# MASTER DEED

# QUAIL RUN CONDOMINIUMS

IN

KALAMAZOO, MICHIGAN (Oshtemo Township) 🔅

Developed by: FOUR SEASONS BUILDERS, INC.

Successor to: MARTZ HOME BUILDERS 1611 W. Centre St. Portage, Michigan 49002

# MASTER DEED

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# QUAIL RUN CONDOMINIUMS II

# (Act 59, Public Acts of 1978) as amended

This Master Deed is made and executed on this  $213^{2}$  day of May, 1981, by Martz Home Builders, a Michigan corporation (the "Developer"), whose principal office is situated at 5320 Holiday Terrace, Kalamazoo, Michigan, represented herein by its President and Secretary, who are fully empowered and qualified to act on behalf of said corporation.

# <u>WITNESSETH</u>:

WHEREAS, the Developer is engaged in the construction of an Expandable Condominium Project to be known as Quail Run Condominiums II (the "Project"), pursuant to plans approved by the Township of Oshtemo on a parcel of land described in Article II hereof; and

WHEREAS, the Developer desires, by recording this Master Deed together with the Condominium By-laws attached hereto as Exhibit "A" and the Condominium Subdivision Plans attached as Exhibit "B" (both of which are hereby incorporated by reference and made a part hereof), to establish said real property, together with the improvements located and to be located thereon and the appurtenances thereto, as a condominium project under the provisions of the Michigan Condominium Act (the "Act").

NOW, THEREFORE, the Developer does, upon the recording hereof, establish Quail Run Condominiums II as a condominium project under the Act and does declare that said Project shall, after such establishment, be held, conveyed, hypothecated, encumbered, leased, rented, occupied, improved, or in any other manner utilized, subject to the provisions of the Act, and to the covenants, conditions, restrictions, uses, limitations, and affirmative obligations set forth in this Master Deed, all of which shall be deemed to run with the land and shall be a burden and a benefit to the Developer, its successors and assigns, and to any persons acquiring or owning an interest in said real property, their grantees, successors, heirs, executors, administrators and assigns. In furtherance of the establishment of said Project, it is provided as follows:

#### ARTICLE I

# NATURE OF PROJECT

The Project is a residential condominium which may be expanded by a series of successive amendments to the Master Deed, each adding land to the Project as then constituted so as to comprise a maximum of 90 residential living units, although the Developer is not obligated to expand the Project beyond the segment established by this Master Deed on land described in Article II(A). The Developer and its successors specifically reserve the right to elect, on or before the expiration of four years after recording of a Master Deed for Phase I of the Project, to add to the Project all or any portion of the lands described in Article II(B) hereof (as the same may be amended), without the consent of any Co-owner or other person. Other than as set forth herein, no restrictions or limitations on such election exist as to the portion or portions of land which may be added, the time or order of such additions, the types of condominium units which may be created, the nature or location of any improvements, or the creation and assignment of limited common elements thereon. All added lands shall be dedicated exclusively to residential use and all structures erected thereon shall be architecturally compatible, in the reasonable judgment of the Developer or his architect, with the structures on the land included in this original Master Deed. At the conclusion of any such expansion, a Consolidating Master Deed shall be prepared and recorded by the Developer in accordance with the provisions of the Act.

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The 22 buildings which comprise the first phase of the Project, including the number, boundaries, dimensions and area of each Condominium Unit therein, are set forth completely in the Condominium Subdivision Plans. Each such Unit is capable of individual utilization by reason of having its own entrance from and exit to a common element of the Project. Each Coowner in the Project shall have a particular and exclusive property right to his Unit and the limited common elements appurtenant thereto, and shall have an undivided and inseparable right to share with other Co-owners the general common elements of the Project as designated by this Master Deed.

#### ARTICLE II

#### LEGAL DESCRIPTION

A. The land on which Phase I of the Project is situated, and which is hereby submitted to condominium ownership pursuant to the provisions of the Act, is described as follows:

A parcel of land situated in the East half of the East half of Section 26, T2S, R12W, Oshtemo Township, Kalamazoo County, Michigan, being more particularly described as follows:

Beginning at the East quarter post of Section 26, T2S, R12W, Oshtemo Township, Kalamazoo County, Michigan; thence N0°48'45"E along the East line of said Section 26, 246.45 feet; thence N89°48'30"W parallel with the North line of the recorded plat of "Fairlane" as found in liber 21 of plats on page 26 in the Register of Deeds office for Kalamazoo County, Michigan, 666.53 feet; thence S0°11'30"W, 20.00 feet; thence N89°48'30"W, 132.00 feet; thence N0°11'30"E, 20.00 feet; thence N89°48'30"W, 184.31 feet; thence Northwesterly 34.10 feet along the arc of a curve to the right, radius being 127.41 feet and a chord bearing N82°08'31"W, 33.99 feet; thence S0°11'30"W, 104.54 feet; thence N89°48'30"W, 309.52 feet to the West line of the Southeast quarter of the Northeast quarter of said Section 26; thence S0°21'05"W along the West line of the Southeast quarter of the Northeast quarter of said Section 26, 173.40 feet to the Southwest corner of the Southeast quarter of the Northeast quarter of the Southeast quarter of the Northeast quarter of said Section 26, 173.40 feet to the Southwest corner of the Southeast quarter of the Northeast quarter of the Southeast quarter of the Northeast quarter of said Section 26, 173.40 feet to the Southwest corner of the Southeast quarter of the Northeast quarter of said Section 26; thence So°11'30"W along the West line of the Northeast quarter of the Southeast quarter of said Section 26, 46.60 feet to the Northwest corner of said Section 26, 46.60 feet to the Northwest corner of said recorded plat of "Fairlane"; thence S89°48'30"E along the North line of the said recorded plat of "Fairlane", 1323.73

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feet to the Northeast corner of the said recorded plat of "Fairlane" and the East line of said Section 26; thence NO°17'40"E along the East line of said Section 26, 73.56 feet to the Place of Beginning.

B. The land which may be added to the Project, in whole or in part, pursuant to election of the Developer at a future date or dates as set forth in Article I hereof, is described as follows:

A parcel of land situated in the East half of the East half of Section 26, T2S, R12W, Oshtemo Township, Kalamazoo County, Michigan, being more particularly described as follows:

Commencing at the East quarter post of Section 26, T2S, R12W, Oshtemo Township, Kalamazoo County, Michigan; thence N0°48'45"E along the East line of said Section 26, 246.45 feet for the Place of Beginning; thence N89°48'30"W parallel with the North line of the recorded plat of "Fairlane" as found in liber 21 of plats on page 26 in the Register of Deeds office for Kalamazoo County, Michigan 666.53 feet; thence S0°11'30"W, 20.00 feet; thence N89°48'30"W, 132.00 feet; thence N0°11'30"E, 20.00 feet; thence N89°48'30"W, 184.31 feet; thence Northwesterly 34.10 feet along the arc of a curve to the right, radius being 127.41 feet and a chord bearing N82°08'31"W, 33.99 feet; thence S0°11'30"W, 104.54 feet; thence N89°48'30"W, 309.52 feet to the West line of the Southeast quarter of the Northeast quarter of said Section 26; thence N0°21'05"E along the West line of the Southeast quarter of the Northeast quarter of said Section 26, 436.03 feet; thence S89°48'30"E 1236.88 feet; thence S36°17'46"E, 151.80 feet to the East line of said Section 26; thence S0°48'45"W along the East line of said Section 26, 213.97 feet to the Place of Beginning.

## ARTICLE III

# DEFINITIONS

Certain terms are utilized not only in this Master Deed but are or may be used in various other instruments such as, by way of example and not limitation, the Articles of Incorporation, Association By-laws and Rules and Regulations of the Quail Run II Condominium Association, a Michigan non-profit corporation, and deeds, mortgages, liens, land contracts, easements and other instruments affecting the establishment of, or transfer of, interests in the Project. As used in such documents, unless the context otherwise requires:

(a) "Act" means the Michigan Condominium Act, being Act 59 of the Public Act of 1978, as amended.

(b) "Administrator" means the Michigan Department of Commerce, designated to serve in such capacity by the Act.

(c) "Association" means the non-profit corporation organized under the laws of Michigan, of which all Coowners shall be members, which corporation shall administer, operate, manage and maintain the Project. 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.

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(d) "Askociation By-laws" means the emporate By-laws of the Association organized to manage, maintain and administer the Project.

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(e) "Common Elements", where used without melifiention, means the portions of the Project other than the Condominium Units, including all general and limited common elements described in Article IV. A Common Element shall not be separable from the Condominium Unit or Units to which it is appurtenant.

(f) "Condominium By-laws" means Exhibit "A" hereto, being the By-laws setting forth the substantive rights and obligations of the Co-owners, which form a part of this recorded instrument.

(g) "Condominium Documents" means and includes this Master Deed and Exhibits "A". and "3" thereto, recorded pursuant to the Act, and any other instrument referred to therein which affects the rights and obligations of a Co-Owner in the Condominium.

(h) "Condominium Subdivision Plans" means Exhibit "B" hereto, being the site, survey and other plans showing the existing and proposed structures and improvements including the location thereof on the land, which form a part of this recorded instrument.

(i) "Condominium Unit" or "Unit" means that portion of the Project designed and intended for separate ownership and use, as described in this Master Deod.

(j) "Co-owner" means the person, firm, corporation, pertnership, association, trust or other legsl entity or any combination thereof who or which owns a Condominum Unit in the Project. The term "Owner," wherever used, shall be synonomous with the term "Co-owner."

(k) "Developer" means Martz Mone Builders, Inc., a Michigan corporation, which has made and executed this Master Deed, its successors and assigns.

(1) "General Common Elements" means those common elements of the Project described in Article IV(A) which are for the use and onjorment of all Co-owners, subject to such charges as may be assessed to defray the cost of operation thereof.

(m) "Limited Common Elements" means those common elements of the Project described in Article IV(8) which are reserved for the exclusive use of the Co-owners of a specified Unit or Units.

(n) "Master Deed" weans this instrument, together with the exhibits attached hereto and all seendacets thereof, by which the Project is submitted to condominium over thip.

(c) "Percentage of Value" means the percentage assigned to each Unit which is determinative of the value of a Co-Owner's vote at meetings of the Association when voting by value or by number and value, and the propertionate share of each Co-Owner in the common elements of the Project and the proceeds and expenses of administration.

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(p) "Project" or "Condominium" means Quail Run Condominiums II, an approved condominium development established in conformity with the provisions of the Act.

(q) "Transitional Control Date" means the date on which the Association's Board of Directors takes office pursuant to an election in which the votes that may be cast by eligible Co-Owners unaffiliated with the Developer exceeds the votes which may be cast by the Developer.

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

## ARTICLE IV

# COMMON ELEMENTS

The Common Elements of the Project as depicted in Exhibit "B," and the respective responsibilities for maintenance, repair and replacement thereof are as follows:

A. The General Common Elements are:

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(1) The land described in Article II (A) hereof, including easement interests of the Condominium in the land provided to it for ingress and egress, if any;

(2) The drives, sidewalks, yards, trees, shrubs and other plantings;

(3) The electrical, telephone and/or television wiring networks throughout the common areas of the Project, including those contained within common walls; floors and ceilings;

(4) The plumbing and gas line networks throughout the common areas of the Project, including those contained within common walls; floors and ceilings;

(5) The heating and/or air-conditioning ductworks and conduits throughout the common areas of the Project, including those contained within common walls, floors or ceilings;

(6) The water distribution system, sanitary sewer system and storm drainage system serving the Project;

(7) The foundations, roofs, perimeter walls, ceilings and floors (including doors and chimneys therein), entrances and exits of the Project;

(8) The portions of any garage or parking space not otherwise designated as a Limited Common Element in the Condominium Subdivision Plans; and

(9) All other Common Elements of the Project not herein designated as Limited Common Elements which are not enclosed within the boundaries of a Condominium Unit, and which are intended for common use or are necessary to the existence, upkeep or safety of the Project. B. The Limited Common Elements are:

commune (1) The pipes, ducts, wiring and conduits located entirely within a Condominium Unit and servicing only such Unit;

(2) The entry deck and/or patio deck appurtement to each Unit in the Project, and the balcony and/or fireplace combustion chamber appurtement to certain of the Units;

Units as designated in the Condominium Subdivision plans;

cables attached to any garage door opening mechanism and a cables attached to any garage door;

conditioner and/or compressor located within or adjacent to a Unit and serving only such Unit exclusively;

(b) The windows, sliders and/or screens located (b) within or adjacent to any Unit perimeter wall;

(1 Dout (7) Garage interior spaces; and

(8) The interior surfaces of Unit perimeter walls, ceilings and floors contained within a Condominium Unit.

In the event no specific assignments of the Limited Common Elements described in subparagraph IV(B)(7) have been made in the Condominium Subdivision Plan, the Developer reserves the right to designate each such space as a Limited Common Element appurtenant to a particular Unit by subsequent amendment or amendments to this Master Deed. The Co-Owners and mortgagees of Condominium Units and all other persons interested or to become interested in the Project from time to time shall be deemed to have irrevocably and unanimously consented to such amendment or amendments as the same may be approved by the Michigan Department of Commerce, and hereby irrevocably appoint Developer or its successors as agent and attorney for the purpose of executing any such amendment or amendments to the Master Deed.

C. The costs of maintenance, repair and replacement of the Limited Common Elements described in Article IV(B)(1), IV(B)(3), IV(B)(4) and IV(B)(5), and the decoration and interior maintenance of the Limited Common Elements described in Article IV(B)(6) and IV(B)(7) shall be borne by the Co-owner of the Unit or Units to which such Limited Common Elements are appurtenant. The costs of maintenance, repair and replacement of all other General and Limited Common Elements described above shall be borne by the Association except to the extent of repair and replacement due to the act or neglect of a Co-owner or his agent, invite, family member or pet; provided, that if any Unit owner shall elect to construct or install, with the approval of the Association, any improvements to his Unit or to the costs of maintenance, repair or replacement for which the Association is responsible, such unusual costs or expenses, at the option of the Association, may be specially assessed against such Unit or Units.

