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Lawrence Kestenbaum, Washtenaw
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FIFTH AMENDMENT TO MASTER DEED OF THE ARBORS

WHEREAS, Arbor Condominium Association, a Michigan non-profit corporation organized to administer, operate, manage and maintain Arbor Condominium, a condominium project established pursuant to the Master Deed as recorded in Liber 2189, Page 365 et seq., Washtenaw County Records, and designated as Washtenaw County Condominium Subdivision Plan No. 84; and,

WHEREAS, a First Amendment to Master Deed was recorded in Liber 2206 Page 289 et seq., a Second Amendment was recorded in Liber 2220 Page 394 et seq., a Third Amendment was recorded in Liber 2263 Page 261 et seq. and a Fourth Amendment was recorded in Liber 2309 Page 891 et seq.; and,

WHEREAS, amendments to the Master Deed and Condominium Bylaws (Exhibit A to the Master Deed) were duly adopted and approved in accordance with the requirements of MCL 559.190 and MCL 559.190a;

NOW, THEREFORE, the Master Deed is hereby further amended as follows:

Master Deed, Article IV C 3 is hereby amended to read as follows:

3. The respective responsibilities for the maintenance, decoration, repair and replacement of the common elements are as follows:

a. The cost of maintenance and replacement of:

(i) all flowers and shrubs in the courtyards *(which shall mean and include the entire landscaped area up to the edges of the lawns and sidewalks leading to each driveway, including all plantings and vegetation in front of each garage and, for Units with lower level walkouts it shall include the patio area at the walkout);* and,

(ii) the maintenance, repair and replacement of the limited common elements described in Article IV, paragraphs 2b and 2c above; and,

(iii) the windows, patio doors and door walls including the entire window unit (ie., glass, seals, hardware, sash, etc.) described in Article IV paragraphs 1h and 2c above, shall be borne by the co-owner of the unit to which such limited and/or general common elements respectively appertain.

The Association shall be responsible for lawn and tree maintenance and replacements in the courtyards and concrete maintenance, repair and replacement at rear patio walkouts; each Co-owner shall be responsible for weeding and cleaning same.

b. The cost of maintenance, repair and replacement of all other general and limited common elements described above, including all skylights, shall be borne by the Association unless such maintenance, repair and replacement is necessitated by co-owner fault (which shall include actions by guests, agents, invitees, tenants, family members, or pets), in which case the co-owner at fault shall bear such costs as exceed any insurance proceeds, including any deductible amount. The costs of decorating and cleaning, (but not repair or replacement except in cases of co-owner fault) of all surfaces referred to in Article IV, paragraph 2c above shall be borne by the co-owner of each unit to which such surfaces are appurtenant.

c. The cost of maintaining, repairing and replacing the mailbox key, water heater, garage door opener, window screens, internal unit plumbing, dishwasher, refrigerator, stove, oven, garbage disposal, heating and air conditioning equipment and duct work, lighting fixtures, and other items that are not common elements but which service a unit, whether or not they are within the unit ***such as satellite dish antennas and their wiring***, shall be the sole responsibility of the co-owner of that unit.

d. The individual co-owners shall be responsible for the cost and installation of bulbs within the exterior light fixtures of their respective units, although the fixtures themselves shall be maintained by the Association.

e. In the event a co-owner fails to maintain, decorate, repair or replace any items for which he/she is responsible, the Association shall have the right, but not the obligation, to take whatever action or actions it deems desirable to so maintain, decorate, repair or replace any of such common elements, all at the expense of the co-owner of the unit. Failure of the Association to take any such action shall not be deemed a waiver of the Association's right to take any such action at a future time. All costs incurred by the Association in performing any responsibilities under this Article IV which are required, in the first instance to be borne by any co-owner, shall be assessed against the co-owner and shall be due and payable with his/her monthly assessment next falling due. Further, the lien for nonpayment shall attach as in all cases of regular assessments and such assessments may be enforced by the use of all means available to the Association under the condominium documents and by law for the collection of regular assessments including, without limitation, legal action, foreclosure of the lien securing payment and imposition of fines.

