to year. For the election of the three directors in 2005 only, the following special rules apply: (i) one director shall be elected for a period of one year (i.e., the term shall expire in 2006) and thereafter successors to that director shall be elected for the normal two-year term; and (ii) the remaining directors shall be elected for a period of two years (i.e., the term shall expire in 2007).

In all subsequent elections, the term of all directors shall be for a period of two years. Election to the Board of Directors and/or any change in number of directors shall be by simple majority of the members present in person or by proxy at a meeting where a quorum is present. Any change in the number of directors shall maintain staggered two-year term splits.

Section 3. Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and may do all acts and things necessary thereto subject always to the Condominium Documents and applicable laws.

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

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

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

(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, corporations or other agents to assist in management, operation, maintenance and administration of said Condominium.

(f) To own, maintain, improve, operate and manage, and to buy, sell, convey, assign, mortgage, or lease (as landlord or tenant) any real or personal property (including any Unit in the Condominium and easements, rights-of-way and licenses) on behalf of the Association in furtherance of any of the purposes of the Association.

(g) To borrow money and issue evidences of indebtedness in furtherance of any or all of the purposes of the Association, and to secure the same by mortgage, pledge, or other lien on property owned by the Association.

(h) To make rules and regulations in accordance with Article VI, Section 9 of these Consolidated Bylaws.

(i) To establish such committees as it deems necessary, convenient or desirable and to appoint persons thereto for the purpose of implementing the administration of the Condominium and to delegate to such committees any functions or responsibilities which are not by law or the Condominium Documents required to be performed by the Board of Directors.

(j) To enforce the provisions of the Condominium Documents.

Section 5. Management Agent. The Board of Directors may employ for the Association a professional management agent at reasonable compensation established by the Board of Directors to perform such duties and services as the Board of Directors shall authorize, including, but not limited to, the duties listed in Sections 3 and 4 of this Article, and the Board of Directors may delegate to such management agent any other duties or powers which are not by law or by the Condominium Documents required to be performed by or have the approval of the Board of Directors or the members of the Association.

Section 6. Vacancies. Vacancies in the Board of Directors which occur by any reason other than the removal of a director by a vote of the members of the Association shall be filled by vote of the majority of the remaining directors, even though they may constitute less than a quorum. Each person so elected shall be a director until a successor is elected at the next annual meeting of the members of the Association.

Section 7. Removal. At any regular or special meeting of the Association duly called with due notice of the removal action proposed to be taken, any one or more of the directors may be removed with or without cause by the affirmative vote of more than fifty (50%) percent in number and in value of all of the Co-owners and a successor may then and there be elected to fill any vacancy thus created. The quorum requirement for the purpose of filling such vacancy shall be the normal quorum set forth in Article VIII, Section 5. Any director whose removal has been proposed by the Co-owners shall be given an opportunity to be heard at the meeting.

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

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

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

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

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

Section 13. Fidelity Bonds. The Board of Directors may require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be expenses of administration.

## **ARTICLE XI** **OFFICERS**

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

(a) President. The President shall be the chief executive officer of the Association, and shall preside at all meetings of the Association and of the Board of Directors. The President 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 in the President's discretion as may be deemed appropriate to assist in the conduct of the affairs of the Association.

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

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

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

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

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

## **ARTICLE XII**

### **SEAL**

The Board of Directors may adopt a seal on behalf of the Association which shall have inscribed thereon the name of the Association, the words “corporate seal” and “Michigan”.

## **ARTICLE XIII**

### **FINANCE**

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

Section 2. Fiscal Year. The fiscal year of the Association shall be an annual period commencing on such date as may be initially determined by the Board of Directors. The commencement date of the fiscal year shall be subject to change by the Board of Directors for accounting reasons or other good cause.

Section 3. Bank. Funds of the Association shall be initially 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. The funds may be invested from time to time in accounts or deposit certificates of such banks as are insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation and may also be invested in interest bearing obligations of the United States Government.