D. A Limited Common Element may be re-assigned, upon notice to any affected mortgagee, by written application to the Board of Directors of the Association by all Co-owners whose interest will be affected thereby. Upon receipt of such application, the Board shall promptly prepare or cause to be prepared and executed an amendment to this Master Deed reassigning all rights and obligations with respect to the Limited Common Elements involved, and shall deliver such amendment to the Co-owners of the Units affected upon payment by them of all reasonable costs for the preparation and approval thereof. All affected owners must consent to such reassignment of a Limited Common Element.

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E. Except as set forth herein, Condominium Units shall not be separable from the Common Elements appurtenant thereto, and shall not be used in any manner inconsistent with the purposes of the Project or in any other way which will interfere with or impair the rights of any other Co-Owner in the use and enjoyment of his Unit or the common elements appurtenant thereto.

#### ARTICLE V

# DESCRIPTION AND PERCENTAGE OF VALUE

A. A complete description of each Condominium Unit in the Project, with elevations therein referenced to an official bench mark of the United States coast and geodetic survey sufficient to relocate accurately the space enclosed by the description without reference to the structure itself, is set forth in the Condominium Subdivision Plan as surveyed by Acro Engineering & Surveying, Inc., consulting engineers and surveyors. The architectural plans are shown in detail on 35 millimeter microfilm aperture cards on file with the Michigan Department of Commerce. Each Unit shall include all that space contained within certain horizontal planes and vertical planes designated by a heavy outline on the interior finished surface of the walls, floors and ceilings as depicted in the Condominium Subdivision Plans and as delineated by detailed dimensional descriptions of the same contained by said outline, less any Common Elements contained therein. In determining dimensions, each Condominium Unit shall be measured by interior finished unpainted surfaces of the walls and ceilings and from the interior surfaces of the finished subfloor.

B. The total value of the Project is 100, and the percentage thereof assigned to each Condominium Unit shall be as set forth in Paragraph C of this Article. Said percentage of value has been determined under a formula by which a weight of 95% is assigned to the size of the Unit based on square footage and 5% to other factors including market value, location and allocable expenses of maintenance. Except as provided in this Article, such percentage of value shall be changed only in the manner provided by Article VII(B)(2) expressed in an amendment to this Master Deed, duly approved and recorded; provided, that the Developer reserves the exclusive right to adjust such percentages pro rata as subsequent phases are added by amendment without the consent of any Co-Owner, mortgagee or other interested person.

C. The number of each Condominium Unit in the Project as it appears on the Condominium Subdivision Plans and the percentage of value assigned to each such Unit are as follows:

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Percentage of Value Unit No. Assigned	Unit No. Assi	alue	Percentage of Value Assigned
Building No. 1	Building No.	2 Buildin	g No. 3
Construction of the second second second	And the second s		0.0254
1 0.0224 2 0.0227	3 0.018 4 0.018		0.0232
2 0.0227		0	0.020-
Building No. 4	Building No.	<u>5</u> Buildin	g No. 6
7 0.0239	9 0.018	12 11	0.0224
8 0.0239	10 0.018		0.0227
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Building No. 7	Building No.	<u>8</u> Buildin	<u>g No. 9</u>
13 0.0239	15 0.023		0.0254
14 0.0239	16 0.023	39 18	0.0232
	ði.		
Building No. 10	Building No.	11 Buildin	g No. 12
19 0.0239	21 0.025	54 23	0.0182
20 0.0239	22 0.023	32 24	0.0182
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Building No. 13	Building No.	14 Buildin	g No. 15
25 0.0239	27 0.022	27 29	0.0232
26 0.0239	28 0.022	30	0.0254
Building No. 16	Building No.	17 Buildin	g No. 18
31 0.0239	33 0.025	54 35	0.0182
32 0.0239	34 0.023	32 36	0.0182
Building No. 19	Building No.	20 Buildin	g No. 21
37 0.0239	39 0.022		0.0232
38 0.0239	40 0.022		0.0254
20			_ F
i e	Building No.	22	
	43 0.023		<u> </u>
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D. The size, style and/or location of a Unit or of any Limited Common Element appurtenant to a Unit as described in Exhibit B hereof may be modified from time to time, in Developer's sole discretion, by amendment effectuated solely by the Developer or its successors with the approval of the Michigan Department of Commerce but without the consent of any other person, so long as such modifications do not unreasonably impair or diminish the appearance of the Project or the view, privacy or other significant attribute or amenity of any Unit which adjoins or is proximate to the modified Unit or Limited Common Element. The Developer may also, in connection with any such amendment, readjust percentages of value for all Units in a manner which gives reasonable recognition to such modifications based upon the method of original determination of percentages of value for the Project. No Unit modified in accordance with this paragraph shall be conveyed, however, until an amendment to the Master Deed duly reflecting all such changes shall have been approved by the Administrator and recorded. All Co-owners, mortgagees of Units and other persons

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interested or to become interested in the Project from time to time shall be deemed to have unanimously consented to any amendment or amendments necessary to effectuate the foregoing and, subject to the limitations set forth herein, the proportionate reallocation of percentages of value of existing Units which Developer or its successor may determine to be necessary in conjunction therewith. All such interested persons irrevocably appoint Developer or its successors as agent and attorney for the purpose of executing such amendments to the Master Deed and all other Condominium Documents as may be necessary to effectuate the foregoing.

#### ARTICLE VI

# EASEMENTS

Every portion of a Condominium Unit which contributes to the structural support of a building shall be burdened with an easement of structural support for the benefit of the Common Elements. In the event that any portion of a Unit or Common Element encroaches upon another Unit or Common Element due to the shifting, settling or moving of a building, or due to survey errors or construction deviations, reciprocal easements shall exist for the maintenance of such encroachment for so long as such encroachment exists, and for the maintenance thereof after rebuilding in the event of destruction. There shall also be permanent easements for the maintenance and repair of Common Elements, which easements shall be admin-istered by the Association of Co-owners, and there shall be easements to, through and over those portions of the land, structures, buildings, improvements and walls (including interior Unit walls) as may be reasonable for the installation, maintenance and repair of all utility services furnished to the Project. Public utilities shall have access to the Common Elements and to the Units at such times as may be reasonable for the installation, repair or maintenance of such services, and any costs incurred in opening and repairing any wall of the Project to install, repair or maintain such services shall be an expense of administration assessed against all Co-owners in accordance with the Condominium By-laws.

Until final completion of the Project as described in Article I of this Master Deed or of any other project developed on the property described in Article II hereof, the Developer reserves for the benefit of itself, its successors and assigns:

(a) easements for the unrestricted use of all roads, driveways and walkways in the Condominium for the purpose of ingress and egress to and from all or any portion of the land described in Article II(B); and

(b) easements to utilize, tap and the into all utility mains located on the land described in Article II(A).

So long as the Developer owns one or more of the Units in the Project, it shall be subject to the provisions of this Master Deed and of the Act.

#### ARTICLE VII

#### AMENDMENT AND TERMINATION

A. If there is no Co-owner other than the Developer, the Developer may unilaterally amend the Condominium Documents or, with the consent of any interested mortgagee, unilaterally terminate the Project. Such amendment or termination shall be approved by the administrator, and a copy thereof recorded in the public records of Kalamazoo, County, Michigan.

B. If there is a Co-owner other than the Developer, the Condominium Documents may be amended for a proper purpose only as follows:

(1) The amendment may be made without the consent of any Co-owner, mortgagee or other interested party as long as the administrator determines that the amendment does not materially alter or change the rights of the Co-owners, mortgagees or other interested parties, including, but not limited to, amendments for the purpose of facilitating conventional mortgage loan financing for existing or prospective Co-owners and to enable the purchase of such mortgage loans by the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association and/or any other agency of the federal government or the State of Michigan.

(2) The amendment may be made, even if it will materially alter or change the rights of the Co-owners, mortgagees or other interested parties, upon approval of the administrator and the consent of two-thirds of the votes of the Co-owners; provided, that a Co-owner's Unit dimensions or Limited Common Elements may not be modified without his consent, and provided, further, that the provisions of Article VI and this Article VII shall not be modified without the written consent of the Developer so long as the Developer continues to own or to offer for sale any Unit in the Project. Co-owners and mortgagees of record shall be notified of proposed amendments under this sub-section before filing with the administrator.

(3) A person causing or requesting an amendment to the Condominium Documents shall be responsible for costs and expenses of the amendment, except for amendments based upon a vote of the prescribed majority of Co-owners or based upon the Advisory Committee's decision, the costs of which are expenses of administration.

C. If there is a Co-owner other than the Developer, the Project shall be terminated only by agreement of the Developer and unaffiliated Co-owners to which 80% of the votes of the Association appertain, as follows:

(1) Agreement of the required majority of Co-owners to termination of the Project shall be evidenced by their execution of the termination agreement or of ratifications thereof, and the termination shall become effective only when the agreement is so evidenced of record.

(2) Upon recordation of an instrument terminating the Project, the property constituting the condominium shall be owned by the Co-owners as tenants in common in proportion to their respective undivided interests in the common elements immediately before recordation. As long as the tenancy in common lasts, each Co-owner or the heirs, successors, or assigns thereof shall have an exclusive right of occupancy of that portion of the property which formerly constituted the Condominium Unit. (3) Upon recordation of an instrument terminating the Project, any rights the Co-owners may have to the assets of the Association shall be in proportion to their respective undivided interests in the common elements immediately before recordation, except that common profits shall be distributed in accordance with the Condominium Documents and the Act.

(4) Notification of termination by first class mail shall be made to all parties interested in the Project, including escrow agents, land contract vendors, creditors, lien holders, and prospective purchasers who deposited funds. Proof of dissolution must be submitted to the administrator.

IN WITNESS WHEREOF, the Developer has duly executed this Master Deed on the day and year first above written.

Witnesses:	MARTZ HOME BUILDERS, INC.
Karen L. Peterson	By Clarence Martz, Jr. President
Bratice I. Van Weelden	And James B. Gustatson Kig.

STATE OF MICHIGAN ) ) ss. COUNTY OF KENT )

On this <u>21</sub>-f day of May, 1981, before me, a Notary Public</u> in and for said County, appeared Clarence Martz, Jr., and James B. Gustafson, to me personally known, who being by me duly sworn, did say that they are respectively the President and Secretary of Martz Home Builders, Inc., the Corporation named in and which executed the within instrument; that said instrument was signed and sealed in behalf of said Corporation by authority of its Board of Directors; and the said persons further acknowledged said instrument to be the free act and deed of said Corporation.

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Beatrice I. Van Weelden Notary Public, KenoxXEPERRy, Michigan Kalamazoo Coun My commission expires: 2/24/82

# EXHIBIT A

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## CONDOMINIUM BY-LAWS

# QUAIL RUN CONDOMINIUMS II

# ARTICLE I

#### CONDOMINIUM PROJECT

Section 1. Organization. Quail Run Condominiums II, a residential condominium project located in the Township of Oshtemo, Kalamazoo County, Michigan (the "Project") is being constructed in successive segments so as to comprise a maximum of 90 living units. Upon completion, the management, maintenance, operation and administration of the Project shall be vested in an Association of Co-owners organized as a non-profit corporation under the laws of the State of Michigan (the "Association").

Section 2. Compliance. All present and future Co-Owners mortgagees, lessees or other persons who may use the facilities of the Condominium in any manner shall be subject to and comply with the provisions of Act No. 59, P.A. 1978, as amended (the "Act"), the approved Master Deed all amendments thereto, and the Articles of Incorporation, Association By-Laws, and other Condominium Documents which pertain to the use and operation of the Condominium property, current copies of which shall be kept by the Association and made available for inspection at reasonable hours to Co-Owners, prospective purchasers and prospective mortgagees of units in the Project; provided, that in the event of a conflict between the provisions of the Act and any other. Condominium Documents referred to herein, the provisions of the Act shall govern. The acceptance of a deed or conveyance, the entering into of a lease or the act of occupancy of a Condominium Unit in the Project shall constitute an acceptance of the provisions of these instruments and an agreement to comply therewith.

#### ARTICLE II

# MEMBERSHIP AND VOTING

Section 1. Membership. Each Co-Owner of a Unit in the Project, present and future, shall be a member of the Association and no other person or entity shall be entitled to membership. The share of a member in the funds and assets of the Association may be assigned, pledged or transferred only as an appurtenance to his Condominium Unit.

Section 2. Voting Rights. Except as limited in the Master Deed and in these By-Laws, each Co-Owner shall be entitled to one vote for each Unit owned when voting by number and one vote, the value of which shall equal the total of the percentages assigned to the Unit or Units owned by him as set forth in the Master Deed, when voting by value. Voting shall be by value, except in those instances where voting is specifically required to be in both value and in number, and no cumulation of votes shall be permitted.

Section 3. Members Entitled to Vote. No Co-Owner, other than the Developer, shall be entitled to vote at any meeting of the Association until he has presented written evidence of ownership of a Condominium Unit in the Project, nor shall he be entitled to vote prior to the Initial Meeting of Members held in accordance with Section 1 of Article III hereof. The Developer shall be entitled to vote only those Units for which it has obtained a certificate of occupancy, and which it still owns at the date on which the vote is cast.

The person entitled to cast the vote for the Unit and to receive all notices and other communications from the Association may be designated by a certificate signed by all the record owners of the Unit and filed with the Secretary of the Association. Such certificate shall state the name and address of the individual representative designated, the number or numbers of the Unit or Units owned, and the name and address of the person or persons, firm, corporation, partnership, association, trust or other legal entity who is the Co-Owner thereof. All certificates shall be valid until revoked, until superseded by a subsequent certificate or until a change in the ownership of the Unit concerned.