Master Deed Article V 2 is hereby amended to read as follows:

2. The percentage of value assigned to each unit in this eighty-four (84) unit Condominium is set forth in subparagraph 3 below. The percentage of value assigned to each unit shall be determinative of the proportionate share of each respective co-owner in the common elements, proceeds, and administrative expenses and the value of each co-owner's vote at Association meetings, except with regard to ***water consumption charges and*** cable television charges which shall be allocated equally among the condominium units, as this is the basis upon which the monthly charge is made to the Association. The percentage of value assigned to each unit is based upon the fraction of the square footage of floor space contained in said unit (as is set forth on Exhibit "B"), not inclusive of the basement, garage and optional loft areas, to the total (non-basement, non-garage and non-optional loft) square footage of floor space in all units in the Condominium. The total value of the Condominium is one hundred percent (100%).

The Condominium Bylaws (Exhibit A of the Master Deed) are hereby amended and restated in accordance with the attached Amended and Restated Condominium Bylaws.

In all other respects, other than as hereinabove indicated, the Master Deed and the Condominium Bylaws (Exhibit A to the Master Deed) recorded and amended as aforesaid are hereby ratified, confirmed and redeclared.

ARBOR CONDOMINIUM ASSOCIATION,
a Michigan non-profit coporation

BY: _____
Henry Miarka, President

STATE OF MICHIGAN)
)ss
COUNTY OF WASHTENAW)

The foregoing Fifth Amendment to Master Deed of Arbor Condominium was acknowledged before me, a notary public, on the 20th day of February, 2007, by Henry Miarka, known to me to be the President of Arbor Condominium Association, a Michigan non-profit corporation, who acknowledged and certified that the foregoing amendment was duly approved by affirmative vote of the co-owners of the Association and their first mortgagees and that he has executed this Fifth Amendment to Master Deed as his own free act and deed on behalf of the Association.

_____
Lindsay Davis, Notary Public
State of Michigan, County of Wayne
My commission expires: 8-4-12
Acting in the County of Wayne

DRAFTED BY AND WHEN RECORDED
RETURN TO:
D. DOUGLAS ALEXANDER (P29010)
ALEXANDER, ZELMANSKI & LEE, PLLC
44670 ANN ARBOR RD., STE. 170
PLYMOUTH, MI 48170

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ARBOR CONDOMINIUM

CONDOMINIUM BYLAWS

ARTICLE I

ASSOCIATION OF CO-OWNERS

Section 1. Arbor Condominium, a condominium, located in the Township of Ann Arbor, County of Washtenaw, and State of Michigan, shall be administered by an association of co-owners which shall be a non-profit corporation, hereinafter called the "Association," organized under the applicable laws of the State of Michigan and responsible for the management, maintenance, operation, and administration of the common elements, easements and affairs of the Condominium in accordance with the Consolidating Master Deed, these By-Laws, the Articles of Incorporation, the Association By-Laws, the duly adopted Rules and Regulations of the Association, and the laws of the State of Michigan. All co-owners in the Condominium and all persons using or entering upon or acquiring any interest in any condominium unit therein or the common elements thereof shall be subject to the provisions and terms set forth in the aforesaid Condominium documents.

Section 2. Membership in the Association and voting by members of the Association shall be in accordance with the following provisions:

(a) Each co-owner shall be a member of the Association and no other person or entity shall be entitled to membership.

(b) The share of a co-owner in the funds and assets of the Association cannot be assigned, pledged or transferred in any manner except as an appurtenance to his/her condominium unit in the Condominium.

(c) Except as limited by these By-Laws, each co-owner who is current in the payment of his/her assessments shall be entitled to one (1) vote for each condominium unit owned when voting by number and one (1) vote, the value of which shall equal the total of the percentage allocated to the condominium unit owned by such co-owner as set forth in Article V of the Consolidating Master Deed, when voting by value. Voting shall be by value except in those instances when voting is specifically required to be both by value and by number.

(d) No co-owner shall be entitled to vote at any meeting of the Association until evidence of ownership of a condominium unit in the Condominium has been presented to the Association, such as a copy of a recorded deed, signed land contract or title insurance policy. A land contract vendee shall be considered the co-owner for voting purposes. The vote of each co-owner may only be cast by the individual representative

designated by such co-owner in the notice required in subparagraph e below or by a proxy given by such individual representative.