**ARTICLE XIV**  
**INDEMNIFICATION OF OFFICERS**  
**AND DIRECTORS**

Every director and officer of the Association shall be indemnified by the Association against all expenses and liabilities, including attorneys' fees, incurred by or imposed upon the director or officer in connection with any proceeding to which the director or officer may be a party, or may become involved, by reason of the director or officer being or having been a director or officer of the Association, whether or not 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 or wanton misconduct or gross negligence in the performance of such duties. Provided that, in the event of any claim for reimbursement for 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 abstaining) approves such settlement and reimbursement as being in the best interest of the Association. 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 which it has approved, the Board of Directors shall notify all Co-owners thereof. Further, the Board of Directors is authorized to carry officers' and directors' liability insurance covering acts of the officers and directors of the Association in such amounts as it shall deem appropriate.

**ARTICLE XV**  
**AMENDMENTS**

These Consolidated Bylaws may be amended by the Association or by the Developer in the manner provided in the Consolidated Master Deed. Any amendment to these Consolidated Bylaws shall become effective upon recordation in the office of the register of deeds in the county in which the Condominium is located. A copy of each amendment to these Consolidated Bylaws shall be made available to every member of the Association after adoption; provided, however, that any amendment adopted in accordance with this Article shall be binding upon all persons who have an interest in the Condominium irrespective of whether such persons actually receive a copy of the amendment. These Consolidated Bylaws may not be amended in any manner to eliminate or conflict with any mandatory provision of the Act or any applicable law or any provision of the Consolidated Master Deed, nor may they be amended to materially reduce or eliminate the rights of any first mortgagees without the consent of the mortgagee affected.

**ARTICLE XVI**  
**COMPLIANCE**

The Association and all present and future Co-owners, tenants, future tenants, or any other persons acquiring an interest in or using the Condominium in any manner are subject to and shall comply with the Act, as amended, and the Condominium Documents. The mere acquisition, occupancy or rental of any Unit or an interest therein or the utilization of or entry upon the Condominium 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 XVII** **REMEDIES**

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

(a) Legal Action. Failure to comply with any of the terms or provisions of the Condominium Documents or the regulations of the Association shall be grounds for relief, which may include without limitation an action to recover sums due for damages, injunctive relief, foreclosure of lien (if default in payment of assessments) 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) Recovery of Costs. In any proceeding arising because of an alleged default by any Co-owner, the Association, if successful, shall be entitled to recover the costs of the proceeding and such reasonable attorneys' fees (not limited to statutory fees) as may be determined by the court. In no event shall any Co-owner be entitled to recover such attorneys' fees.

Section 2. No Waiver. The failure of the Association or of any Co-owner to enforce any right, provision, covenant or condition which may be granted by the Condominium Documents shall not constitute a waiver of the right of the Association or of any such Co-owner to enforce such right, provision, covenant or condition in the future.

Section 3. Cumulative Rights, Remedies and Privileges. All rights, remedies, and privileges granted to the Association or any Co-owner or Co-owners pursuant to any terms, provisions, covenants or conditions of the Condominium Documents shall be cumulative and the exercise of any one or more shall not be deemed to constitute an election of remedies, nor shall it preclude the party thus exercising the same from exercising such other and additional rights, remedies or privileges as may be available to such party at law or in equity.

Section 4. Enforcement of Provisions of Condominium Documents. A Co-owner may maintain an action against the Association and its officers and directors to compel such persons to enforce the provisions of the Condominium Documents. A Co-owner may maintain an action against any other Co-owner for injunctive relief or for damages or any combination thereof for noncompliance with the Condominium Documents or the Act.

## **ARTICLE XVIII** **ARBITRATION**

Section 1. Scope and Election. Disputes, claims, or grievances arising out of or relating to the interpretation or the application of the Condominium Documents, or any disputes, claims or grievances arising among or between the Co-owners and the Association, upon the election and written consent of the parties to any such disputes, claims or grievances (which consent shall

include an agreements of the parties that the judgment of any Circuit Court of the State of Michigan may be rendered upon any award pursuant to such arbitration), and upon written notice to the Association, shall be submitted to arbitration and the parties thereto shall accept the arbitrator's decision as final and binding, provided that no question affecting the claim of title of any person to any fee or life estate in real estate is involved. The Commercial Arbitration Rules of the American Arbitration Association, as amended, and in effect from time to time hereafter shall be applicable to any such arbitration.

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

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

## **ARTICLE XIX** **SEVERABILITY**

In the event that any of the terms, provisions or covenants of these Consolidated Bylaws or the Condominium Documents are held by a court of competent jurisdiction 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.

W:\M-72 Recreational Storage Condo Assoc\Association Matters\Consolidated Condominium Bylaws.docx