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

Section 5. Majority. At any meeting of members at which a quorum is present, 51% of the Co-Owners entitled to vote and present in person or by proxy, in accordance with the percentages allocated to each Condominium Unit in the Master Deed for the Project, shall constitute a majority for the approval of the matters presented to the meeting, except as otherwise required herein, by the Master Deed or by law.

# ARTICLE III

#### MEETINGS AND QUORUM

Section 1. Initial Meeting of Members. The initial meeting of the members of the Association shall be convened within thirty-six (36) months after the date on which a Master Deed for the Project has first been recorded, at which meeting the eligible Co-owners may vote for the election of Directors of the Association. The Developer may call meetings of members of the Association for information or other appropriate purposes prior to the initial meeting of members, but no such meeting shall be construed as the initial meeting of members.

Section 2. Annual Meeting of Members. Thereafter, an annual meeting of the members shall be held in each year at the time and place specified in the Association By-Laws. At least 10 days prior to the date of an annual meeting, written notice of the time, place and purpose of such meeting shall be mailed to each member entitled to vote at the meeting.

Section 3. Advisory Committee. If the initial meeting of members has not occurred within twelve months after recording of the Master Deed, three persons shall be selected from among the non-developer Co-Owners to serve on an Advisory Committee to the Board of Directors. The purpose of the Advisory Committee shall be to facilitate communication between the Board of Directors and the non-developer Co-Owners until the initial meeting has been held. The members of the Advisory Committee shall serve for one year, or until their successors are elected. The Advisory Committee shall cease to exist automatically upon the election of directors at the first annual meeting of members. The Board of Directors and the Advisory Committee shall meet with each other at such times as may be requested by the Advisory Committee; provided, however, that there shall be no more than three such meetings every year unless both parties agree.

Section 4. Quorum of Members. The presence in person or by proxy of twenty (20%) percent in number and value of the Co-Owners entitled to vote shall constitute a quorum of members. The written vote of any person furnished at or prior to any duly called meeting at which meeting said person is not otherwise present in person or by proxy shall be counted in determining the presence of a quorum with respect to the question upon which the vote is cast.

# ARTICLE IV

#### ADMINISTRATION

Section 1. Board of Directors. The business, property and affairs of the Association shall be managed and administered by a Board of Directors to be elected in the manner set forth in the Association By-Laws; provided, that the directors designated in the Articles of Incorporation shall serve until such time as their successors have been duly elected and qualified at a meeting of members called and held for such purpose. All actions of the first Board of Directors of the Association named in its Articles of Incorporation or any successors thereto elected by the Developer before the initial meeting of members shall be binding upon the Association in the same manner as though such actions had been authorized by a Board of Directors duly elected by the members of the Association at the initial meeting or at any subsequent meeting, so long as such actions are within the scope of the powers and duties which may be exercised by a Board of Directors as provided in the Condominium Documents. A service contract or management contract entered into between the Association and the Developer or affiliates of the Developer shall be voidable by the Board of Directors on the Transitional Control Date or within ninety (90) days thereafter, and on thirty (30) days notice at any time thereafter for cause.

Section 2. Powers and Duties. The Board shall have all powers and duties necessary for the administration of the affairs of the Association. The powers and duties to be exercised by the Board shall include, but shall not be limited to, the following:

(a) Care, upkeep and maintenance of the common elements;

(b) Development of an annual budget, and the determination, assessment and collection of amounts required for the operation and other affairs of the Condominium;

(c) Employment and dismissal of personnel as necessary for the efficient operation of the Condominium;

(d) Adoption and amendment of rules and regulations covering the details of the use of Condominium property;

(e) Opening of bank accounts on behalf of the Condominium and designating signatories required therefor;

(f) Obtaining insurance for Condominium property, the premium of which shall be an expense of administration;

(g) Leasing or purchasing premises suitable for use by a managing agent and/or custodial personnel, upon such terms as the Board may approve;

(h) Authorizing the execution of contracts, deeds and easements affecting the Common Elements on behalf of the Co-Owners;

(i) Making repairs, additions and improvements to, or alterations of, the Condominium property, and repairs to and restoration of the property in accordance with the other provisions of these By-Laws after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings;

(j) Asserting, defending or settling claims on behalf of all Co-Owners in connection with the common elements of the Project and, upon written notice to all Co-Owners, instituting actions on behalf of and against the Co-Owners in the name of the Association; and

(k) Such further duties as may be imposed by resolution of the members of the Association or which may be set forth in the Condominium Documents.

<u>Section</u> 3. <u>Books of Account</u>. The Association shall keep books and records containing a detailed account of the expenditures and receipts affecting the administration of the Condominium, 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 its Co-Owners. Such accounts shall be open for inspection by the Co-Owners during reasonable working hours at a place to be designated by the Association, and the Association shall prepare therefrom, and distribute to all Co-Owners at least 2 times per year, a financial statement, the contents of which shall be defined by the Association. The books and records shall be audited annually by qualified independent cost of such audit shall be an expense of administration.

Section 4. Maintenance and Repair. All maintenance of and repair to a Condominium Unit, other than maintenance of and repair to any general common element contained therein, shall be made by the Co-Owner of such Unit. Any Co-Owner who desires to make repairs or structural modifications to his Unit must first obtain the written consent of the Association Board, and shall be responsible for all damages to any other Units or to the common elements resulting from such repairs or from his failure to effect such maintenance and repairs.

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All maintenance of and repair to the general common elements, whether located inside or outside the units, and to limited common elements to the extent set forth in the Master Deed, shall be made by the Association and be charged to all the Co-Owners as a common expense unless necessitated by the negligence, misuse or neglect of a Co-Owner, in which case such expense shall be charged to such Co-Owner. The Association or its agent shall have access to each Unit from time to time during reasonable working hours, upon notice to the occupant thereof, for the purpose of maintenance, repair or replacement of any of the common elements located therein or accessible

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therefrom. The Association or its agents shall also have access to each Unit at all times without notice for making emergency repairs necessary to prevent damage to other Units, the common elements or both.

Section 5. Reserve Fund. The Association shall maintain a reserve fund, to be used only for major repairs and replacement of the common elements, as required by Section 105 of the Act. Such fund shall be established in the minimum amount herein-after set forth on or before the Transitional Control Date, and shall, to the extent possible, be maintained at a level which is equal to or greater than 10% of the current annual budget of the Association on a noncumulative basis. The minimum reserve standard required by this Section may prove to be inadequate, and the Board shall carefully analyze the Project from time to time in order to determine if a greater amount should be set aside or if additional reserve funds shall be established for other purposes.

Section 6. Mechanics Liens. A mechanics lien arising as a result of work performed upon a Condominium Unit or limited common element shall attach only to the Unit upon which the work was performed, and a lien for work authorized by the Developer or principal contractor shall attach only to Condominium Units owned by the Developer at the time of recording the statement of account and lien. A mechanics lien for work authorized by the Association shall attach to each Unit only to the proportionate extent that the Co-Owner of such Unit is required to contribute to the expenses of administration. No mechanics lien shall arise or attach to a Condominium Unit for work performed on the common elements not contracted by the Association or the Developer.

Section 7. Managing Agent. The Board may employ for the Association a Managing Agent at a compensation established by the Board to perform such duties and services as the Board shall authorize, including, but not limited to, the powers and duties listed in Section 2 of this Article. The Developer or any person or entity related thereto may serve as Managing Agent if so appointed.

Section 8. Officers. The Association By-Laws shall provide the designation, number, terms of office, qualifications, manner of election, duties, removal and replacement of officers of the Association and may contain any other provisions pertinent to officers of the Association not inconsistent herewith. Officers may be compensated, but only upon the affirmative vote of more than sixty (60%) per cent of all Co-Owners in number and in value.

Section 9. Indemnification. All directors and officers of the Association shall be entitled to indemnification against costs and expenses incurred as a result of actions (other than wilful or wanton misconduct or gross negligence) taken or failed to be taken on behalf of the Association in such capacity, in the manner and to the extent provided by Article V of the Association By-Laws. In the event that no judicial determination as to indemnification has been made, an opinion of independent counsel as to the propriety of indemnification shall be obtained if a majority of Co-Owners vote to procure such an opinion.

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# ARTICLE V

# ASSESSMENTS

Section 1. Administrative Expenses. The Association shall be assessed as the entity in possession of any tangible personal property of the Condominium owned or possessed in common by the Co-Owners, and personal property taxes based thereon shall be treated as expenses of administration. All costs incurred by the Association in satisfaction of any liability arising within, caused by or connected with the common elements or the administration of the Project shall be expenses of administration, and all sums received as proceeds of, or pursuant to any policy of insurance securing the interests of the Co-Owners against liabilities or losses arising within, caused by or connected with the common elements or the administtration thereof shall be receipts of administration.

Section 2. Determination of Assessments. The Board shall from time to time, and at least annually, adopt a budget for the Condominium which shall include the estimated funds required to defray common expenses, and shall allocate and assess such common charges against all Co-Owners according to their respective common interests on a monthly basis. Absent Co-Owner approval as herein provided, such assessment shall be increased only in accordance with the following:

(a) If the Board shall find the budget as originally adopted is insufficient to pay the costs of operation and maintenance of the common elements;

(b) To provide for the replacement of existing common elements;

(c) To provide for the purchase of additions to the common elements in an amount not exceeding \$2,500 or \$50 per unit annually, whichever is less; or

(d) In the event of emergency or unforeseen development.

Any increase in assessments other than or in addition to the foregoing, including assessments for the purchase or lease of a Unit for use of a resident manager shall be considered as a special assessment requiring approval by a vote of 60% or more of the Co-Owners in number and in value.

Section 3. Levy of Assessments. All assessments levied against the Co-Owners to cover expenses of administration shall be apportioned among and paid by the Co-Owners in accordance with the percentage of value allocated to each Unit by the Master Deed without increase or decrease for the existence of any rights to the use of limited common elements appurtenant thereto. The common expenses shall consist, among other things, of such amounts as the Board may deem proper for the operation and maintenance of the Condominium property under the powers and duties delegated to it hereunder, and may include, without limitation, amounts to be set aside for working capital of the Condominium, for a general operating reserve, for a reserve for replacement and for meeting any deficit in the common expense for any prior year; provided, that any reserves established by the Board prior to the initial meeting of members shall be subject to approval by such members at the initial meeting thereof. The Board shall advise each Co-Owner in writing of the amount of common charges payable by him and shall furnish copies of each budget on which such common charges are based to all Co-Owners and mortgagees.

Section 4. Collection of Assessments. Each Co-Owner shall be obligated for the payment of all assessments levied with regard to his Unit during the time that he is the Owner thereof, and no Co-Owner may exempt himself from liability for his contribution toward the expenses of administration by waiver of the use or enjoyment of any of the common elements, or by the abandonment of his Unit. In the event of default by any Co-Owner in paying the assessed common charges, the Board may impose reasonable fines or charge interest at the legal rate on such assessment from the due date thereof. Unpaid assessments shall constitute a lien on the Unit prior to all other liens except tax liens in favor of any notice of lien by the Association, and the Association may enforce the collection thereof by suit at law for a money judgment or by foreclosure of the liens securing payment in the manner provided by Section 108 of the Act. In an action for foreclosure, a receiver may be appointed and reasonable rental for the Unit may be collected from the Co-Owner thereof or anyone claiming under him, and all expenses incurred in collection, including interest, costs and actual attorney's fees, and any advances for taxes or other liens paid by the Association to protect its lien, shall be chargeable to the Co-Owner in default.

Upon the sale or conveyance of a Condominium Unit, all unpaid assessments against the Unit shall be paid out of the sale price by the purchaser in preference over any other assessment or charge except as otherwise provided by the Condominium Documents or by the Act. A purchaser or grantee shall be entitled to a written statement from the Association setting forth the amount of unpaid assessments against the Seller or Grantor and such purchaser or grantee shall not be liable for, nor shall the Unit conveyed or granted be subject to a lien for any unpaid assessments against the seller or grantor in excess of the amount set forth in such written statement. Unless the purchaser or grantee shall be liable for any unpaid assessments or grantee shall be liable for any unpaid assessments or grantee shall be liable for any unpaid assessments or grantee shall be liable for any unpaid assessments against the unit together with interest, costs, and attorneys fees incurred in the collection thereof.

The Association may also enter upon the common elements, limited or general, to remove and abate any condition, or may discontinue the furnishing of any services to a Co-Owner in default upon 7 days written notice to such Co-Owner of its intent to do so. A 'Co-Owner in default shall not be entitled to vote at any meeting of the Association so long as such default continues.

Section 5. Obligations of the Developer. Until such time as the regular monthly assessments paid by Co-owners other than the Developer shall be sufficient to support the total costs of administration (excluding reserves), the Developer shall pay the balance of such administrative costs on account of the units owned by it, whether constructed or not.

After the time at which the regular monthly assessments paid by Co-owners other than the Developer are sufficient to support the total costs of administration (excluding reserves), the Developer shall be assessed by the Association for actual costs, if any, incurred by the Association which are directly attributable to the Units being constructed by the Developer, together with a pro-rata share of costs of administration other than costs attributable to the maintenance of dwellings, such as legal fees, accounting fees, liability insurance premiums and maintenance of the landscaping, drives and walks. Provided, that if a Unit owned by Developer is leased or otherwise occupies on a permanent basis by a person holding under or through the Developer, the Developer shall pay all regular monthly assessments with respect to such Unit forthwith.

#### ARTICLE VI

#### TAXES, INSURANCE AND REPAIR

Section 1. Taxes. Subsequent to the year in which construction of the building containing a Unit is completed, all special assessments and property taxes shall be assessed against the individual Units and not against the total property of the Project or any part thereof, except for the year in which the Project or any phase thereof, was established subsequent to the tax day. Taxes and special assessments which become a lien against the property in any such year shall be expenses of administration and shall be assessed against the Units in proportion to the number of votes in the Association appertaining to each Unit. Special assessments and property taxes in any year in which the property existed as an established Project on the tax day shall be assessed against the Individual Units notwithstanding any subsequent vacation of the Project.