(e) Each co-owner shall file a written notice with the Association designating the individual representative who shall vote at meetings of the Association and receive all notices and other communications from the Association on behalf of such co-owner. Such notice shall state the name and address of the individual representative designated, number(s) of the condominium unit(s) owned by the co-owner, and the name and address of 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.

(f) Each co-owner shall notify the Association in writing of the name and address of the mortgage holder for the unit, as well as when there is no longer a mortgage on the unit.

(g) There shall be annual meetings of the members of the Association. Other meetings may be provided for in the By-Laws of the Association. Notice of time, place and subject matter of all meetings, as provided in the corporate By-Laws of the Association, shall be given to each co-owner by mail or delivery to each individual representative designated by the respective co-owners, at least ten (10) days, but not more than sixty (60) days in advance.

(h) The presence in person or by proxy of thirty-five percent (35%) in number and 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 set forth herein to require a greater quorum. If a quorum shall not be present at any meeting, the members present may adjourn the meeting for not more than thirty (30) days, and the quorum for said rescheduled meeting shall be one-half (1/2) of that required by the preceding meeting. 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.

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

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

(k) Other provisions as to voting by members not inconsistent with the provisions herein contained may be set forth in the Association By-Laws.

Section 3. The Association shall keep current copies of the recorded Consolidating Master Deed, all amendments to the Consolidating Master Deed and other Condominium documents for the Condominium, and detailed books of account showing all expenditures and receipts of administration which shall specify the maintenance and repair expenses of the common elements and any other expenses incurred by or on behalf of the Association and the co-owners. Such Condominium documents shall be available during reasonable working hours for inspection by co-owners, prospective purchasers and their mortgage holders of condominium units in the condominium project. Such accounts shall be open for inspection by the co-owners and their mortgagees during reasonable working hours, and the books and records shall be audited or reviewed at least

once each year 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. The cost of such professional accounting assistance shall be an expense of administration. Income, expenses and position statements shall be prepared at least once annually and distributed to each co-owner, the contents of which shall be defined by the Association. Any institutional holder of a first mortgage lien on any unit in the Condominium shall be entitled, upon request, to inspect the books and records of the Condominium during normal business hours and to receive the annual audited financial statement of the Condominium referred to above within ninety (90) days following the end of any fiscal year thereof. If an audited statement is not available, any holder of a first mortgage on a unit in the Condominium shall be allowed to have an audited statement prepared at its own expense.

Section 4. The affairs of the Association shall be governed by a Board of Directors, all of whom shall serve without compensation and who must be members of the Association. The number, terms of office, manner of election, removal and replacement, meetings, quorum and voting requirements, and other provisions of or relating to directors not inconsistent with the following shall be provided by the Association By-Laws.

(a) The Board of Directors shall have all powers and duties necessary for the administration of the affairs of the Association and may do all acts and things that are not prohibited by the Condominium documents or required thereby to be exercised and done by the co-owners. In addition to the foregoing duties imposed by these By-Laws or any further duties which may be imposed by resolution of the members of the Association or which may be set forth in the Association By-Laws, the Board of Directors shall be responsible specifically for the following:

(1) To manage and administer the affairs and maintenance of the Condominium and the common elements.

(2) To levy, collect and disburse assessments against and from the members of the Association and to use the proceeds thereof for the purposes of the Association, to enforce assessments through liens and foreclosure proceedings when appropriate and to impose late charges for nonpayment of said assessments.

(3) To carry insurance and collect and allocate the proceeds.

(4) To rebuild improvements to the common elements after casualty.

(5) To contract for and employ persons, firms, corporations, or other agents to assist in the management, operation, maintenance, and administration of the Condominium.

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

(7) To borrow money and issue evidences of indebtedness in furtherance of any and all of Association business purposes, and to secure the same by mortgage, pledge or other lien on property owned by the Association; provided, however, that any such action shall also be approved by the affirmative vote of sixty percent (60%) of all of the members of the Association in number and in value.

(8) Within its sole discretion, to decide whether the Association shall contract for cable television or other equivalent telecommunication services to the Condominium that shall be available for all co-owners and the expenses for which shall be assessed equally to all co-owners as part of their individual monthly assessments.