Assessments for subsequent real property improvements to a specific Unit shall be assessed to that Unit description only, and each Unit shall be treated as a separate, single unit of real property for purposes of property tax and special assessment, and shall not be combined with any other Unit or Units, and no assessment of any fraction of any Unit or combination of any Unit with other units or fractions thereof shall be made, nor shall any division or split of the assessment or taxes of a single Unit be made notwithstanding separate or common ownership thereof.

Section 2. Insurance. The Association shall be appointed as Attorney-in-Fact for each Co-Owner to act in connection with insurance matters and shall be required to obtain and maintain, to the extent available and/or applicable, fire and extended coverage, vandalism and malicious mischief and liability insurance, and workmen's compensation insurance pertinent to the ownership, use and maintenance of the common elements of the Project. Such insurance, other than title insurance, shall be carried and administered in accordance with the following provisions:

(a) All such insurance shall be purchased by the Association for the benefit of the Association, the Co-Owners and their mortgagees, as their interests may appear, and provision shall be made for the issuance of certificates of mortgagee endorsements to all mortgagees. Each Co-Owner shall be responsible for obtaining insurance coverage at his own expense for the interior of his Unit, including interior walls, wall coverings, floor coverings, sliders, windows and screens, and it shall be each Co-Owner's responsibility to obtain insurance coverage for the personal property located within his Unit or elsewhere in the Project and for personal liability for occurrences within his Unit or upon limited common elements appurtenant to his Unit, and the Association shall have no responsibility for obtaining such coverages. If the Association policy covers interior walls and limited common elements appurtenant to a Unit, then the reconstruction thereof shall be the responsibility of the Association. If insurance shall be held by the Association for the benefit of individual Co-Owners, then such Co-Owners shall be entitled to receive the proceeds thereof. The Association and all Co-Owners shall use their best efforts to see that all property and liability insurance carried by the Association or any Co-Owner shall contain appropriate provisions whereby the insurer waives its right of subrogation as to any claims against any Co-Owner or the Association.

(b) All common elements of the Project shall be insured against fire and other perils covered by a standard extended coverage endorsement, in an amount equal to the maximum insurable replacement value, excluding land, foundation and excavation costs, as determined annually by the Board of Directors of the Association. Such coverage may also include interior walls within any Unit and the pipes, wires, conduits and ducts contained therein and may further include the fixtures, equipment and trim within a Unit which were furnished with the Unit as standard items in accordance with plans and specifications thereof on file with the Association (or such replacements thereof as do not exceed the costs of such standard items). Any improvements made by a Co-Owner within his Unit shall be covered by insurance obtained by and at the expense of said Co-Owner; provided that, if the Association elects to include interior walls, fixtures, improvements and/or limited common elements under its insurance coverage, any additional premium cost to the Association attributable thereto shall be assessed to and borne solely by said Co-Owner and collected as a part of the assessments against said Co-Owner as provided herein.

(c) The Association shall maintain adequate fidelity coverage to protect against dishonest acts by its officers, directors, trustees and employees and all others who are responsible for handling funds of the Association. Such fidelity bonds shall meet the following requirements:

(i) The Association shall be named as an obligee;

(ii) The policy shall be written in an amount equal to at least one hundred and fifty (150%) percent of the estimated annual operating expenses of the Condominium Project including reserves;

(iii) The policy shall contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of "an employee" or similar expression;

(iv) The policy shall provide that it may not be canceled or substantially modified, including cancelation for non-payment of premium, without at least thirty (30) days' prior written notice to all Mortgagees of Record.

(d) Except as otherwise set forth herein, all premiums upon insurance purchased by the Association pursuant to these By-Laws shall be expenses of administration.

Section 3. Reconstruction and Repair. If the Condominium Project or any of its general common elements are destroyed or

damaged, in whole or in part, a decision to reconstruct, rebuild or repair the property shall be made in the following manner:

(a) If no Condominium Unit is tenantable, said property will not be reconstructed or repaired unless within 60 days thereafter the Co-Owners of at least 75% of the common elements in number and in value agree in writing to such reconstruction or repair.

(b) If the damaged property is a Common Element or Unit, then if any Unit is tenantable, said property shall be reconstructed or repaired unless within 60 days thereafter the Co-Owners of at least 75% of the common elements in number and in value agree in writing that such construction or repair shall not be made.

(c) Any such reconstruction or repair shall be substantially in accordance with the plans and specifications for the original buildings forming a part of the Project, or if not, then in accordance with the plans and specifications approved by the Co-Owners of damaged Units, which approval shall not be unreasonably withheld. Upon completion of any such reconstruction or repair, the percentages of value assigned to each Unit may be adjusted as necessary to reflect the changes occasioned thereby.

The portion of insurance proceeds representing damage for which the responsibility of reconstruction or repair lies with an individual Co-Owner shall be paid to that Co-Owner unless there is a mortgage endorsement, in which event the payment shall be made to the Co-Owner and the mortgagee jointly, as their interests may appear, and such proceeds shall be used for reconstruction or repair when required by these By-Laws. If the proceeds of any insurance or award received by the Association in connection with such destruction are not sufficient to defray the estimated costs of reconstruction or repair by the Association, or if at any time during reconstruction or repair or upon completion of such reconstruction or repair the funds for payment of the cost thereof are insufficient, assessment shall be made against all, Co-Owners in sufficient amount to provide funds to pay the estimated costs thereof.

Section 4. Eminent Domain. The following provisions shall control upon any taking by eminent domain:

(a) If any portion of the common elements is taken by eminent domain, the award therefore shall be allocated to the Co-Owners in proportion to their respective undivided interests in the common elements. The Association, acting through its Board of Directors, may negotiate on behalf of all Co-Owners for any taking of common elements and any negotiated settlement approved by more than two-thirds of Co-Owners based upon assigned voting rights shall be binding on all Co-Owners.

(b) If a Unit is taken by eminent domain, the undivided interest in the common elements appertaining to that Unit shall thenceforth appertain to the remaining Units, being allocated to them in proportion to their respective undivided interests in the common elements. The court shall enter a decree reflecting the re-allocation of undivided interests produced thereby, and the award shall include, without limitation, just compensation to the Co-Owner of the Unit taken for his undivided interest in the common elements as well as for the Units.

(c) If portions of a Unit are taken by eminent domain, the court shall determine the fair market value of the portions of the Unit not taken. The undivided interest for each Unit in the common elements appertaining to the condominium units shall be reduced in proportion to the diminution in the fair market value of the Unit resulting from the taking. The portions of undivided interest in the common elements thereby divested from the Co-Owners of a Unit shall be re-allocated among the other Units in the Project in proportion to their respective undivided interests in the common elements. A Unit partially taken shall receive the re-allocation in proportion to its undivided interest as reduced by court order under this subsection. The court shall enter a decree reflecting the re-allocation of undivided interest produced thereby, and the award shall include just compensation to the Co-Owner of the Unit partially taken for that portion of the undivided interest in the common elements divested from the Co-Owner and not revested in the Co-Owner pursuant to subsection (d), as well as for that portion of the Unit taken by eminent domain.

(d) If the taking of the portion of a Unit makes it impractical to use the remaining portion of that Unit for a lawful purpose permitted by the Condominium Documents, then the entire undivided interest in the common elements appertaining to that Unit shall thenceforth appertain to the remaining Units in the Project, being allocated to them in proportion to their respected undivided interest in the common elements. The remaining portion shall thenceforth be a common element. The court shall enter an order reflecting re-allocation of undivided interests produced thereby, and the award shall include just compensation to the Co-Owner of the Unit for the Co-Owners entire undivided interest in the common elements and for the entire condominium unit.

(e) Votes in the Association and liability for future expenses of administration appertaining to a Unit taken or partially taken by eminent domain shall thenceforth appertain to the remaining Units, being allocated to them in proportion to the relative voting strength in the Association. A Unit partially taken shall receive a re-allocation as though the voting strength in the Association was reduced in proportion to the deduction in the undivided interests in the common elements.

#### ARTICLE VII

#### USE AND OCCUPANCY RESTRICTIONS

Section 1. Residential Use. Condominium Units shall be used exclusively for residential occupancy, and no Unit or any common element appurtenant thereto shall be used for any purpose other than that of a single family residence or other purposes customarily incidental thereto, except that professional and quasi-professional Co-Owners may use their residence as an ancillary facility to an office established elsewhere, so long as such use does not generate traffic by members of the general public. The foregoing restrictions as to use shall not, however, be construed in such manner as to prohibit a Co-Owner from: (a) maintaining his personal professional library;

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(b) keeping his personal business or professional records or accounts; or (c) handling his personal business or professional telephone calls or correspondence. Such uses are expressly declared customarily incidental to principal residential use and not in violation of said restrictions.

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Section 2. Common Areas. The common areas shall be used only for the Co-Owners of Units in the condominium and by their agents, tenants, family members, invitees and licensees for access, ingress to and egress from the respective Units and for other purposes incidental to use of the Units; provided, however, that any recreational facilities, storage areas or other common areas designed for a specific use shall be used only for the purposes approved by the Board. The use, maintenance and operation of the common elements shall not be obstructed, damaged or unreasonably interferred with by any Co-Owner, and shall be subject to any lease, concession or easement, presently in existence or entered into by the Board at some future time, effecting any part of all of said common elements.

Section 3. Specific Prohibitions. Without limiting the generality of the foregoing provisions, use of the Project and all common elements by any Co-Owner shall be subject to the following restrictions:

(a) No more than four (4) persons shall permanently occupy or reside in any two-bedroom Unit, nor more than five (5) persons in any three-bedroom Unit, nor shall any basement area be used as a place of habitation without the express prior written approval of the Association Board. In the event that a violation of this restriction by a family in occupancy of a Unit results from the birth or adoption of a child, or the marriage or re-marriage of a family member, this restriction shall be suspended as to such family for a period of one year to enable the family a reasonable time with which to cure such violation or otherwise dispose of the Unit.

(b) No portion of a Unit may be rented and no transient tenants may be accommodated therein; provided, that nothing herein shall prevent the rental or sublease of an entire Unit for residential purposes or of a limited common element appurtenant to such Unit.

(c) No Co-Owner shall make alterations in exterior appearance or structural modifications to his Unit without the written approval of the Association Board. The Association Board shall not approve any alterations or structural modifications which would jeopardize or impair the soundness, safety or appearance of the Project.

(d) No nuisances shall be permitted on the Condominium property nor shall any use or practice be permitted which is a source of annoyance to its residents, or which interferes with the peaceful possession or proper use of the Project by its residents.

(e) No immoral, improper, offensive or unlawful use shall be made of the Condominium property or any part thereof, and nothing shall be done or kept in any Unit or on the Common Elements which will increase the rate of insurance for the Project without the prior written consent of the Board. No Co-Owner shall permit anything to be done or kept in his Unit or on the Common Elements which will result in the cancellation of insurance on any Unit, or any

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part of the common elements, or which would be in violation of any law.

(f) No signs or other advertising device shall be displayed which are visible from the exterior of any Unit or upon the common elements, including "for sale" signs, without written permission from the Association or Managing Agent; provided, however, that such restriction shall not apply to the Developer in the initial sale of any Unit.

(g) No Co-Owner shall display, hang, store or use any clothing, sheets, blankets, laundry or other articles outside his Unit, or which may be visible from the outside of his Unit (other than draperies, curtains, or shades of a customary nature and appearance), or paint or decorate or adorn the outside of his Unit, or install outside his Unit any CB, short wave or other radio or television antenna, window air conditioning unit, awning or other equipment, fixtures or items of any kind, without the prior written permission of the Board or the written permission of the Managing Agent. A Co-Owner may have no more than 3 small, unobtrusive bird feeders or bird houses at rear of unit so long as there is no objection by adjacent Co-Owners. The foregoing restrictions as to use and occupancy shall not be construed to prohibit a Co-Owner from placing and maintaining outdoor furniture, a portable barbecue grill, and decorative foliage of a customary nature and appearance on a deck which is a limited common element appurtenant to his Unit.

No animal, other than one dog of a weight of 20 (h) lbs. or less or not more than two cats, shall be kept by the owners and/or residents of any unit in the Project without the prior written consent of the Association acting through the Board of Directors thereof. Pets permitted by this Section shall be kept under such care and restraint as not to be obnoxious on account of noise, odor or unsanitary conditions, and no savage or dangerous animals shall be kept upon the Condominium property. No animal shall be permitted to run loose upon the common elements, limited or general, and any person who causes or permits any 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 Condominium property.

(i) No structure of a temporary character, trailer, tent, shack, garage, accessory building or outbuilding shall be used at any time as a residence, either temporary or permanent. No recreational vehicles, boats or trailers shall be parked or stored on the common drives or parking lots of the Condominium without the written approval of the Association, and no more than two automobiles or other vehicles customarily used for transportation purposes shall be kept on the condominium property by those persons residing in any Unit. No commercial vehicles or trucks shall be parked in or about the Condominium except for the making of deliveries or pick-ups in the normal course of business.

(j) The common elements shall not be used for the storage of supplies, personal property, trash or refuse of any kind except for common trash receptacles placed at the discretion of the Board of Directors. In general, no activity shall be carried on nor condition maintained by any Co-Owner either in his Unit or upon the Common Elements which despoil the appearance of the Condominium.

Section 4. Rules of Conduct. Rules and regulations concerning the use of Condominium Units and Common Elements,

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limited and general, may be promulgated and amended by the Board upon approval of a majority of the Co-Owners. Copies of such rules and regulations shall be furnished by the Board to each Co-Owner prior to their effective date.

Section 5. Remedies on Breach. A default by a Co-Owner shall entitle the Association to the following relief:

(a) Failure to comply with any of the terms or provisions of the Condominium Documents shall be grounds for relief, which may include an action to recover sums due for damages, injunctive relief, foreclosure of lien if default in payment of assessment, or any other remedy as appropriate to the nature of the breach as set forth in the Condominium Documents including, without limitation, the levying of fines against Co-Owners after notice and hearing thereon and the imposition of late charges for non-payment of assessments. All such remedies shall be deemed to be cumulative and shall not be considered as an election of remedies.

(b) In a proceeding arising because of an alleged default by a Co-Owner, the Association, if successful, may recover the cost of the proceeding and such reasonable attorneys fees as may be determined by the court.

(c) The failure of the Association to enforce any right, provision, covenant or condition which is granted by the Condominium Documents shall not constitute a waiver of the right of the Association to enforce such right, provision, covenant or condition in the future.

An aggrieved Co-Owner shall also be entitled to compel enforcement of the Condominium Documents by action for injunctive relief and/or damages against the Association, its officers or another Co-Owner in the Project.

## ARTICLE VIII

#### MORTGAGES

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

Section 2. Notice of 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. Rights of Mortgagee. Upon request submitted to the Association, any institutional holder of a first mortgage lien on any Unit in the Condominium shall be entitled to receive written notification of every meeting of the members of the Association and to designate a representative to attend such meeting.

# ARTICLE IX

# LEASES

Section 1. Notice of Lease. A Co-Owner, including the Developer, desiring to rent or lease a condominium Unit, shall disclose that fact in writing to the Association at least twenty-one (21) days before leasing the Unit, and shall supply the Association with a copy of the exact lease form for its review for compliance with the Condominium Documents. No Unit shall be rented or leased for a period of less than one (1) month without the prior written consent of the Association. A Developer proposing to rent condominium Units before the Transitional Control Date, shall notify either the advisory committee or each Co-Owner in writing.

Section 2. Terms of Lease. Tenants or non Co-Owner occupants shall comply with all the conditions of the Condominium Documents of the Project, and all lease and rental agreements shall so state.

Section 3. Remedies. If the Association determines that any tenant or non Co-Owner occupant has failed to comply with the conditions of the Condominium Documents, the Association may take the following action:

(a) The Association shall notify the Co-Owner by certified mail advising of the alleged violation by the tenant.

(b) The Co-Owner shall have 15 days after receipt of said notice to investigate and correct the alleged breach by the tenant or advise the Association that a violation has not occurred.

(c) If, after 15 days the Association believes that the alleged breach has not been cured or may be repeated, it may institute on its behalf or derivatively by the Co-Owners on behalf of the Association, if it is under the control of the Developer, an action for eviction against the tenant or non Co-Owner occupant and simultaneously for money damages in the same action against the Co-Owner and tenant or non Co-Owner occupant for breach of the conditions of the Condominium Documents. The relief set forth in this Section may be by summary proceeding. The Association may hold both the tenant and the Co-Owner liable for any damages caused by the Co-Owner or tenant in connection with the Condominium Unit.

Section 4. Assessments. 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 Unit under a lease or rental agreement and the tenant, after receiving such notice, shall deduct from rental payments due the Co-Owner the full arrearage and future assessments as they fall due and shall pay them to the Association. Such deductions shall not be a breach of the rental agreement or lease by the tenant.

# ARTICLE X.

#### ARBITRATION

Section 1. Submission to Arbitration. Any dispute, claim or grievance arising out of or relating to the interpretation or application of the Master Deed, By-Laws or Management

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Agreement, if any, or to any disputes, claims or grievances arising among or between the Co-Owners or between such owners and the Association may, upon the election and written consent of the parties to any such dispute, claim or grievance, and written notice to the Association, be submitted to arbitration and the parties thereto shall accept the Arbitrator's decision as final and binding. The Commercial Arbitration Rules of the American Arbitration Association as amended and in effect from time to time hereafter shall be applicable to such arbitration.

Section 2. Preservation of Rights. Election by any Co-Owner or by the Association to submit any such dispute, claim or grievance to arbitration shall preclude such party from litigating such dispute, claim or grievance in the courts. Provided, however, that no interested party shall be precluded from petitioning the Courts to resolve any dispute, claim or grievance in the absence of an election to arbitrate.

#### ARTICLE XI

# MISCELLANEOUS PROVISIONS

Section 1. Severability. In the event that any of the terms, provisions, or convenants of these By-Laws or any Condominium Document are held to be partially or wholly invalid or unenforceable for any reason whatsoever, such holding shall not affect, alter, modify or impair in any manner whatsoever any of the other terms, provisions or convenants of such documents or the remaining portions of any terms, provisions or covenants held to be partially invalid or unenforceable, and in such event the document shall be construed in all respects as if such invalid or unenforceable provisions were omitted.

Section 2. Notices. Notices provided for in the Act, Master Deed or By-Laws shall be in writing, and shall be addressed to the Association at 5320 Holiday Terrace, Kalamazoo, Michigan 49009, or to any Co-Owner at the address set forth in the deed of conveyance, or at such other address as may hereinafter be provided.

The Association may designate a different address for notices to it by giving written notice of such change of address to all Co-Owners. Any Co-Owner may designate a different address for notices to him by giving written notice to the Association. Notices addressed as above shall be deemed delivered when mailed by United States mail with postage prepaid, or when delivered in person.

Section 3. Amendment. These By-Laws may be amended, altered, changed, added to or repealed only in the manner set forth in Article VII of the Master Deed of Quail Run Condominiums II. KALAMAZOO COUNTY CONDOMINIUM SUBDIVISION PLAN NO. 30

ATTENTION COUNTY REGISTRAN OF DEEDS THE CONCENTRAL M STRONTSION & AN MERGER MUST BE ASSIGNED IN CONSECUTIVE SEQUENCE, WHEN A NUMBER HAS BEEN ASSIGNED TO THIS PROJECT IT NUST BE ENOPERIN SHOWN IN THE TITLE ON THIS SHEET AND IN THE SURVEYORS CERTIFICATE ON SHEET Z.

#### TO MASTER DEED OF FXHIBIT B

# AIL RUN CONDOMINIUMS

A CONDOMINIUM

# OSHTEMO TOWNSHIP, KALAMAZOO COUNTY, MICHIGAN

#### DEVELOPER

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EXHI

#### MARTZ HOME BUILDERS INC .. 5320 HOLIDAY TERRACE. KALAMAZOO, MICHIGAN 49009

#### DESCRIPTION

A PARCEL OF LIND SITUATED IN THE EAST HALF OF THE EAST HALF OF SECTION 26, THES, R IZ W. OSHTENO TOWASHIP, KALAMAZOO COUNTY, MCHIGAN BEING WORE PARTICULARLY DESCRIBED AS FOLLOWS.

SEGNNING AT THE EAST OLIATER POST OF SECTION 26, T 25, R 12W. SCHTEMO TOWNSAP, KALAVAZOO COUNTY, MONGAN, THENEE N.O"-48-45" E ALONG THE ESST LALENE OF SAD SECTION 26, 248.45 FEET, THENEE M. 89-48'-30' M., ZARALLEL WITH THE NORTH LIME OF THE FECTORED PLAT OF "FAIRLANE" AS FOUND IN LISER 21 OF PLATS ON PAGE 26 IN THE REGISTER FAIRLANC AS FOUND IN LIBER 21 OF PLATS ON PAGE 25 IN THE REDISTER OF DEEDS OFFICE TON KALAMAZOO COUNTY, MICHGAN, 666 SJ FEET, THENCE SO-11'-JO'W, 20 OD FEET; THENCE N.83'-48'-JO'W, 122 OD FEET; THENCE N.0'-11'-JO'E, 20 DD FEET, THENCE N.83'-48'-JO'W, 124 OD FEET; THENCE N.CTHWESTERLY JA IO FEET ALCON THE JO'W, 164 JJ THE RIGHT, 92D JS BEING 127 41 FEET AND A CHORD BEA-TAG N.82'-CB'-M' H, 33 95 FEET, "-DIES SO-11'JO'W, 104 SE FEET; "HICE N.83'-48'-JO' A JD9 52 FEET TO THE REST LIVE OF THE SOUTHEAST D.ARTER OF THE A 309 52 FEET TO THE WEST LIVE OF THE SOUTHEAST DLATTER OF THE NOTATELEST DLATTER OF SAID SECTION 26; THEMES 50-24-05°W ALONG THE NEETS OLATTER OF THE SOUTHEAST OLATTER OF THE SOUTHEAST OLATTER OF THE NOTATELEST OLATTER OF THE SOUTHEAST OLATTER B 96 ACRES OF LAND

# SURVEYOR

ROBERT L. SALIERS ACRO ENGINEERING & SURVEYING INC., 120 EAST KILBORE ROAD KALAMAZOO, MICHIGAN 49000

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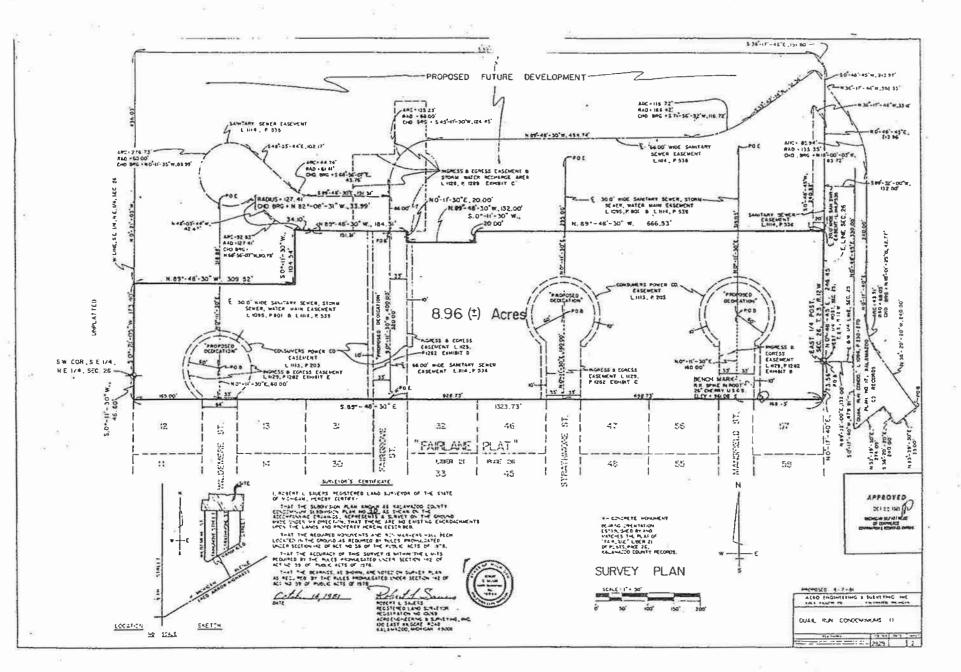
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- L TITLE , DESCRIPTION .
- SURVEY PLAN
- STE FLAN
- 4. UTRITY PLAN
- 3. BASEMENT FLOOP PLAN BLADINGS 1.6.14 & 20