(9) To make reasonable rules and regulations governing the use and enjoyment of units and of the Condominium by co-owners and their tenants, guests, employees, invitees, families and pets and to enforce such rules and regulations by all legal methods, including, without limitation, imposing fines and late payment charges, or instituting eviction or legal proceedings.

(10) To enforce the provisions of the Condominium documents.

(11) To make rules and regulations and/or to enter into agreements with institutional lenders, the purposes of which are to enable obtaining mortgage loans by unit co-owners which are acceptable for purchase by the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association, the Veterans Administration and any other agency of the Federal government or the State of Michigan, or by any other institutional participant in the secondary mortgage market which purchases or insure mortgages.

(12) To levy, collect and disburse fines against and from the members of the Association after notice and hearing thereon and to use the proceeds thereof for the purposes of the Association.

(13) 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.

(14) To assert, defend or settle claims on behalf of all co-owners in connection with the common elements of the Condominium. The Board shall provide at least a ten (10) day written notice to all co-owners on actions proposed by the Board with regard thereto.

(15) To do anything required of or permitted to it as administrator of the Condominium by the Condominium Master Deed or By-Laws or by the Michigan Condominium Act, as amended.

(b) The Board of Directors may employ for the Association a professional management agent, at reasonable compensation established by the Board, to perform such duties and services as the Board shall authorize, including, but not limited to, the duties listed in Section 4a of this Article I, and the Board may delegate to such management agent any other duties or powers which are not by law or by the Condominium documents required to be performed by or have the approval of the Board of Directors or the members of the Association. Any agreement or contract for professional management of the Condominium shall provide that such management contract may be terminated by either party without cause or payment of a termination fee on thirty (30) days' written notice and that the term thereof shall not exceed one (1) year, renewable by agreement of the parties for successive one-year periods.

Section 5. The Association By-Laws shall provide the designation, number, terms of office, qualifications, manner of election, duties, removal, and replacement of the officers of the Association, and may contain any other provisions pertinent to officers of the Association in furtherance of the provisions and purposes of the Condominium documents and not inconsistent therewith. Officers may be compensated, but only upon the affirmative vote of sixty percent (60%) of all co-owners in number and in value.

Section 6. Every director and every officer of the Association shall be indemnified by the Association against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him/her in connection with any proceeding to which he/she may be a party or in which he/she may become involved by reason of his/her being or having been a director or officer of the Association, whether or not he/she is a director or officer at the time such expenses are incurred, except in such cases wherein the director or officer is adjudged guilty of willful misfeasance or malfeasance, willful and wanton misconduct or gross negligence in

the performance of his/her duties; provided, however, that, in the event of any claim for reimbursement or indemnification hereunder based upon a settlement by the director or officer seeking such reimbursement or indemnification, the indemnification herein shall only apply if the Board of Directors (with the director seeking reimbursement abstaining) approves such settlement and reimbursement as being in the best interests 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. Ten (10) days' written notice of any proposed action by the Association to indemnify an officer or director shall be given to all co-owners. Where no judicial determination as to indemnification of the officer or director has been made, an opinion of independent legal counsel as to the propriety of indemnification shall be obtained if a majority of the co-owners vote to procure such opinion.

ARTICLE II

ASSESSMENTS

Section 1. The Association shall be assessed as the person or entity in possession of any tangible personal property of the Condominium owned or possessed in common by the co-owners, and personal property taxes based thereon shall be treated as administrative expenses.

Section 2. All costs incurred by the Association in satisfaction of any liability arising within, caused by or in connection with the common elements or the administration of the Condominium shall be expenses of administration within the meaning of Public Act 59 of 1978, as amended, and all sums received as proceeds of or pursuant to any policy of insurance carried by the Association securing the interests of the co-owners against liabilities or losses arising within, caused by or in connection with the common elements or the administration of the Condominium shall be receipts of administration.