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- (UNITS 182. 118 2. 278 28 8 39840) 6. FIRST FLOOR PLAN BUILDINGS 1.6, 14 8 20
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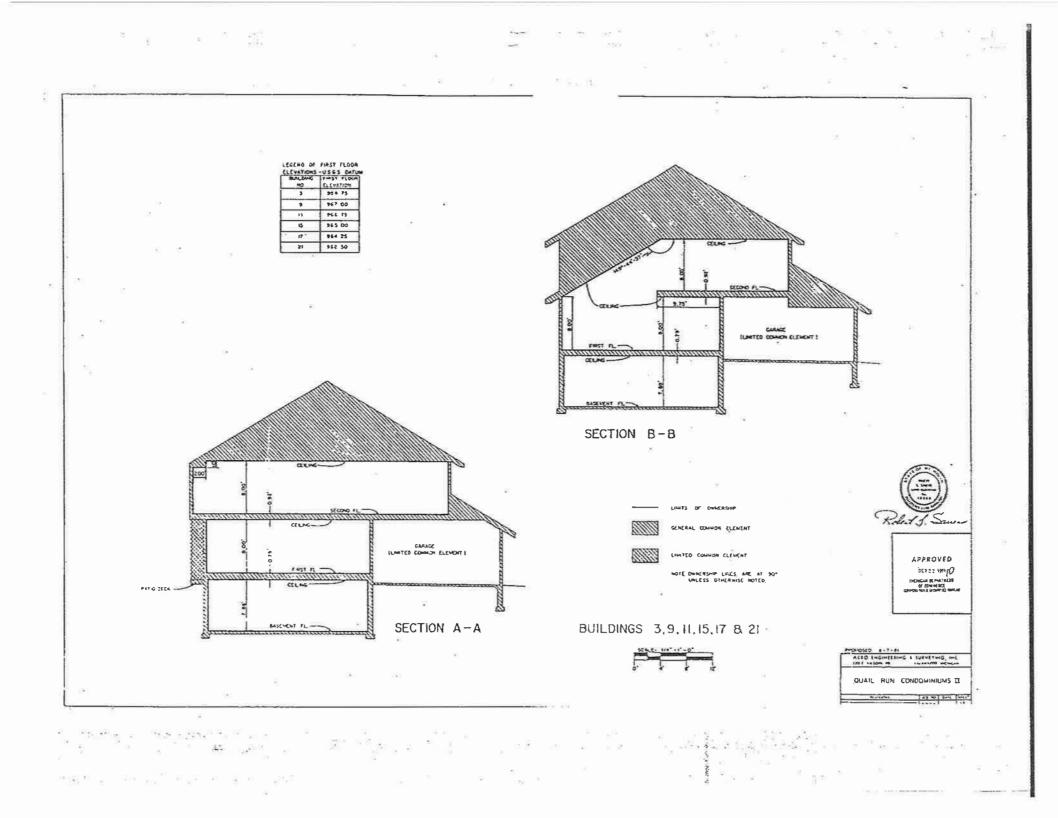
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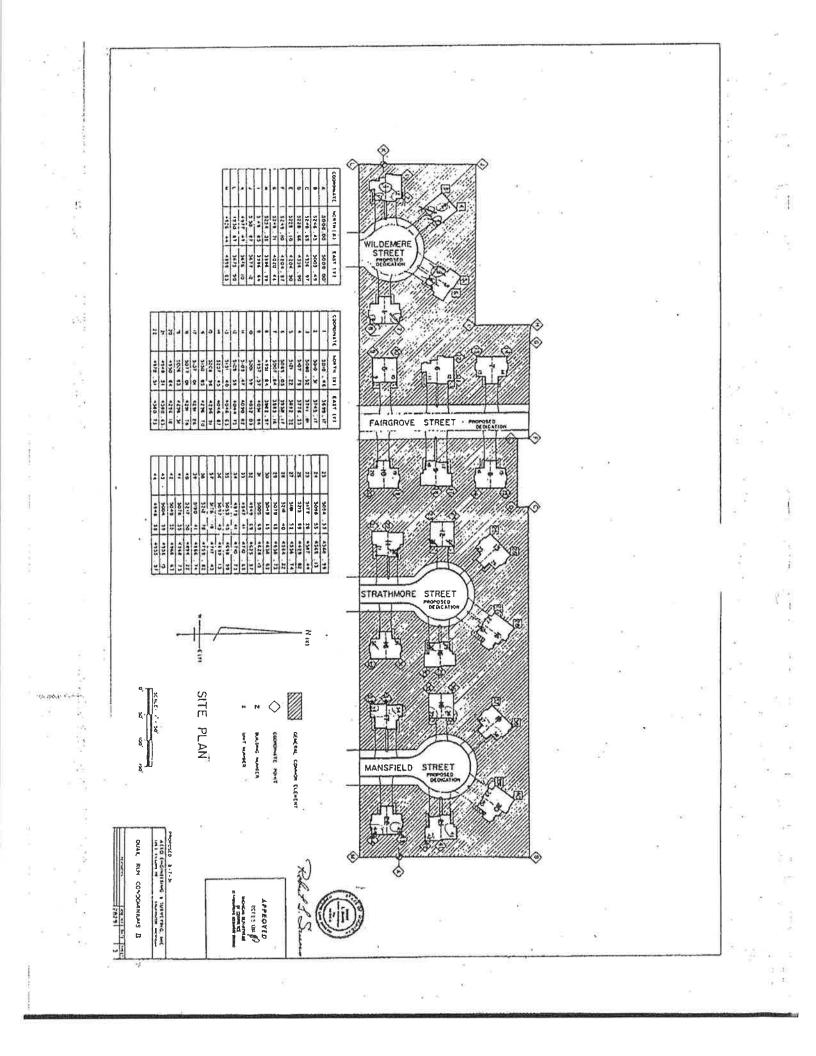
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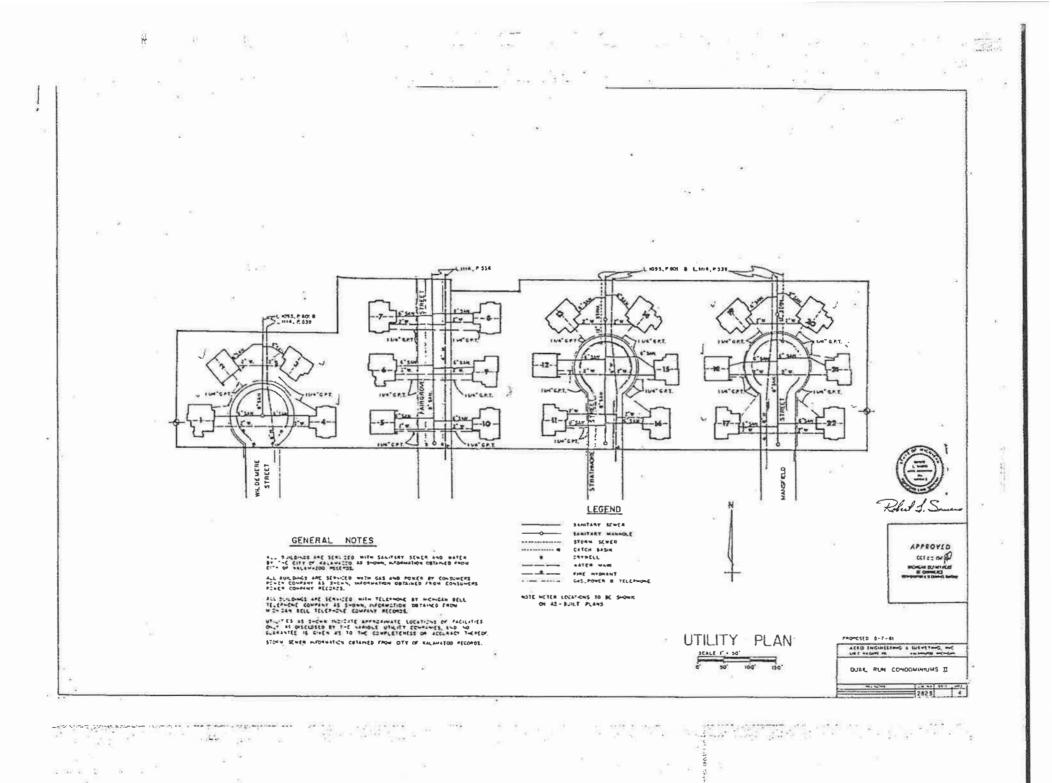
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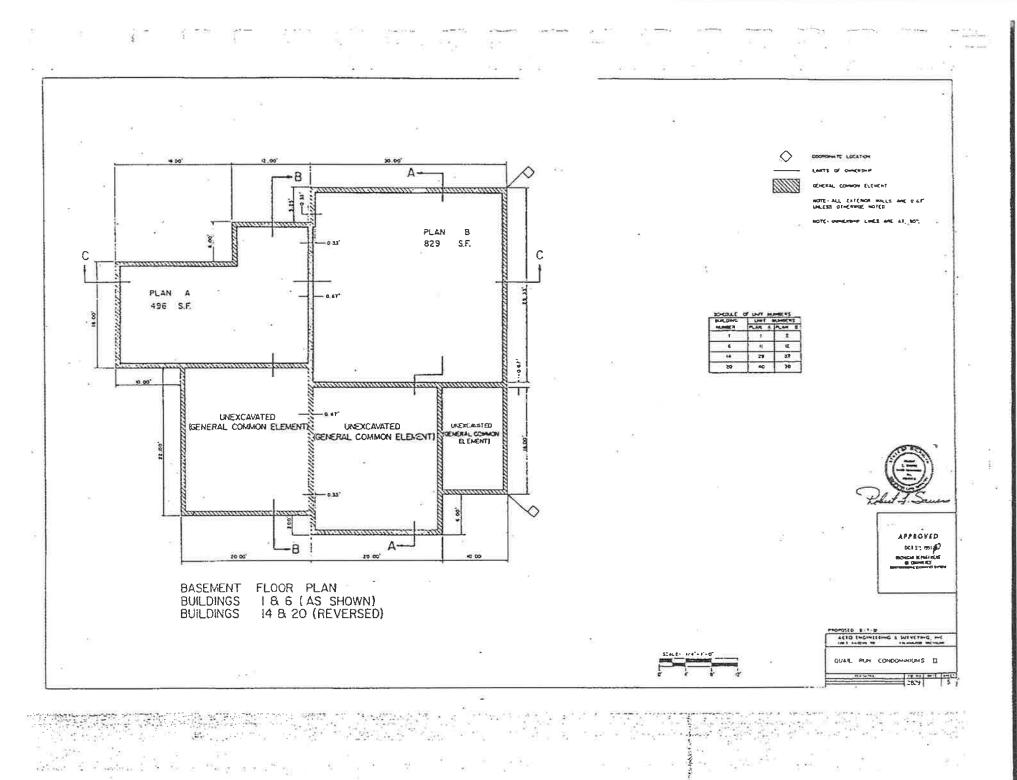


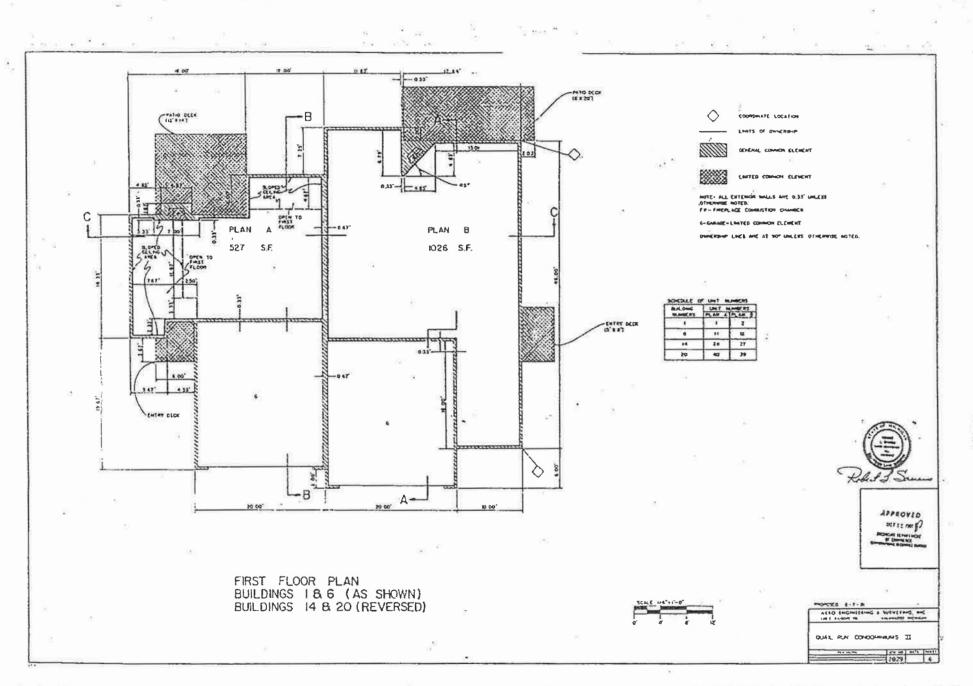




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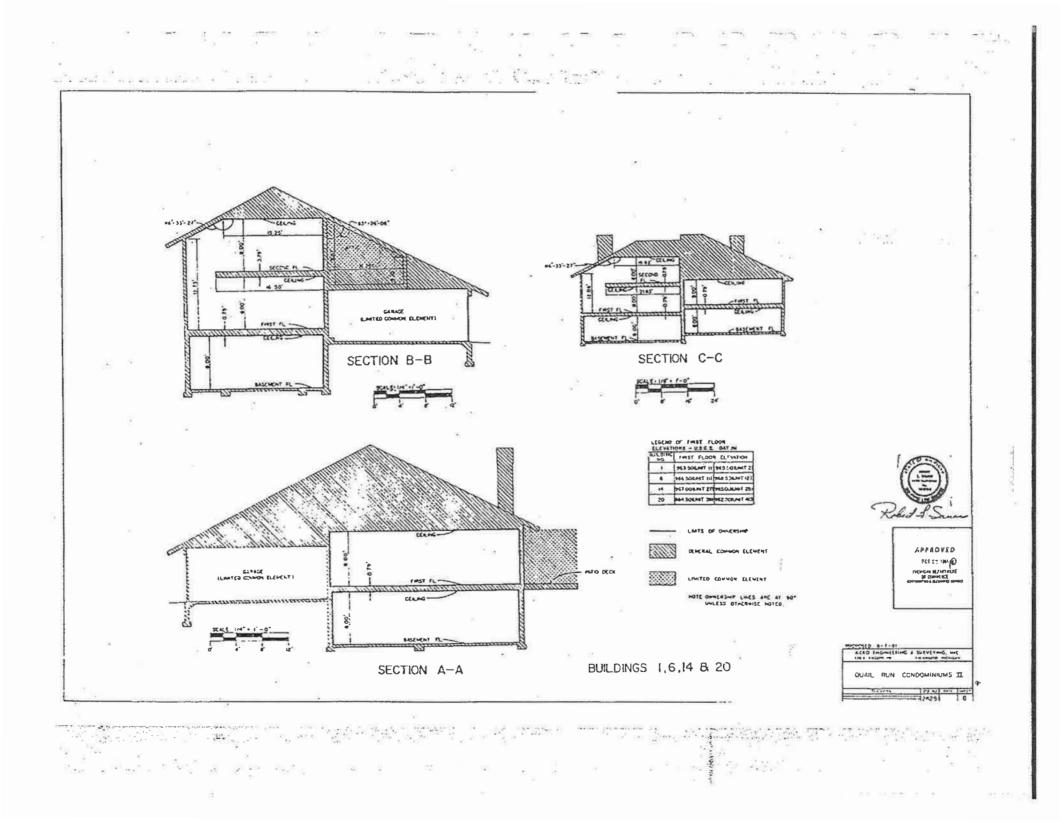
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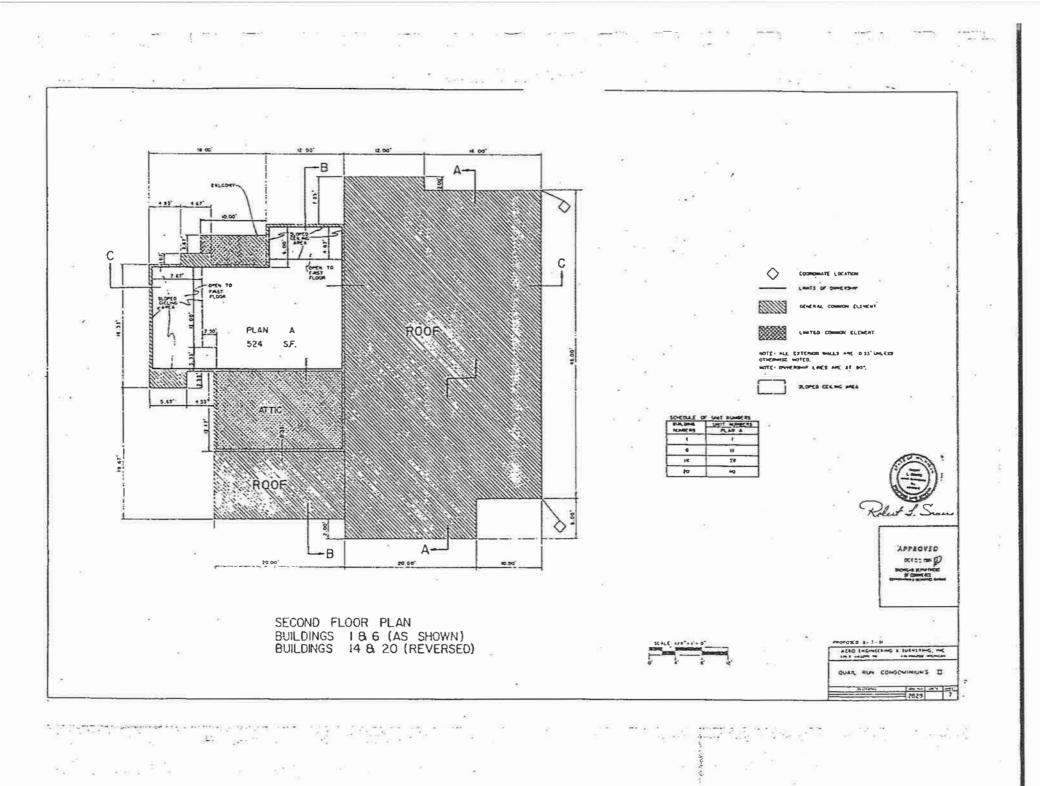