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

(a) 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. An adequate reserve fund for maintenance, major repair and replacement of those common elements that must be replaced on a periodic basis must be established in the budget and must be funded by regular monthly payments as set forth in Section 4 below rather than by special assessments. At a minimum, the reserve fund shall be equal to ten percent (10%) of the current annual budget on a non-cumulative basis. Since the minimum standard required by this subparagraph may prove to be inadequate for this particular Condominium, the Board of Directors 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. In the event of such a determination, the Board of Directors may establish such greater or other reserves without co-owner approval. Upon adoption of the annual budget by the Board of Directors, copies of the budget shall be delivered to each co-owner and the assessment for said year shall be established. The delivery of a copy of the budget to each co-owner shall not affect the liability of any co-owner for any existing or future assessments. Should the Board of Directors at any time determine, in the sole discretion of the Board of directors,

(1) that the assessments levied are or may prove to be insufficient to pay the costs of operation, maintenance and management of the Condominium,

(2) to provide replacements of existing common elements,

(3) to provide additions to the common elements not to exceed ten percent (10%) of the annual budget, or

(4) in the event of emergencies, the Board of Directors shall have the authority to increase the general assessment or to levy such additional assessment or assessments as it shall deem to be necessary. The Board of Directors also shall have the authority, without co-owner consent, to levy assessments pursuant to the provisions of Article V, Section 8. The discretionary authority to levy assessments pursuant to this subparagraph shall rest solely with the Board of Directors for the benefit of the Association, and shall not be enforceable by any creditors of the Association or of the members.

(b) Other special assessments may be made by the Board of Directors from time to time and approved by the co-owners to meet other needs or requirements of the Association, including, but not limited to,

(1) assessments for additions to the common elements of a cost exceeding ten percent (10%) of the annual budget,

(2) assessments to purchase a condominium unit upon foreclosure of the lien for assessments described in Section 6 below, or

(3) assessments for any other appropriate purpose not elsewhere described. Special assessments referred to in this subparagraph b shall not be levied without the prior approval of at least sixty percent (60%) of all co-owners in value and in number. The authority to levy assessments pursuant to this subparagraph is solely for the benefit of the Association and the members and shall not be enforceable by any creditors of the Association or of the members.

Section 4. All assessments levied against the co-owners to cover expenses of administration shall be apportioned among and paid by the co-owners in accordance with the percentage of value allocated to each unit in Article V of the Consolidating Master Deed.

(a) Annual assessments determined in accordance with Article II, Section 3a above shall be payable by co-owners in twelve (12) equal monthly installments, commencing with acceptance of a deed to a condominium unit or with acquisition of title to a condominium unit by any other means.

(b) 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. If a delinquency occurs, the Board of Directors may accelerate the due date of the balance of the unpaid annual assessment.

(c) Assessments in default shall bear interest at the rate of not less than seven percent (7%) per annum, plus an additional interest rate surcharge as the Board of Directors shall approve, until paid in full. The interest rate and interest rate surcharge combined applying to delinquent accounts shall not exceed the limit set by usury laws of the State of Michigan. The Board of Directors shall also adopt uniform late payment charges. All of these remedies shall be cumulative and not alternative. Payments on account of installments of assessments in default shall be applied as follows: First, to the cost of collection and enforcement of payment, including actual attorney's fees (not limited to statutory fees); second, to late charges, interest and fines for late payment on such installments; and third, to installments in default in order of their due dates.

(d) Each co-owner (whether one or more persons) shall be and remain personally liable for the payment of all assessments pertinent to the condominium unit which may be levied while the co-owner is the owner thereof. A purchaser of a unit shall acquire the unit subject to any unpaid assessments against it and shall

become personally liable therefore. A co-owner selling a unit shall not be entitled to any refund whatsoever from the Association with respect to any account, reserve or other asset of the Association.

Section 5. Co-owners may not exempt themselves from liability for their contribution toward administrative expenses by waiver of use or enjoyment of any of the common elements or by the abandonment of their condominium unit.

Section 6. In addition to any other remedies available to it, the Association may enforce collection of delinquent assessments together with all applicable late charges, interest, fines, costs, advances paid by the Association to protect its lien, actual attorney's fees (not limited to statutory fees), and other costs, by a suit at law for a money judgment or by foreclosure of the statutory lien that secures payment of assessments. Each co-owner, and every other person who from time to time has any interest in the Condominium, shall be deemed to have granted to the Association the unqualified right to elect to foreclose such lien either by judicial action or by advertisement.

(a) The provisions of Michigan law pertaining to foreclosure of mortgages by court action and by advertisement, as the same may be amended from time to time, are incorporated 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. The redemption period for a foreclosure is six (6) months from the date of sale unless the condominium unit is abandoned, in which event the redemption period is one (1) month from the date of sale.