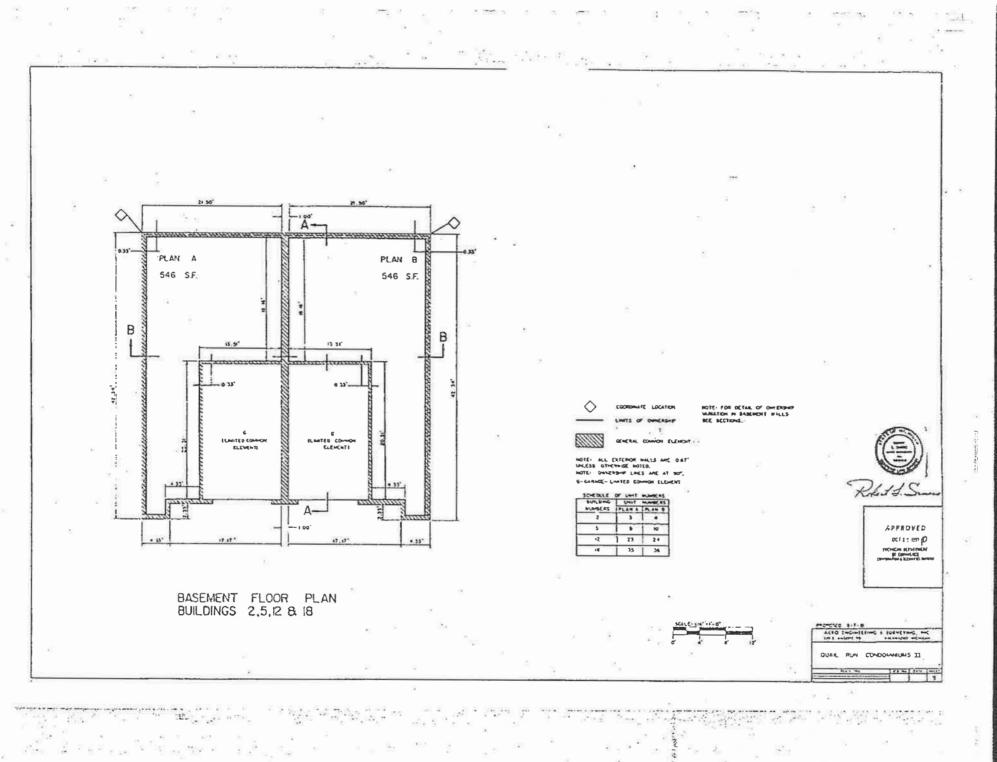


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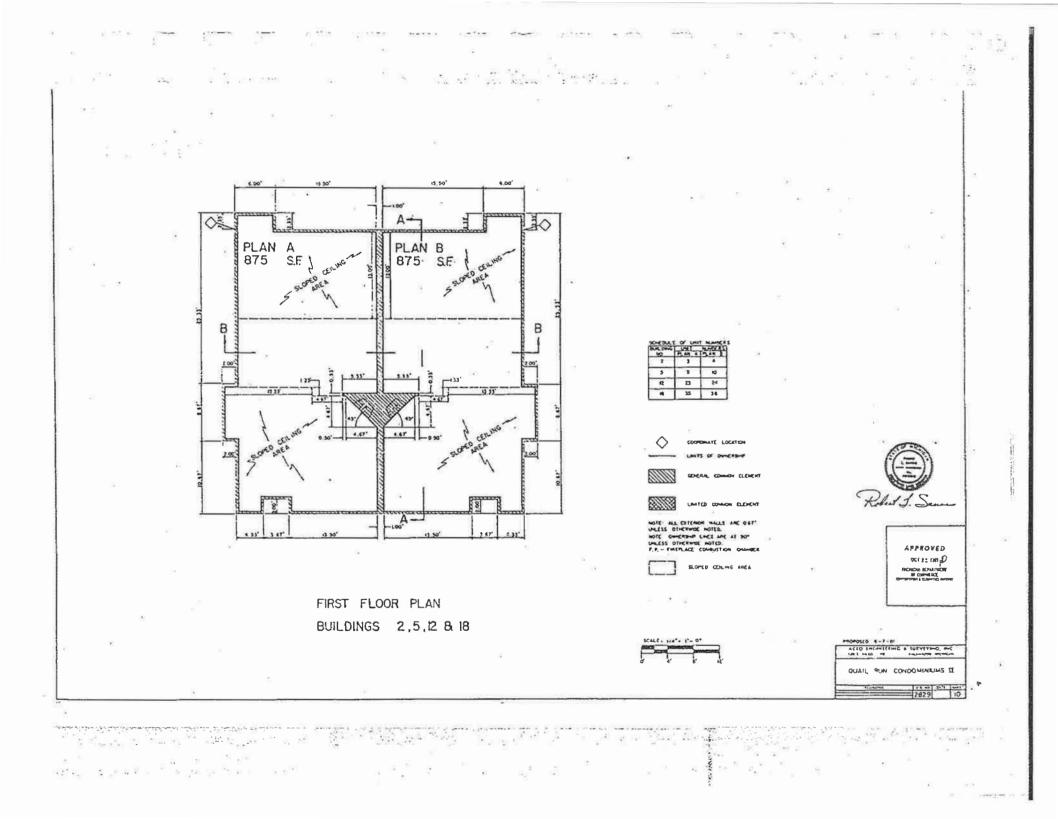
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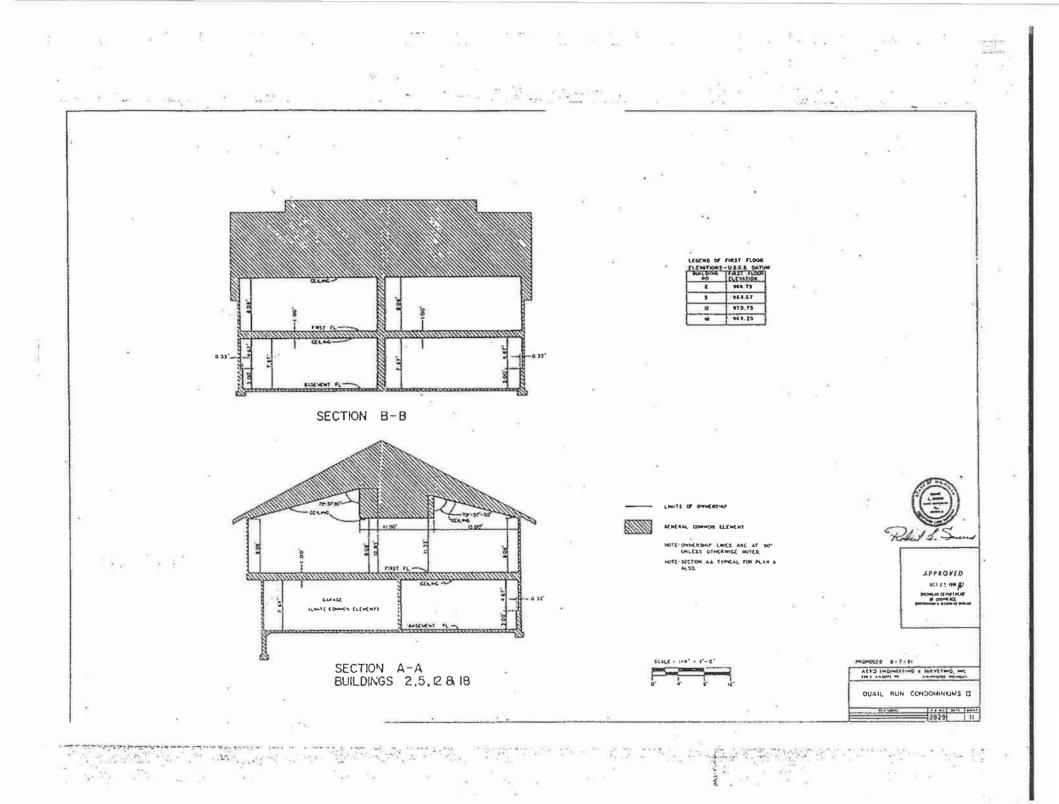


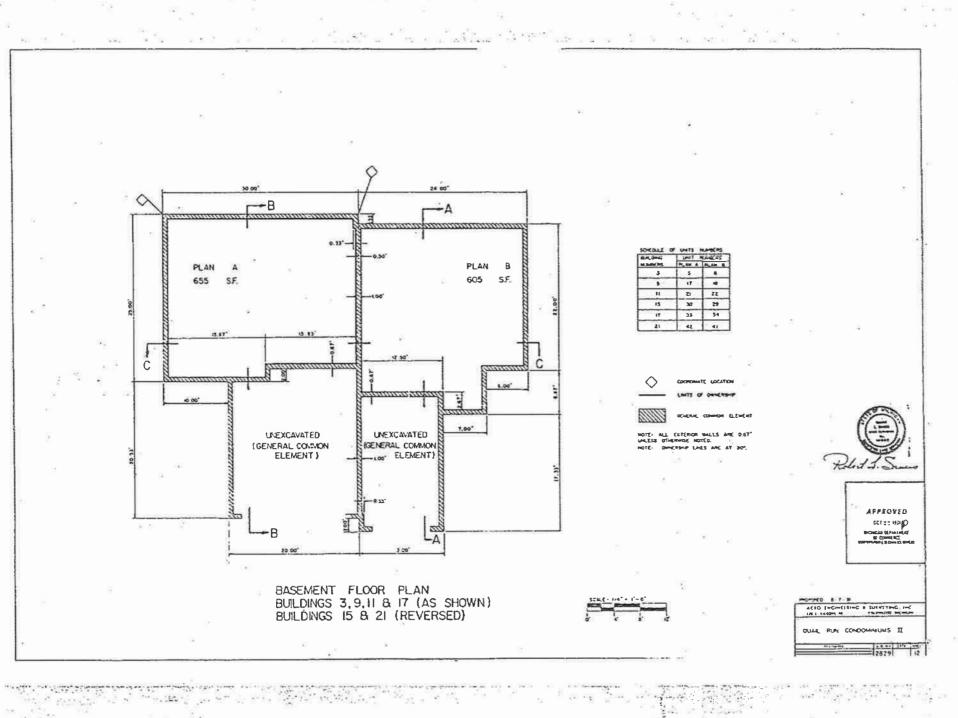




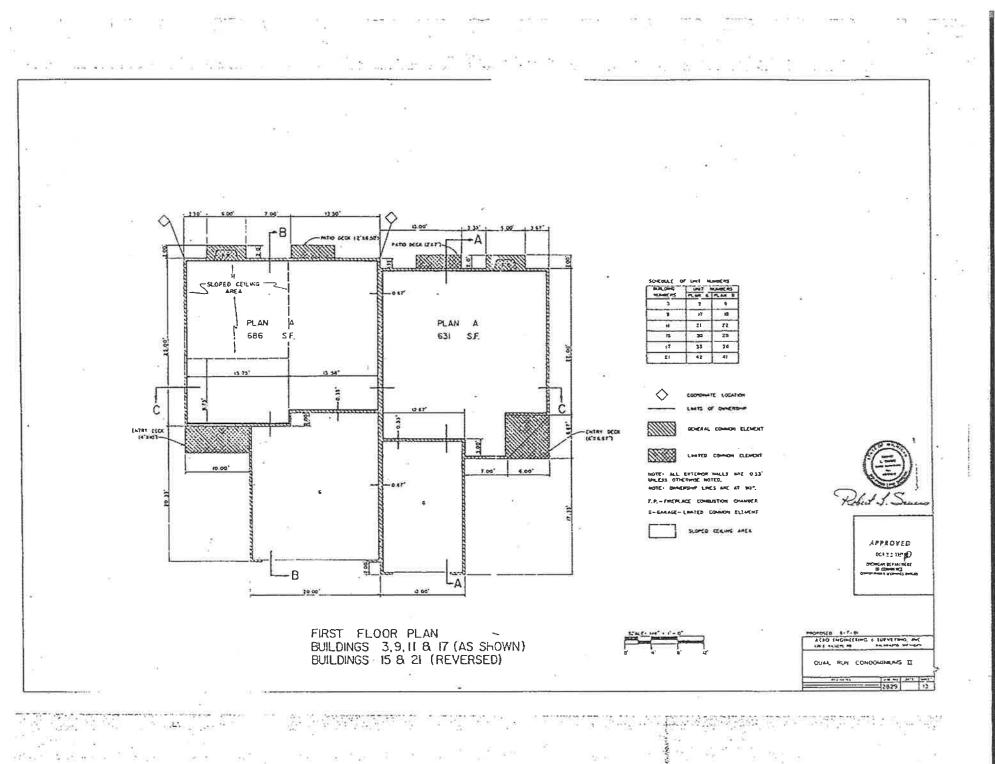
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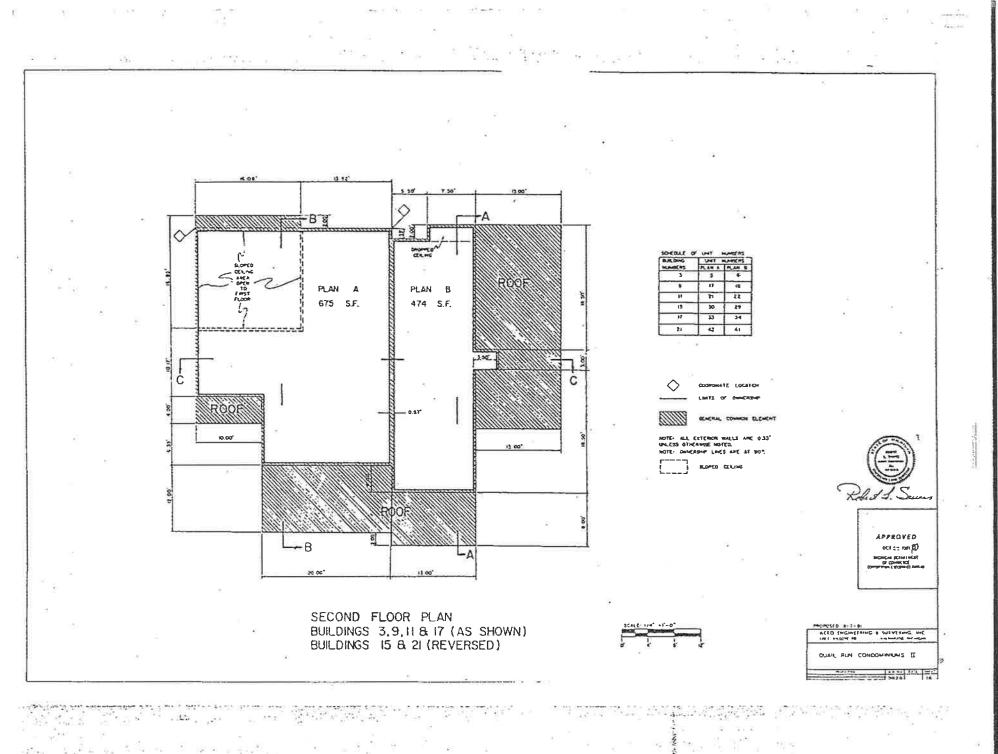




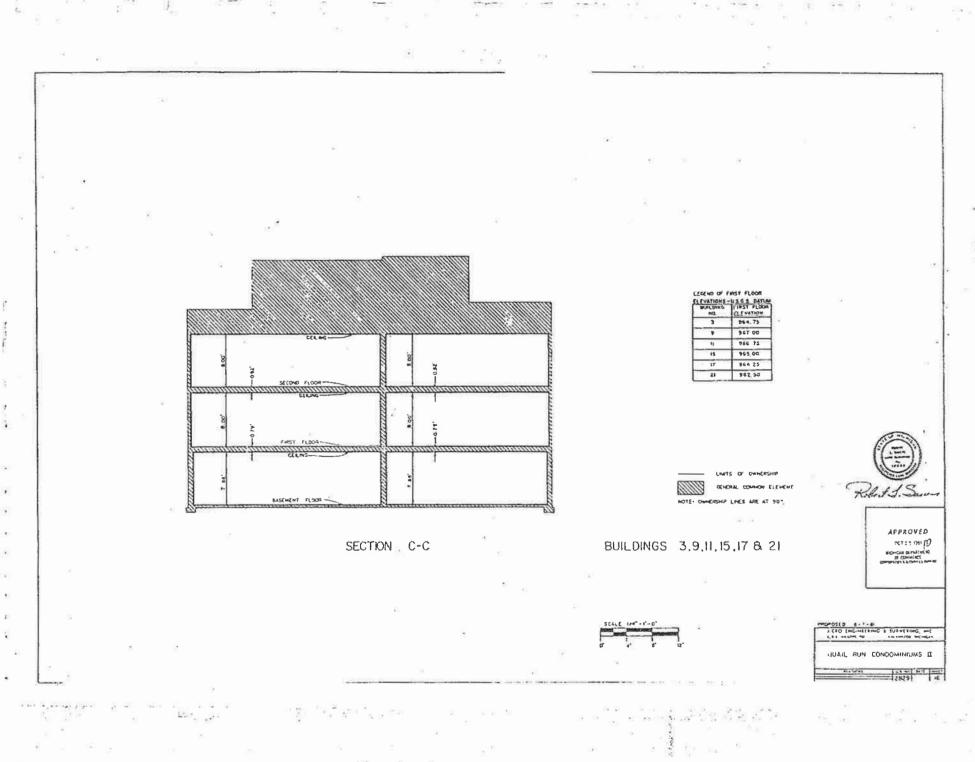


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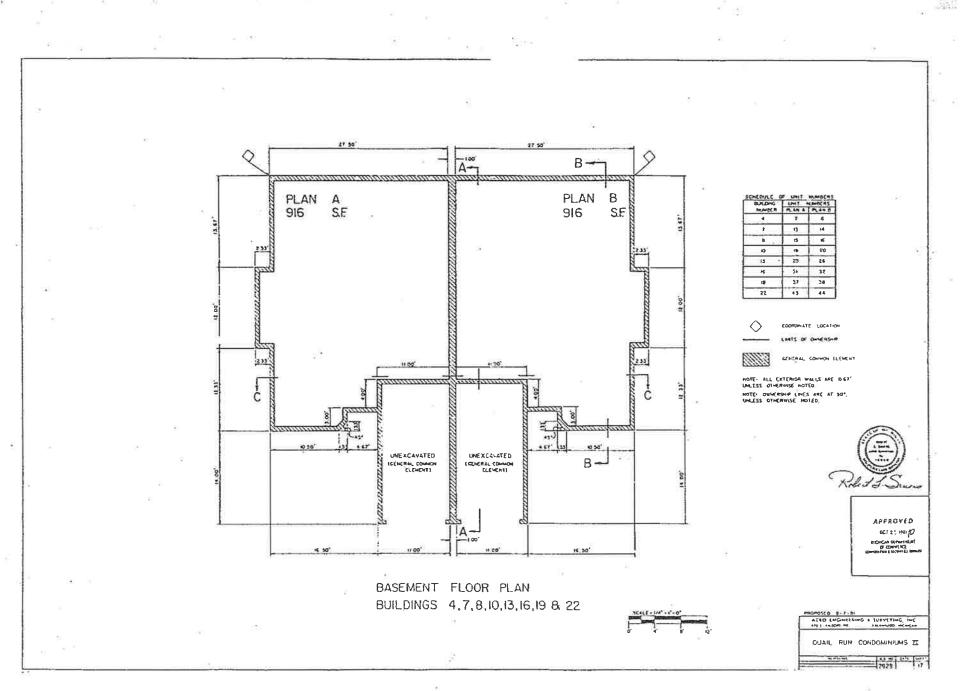


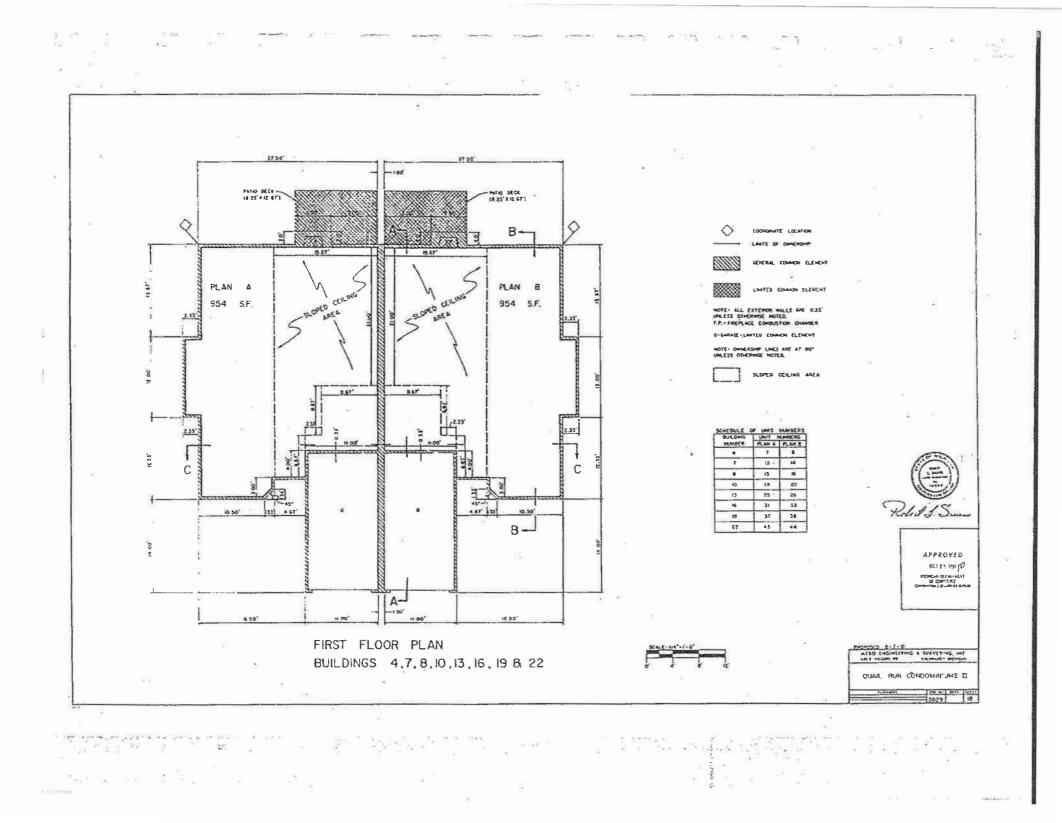
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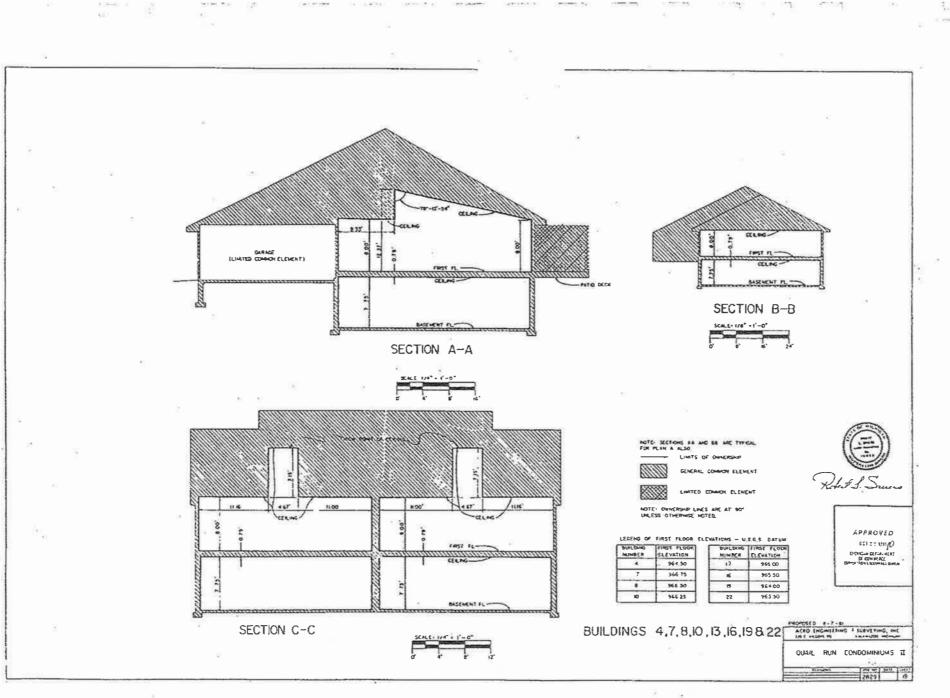


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STREET BOOK







## EXHIBIT C

## CONSENT TO SUBMISSION OF REAL PROPERTY

## TO CONDOMINIUM PROJECT

WHEREAS, Martz Home Builders, Inc., a Michigan corporation, as Developer, intends to estalish Quail Run Condominiums II as a condominium project, by recordation in the Office of the Kalamazoo County Register of Deeds of a Master Deed of Quail Run Condominiums II, covering the real property in the Township of Oshtemo, Kalamazoo County, Michigan, described therein; and

WHEREAS, American National Bank & Trust Company of Michigan, a National Banking Association, is interested in the above-described premises as Mortgagee under a certain Mortgage dated February 23, 1981, and recorded in Liber 1114, Pages 1150-1155 of Kalamazoo County Records;

NOW, THEREFORE, American National Bank & Trust Company of Michigan, as Mortgagee, hereby consents to the submission of the aforesaid property to the condominium project described and set forth in said Master Deed as approved by the Michigan Department of Commerce, acknowledges that a program has been agreed upon with the Developer for the release of individual condominium units at the time of closing on sale, and consents to the recordation of said Master Deed in the Office of the Register of Deeds for Kalamazoo County, Michigan.

Dated: June 2, 1981

AMERICAN NATIONAL BANK & TRUST

Witnesses: Leonard Lebowitz Joy Veltkamp STATE OF MICHIGAN ) ss. COUNTY OF KALAMAZOO )

COMPANY OF MICHIGAN

Vern J. Reed

Its Vice President

The foregoing instrument was acknowledged before me this 2nd the Vice President day of June, 1981 by Vern J. Reed of American National Bank & Trust Company of Michigan, on behalf of said Association by authority of its Board of Directors.

Leonard Lebowitz Notary Public, Kalamazoo County, MI My commission expires 5-5-82

DRAFTED BY: William K. Van't Hof 700 Frey Building Union Bank Plaza Grand Rapids, Michigan 49503