(b) Each co-owner in the Condominium shall be deemed to have authorized and empowered the Association to sell or to cause to be sold the unit with respect to which the assessment(s) is or are delinquent and to receive, hold and distribute the proceeds of such sale in accordance with the priorities established by Michigan law.

(c) The co-owner of a unit in the Condominium acknowledges that at the time of acquiring title to such unit he/she was notified of the provisions of this section and that he/she voluntarily, intelligently and knowingly waived notice of any proceedings brought by the Association to foreclose by advertisement the lien for nonpayment of assessments and a hearing on the same prior to the sale of the subject unit.

(d) Neither a court foreclosure action nor a lawsuit for money judgment shall be commenced, or any notice of foreclosure by advertisement be published, until the expiration of ten (10) days after mailing, by ordinary mail addressed to the delinquent co-owner at his/her last known address and/or to the representative designated in the written notice required by Article I, Section 2e to be filed with the Association, of a written notice that one or more installments of the annual assessment levied against the pertinent unit is or are delinquent and that the Association may invoke any of its remedies hereunder if the default is not cured within ten (10) days after the date of mailing.

(e) The written notice shall be accompanied by an affidavit of an authorized representative of the Association that sets forth (1) the representative's capacity to make the affidavit, (2) the statutory and other authority for the lien, (3) the amount outstanding, (4) the legal description of the subject unit, and (5) the name(s) of the co-owner(s) of record.

(f) The affidavit shall be recorded at the Register of Deeds of Washtenaw County prior to the commencement of any foreclosure. It need not have been recorded as of the date of mailing.

(g) If the delinquency is not cured within ten (10) days, the Association may take remedial action which it elects or is permitted under Michigan law. If the Association elects to foreclose the lien by

advertisement, the Association shall notify the representative that he/she may request a court hearing by bringing suit against the Association.

(h) The expenses incurred in collecting unpaid assessments, including interest, costs, actual attorney's fees (not limited to statutory fees), and advances for taxes or other liens paid by the Association to protect its lien shall be charged to the co-owner in default and shall be secured by the lien on his/her unit.

(i) In the event that a co-owner defaults on any installment of the annual assessment the Association shall have the right to declare all unpaid installments of the annual assessment for the fiscal year immediately due and payable. The Association also may discontinue the furnishing of any utilities or other services to a co-owner in default upon ten (10) days' written notice to such co-owner of its intention to do so. A co-owner in default shall not be entitled to utilize any of the general common elements of the Condominium, except as shall be necessary for purposes of ingress to and egress from his/her unit, and shall not be entitled to vote at any meeting of the Association, and his/her percentage of value shall not be taken into consideration when determining the quorum requirements for such meetings, or be elected to or a voting member of the Board of Directors, so long as such default continues.

(j) In a court foreclosure action, a receiver may be appointed to collect a reasonable rental for the unit from the co-owner or any persons claiming under him/her and, if the unit is not occupied, to lease the unit and collect and apply the rental therefrom to any delinquency owed to the Association. All of these remedies shall be cumulative and not alternative and shall not preclude the Association from exercising such other remedies as may be available at law or in equity.

Upon the sale or conveyance of a condominium unit, all unpaid assessments, interest, late charges, fines, costs, and actual attorney's fees (not limited to statutory fees) against the condominium unit shall be paid out of the sale price or by the purchaser before any other assessments or charges, except the following:

(a) Amounts due the State, or any subdivision of the State, or any municipality for taxes and special assessments due and unpaid on the condominium unit.

(b) Payments due under a first mortgage which has priority.

(c) A purchaser/grantee is entitled to a written statement from the Association setting forth the amount of unpaid assessments, interest, late charges, fines, costs, and actual attorney's fees (not limited to statutory fees) against the seller/grantor. The purchaser/grantee is not liable for, nor is the condominium unit conveyed subject to a lien for any unpaid assessments, interest, late charges, fines, costs, and actual attorney's fees (not limited to statutory fees) against the seller/grantor for more than the amount set forth in the written statement. As provided in the Act, unless the purchaser/grantee requests a written statement from the Association at least five (5) days before the sale, the purchaser/grantee shall be liable for unpaid assessments against the condominium unit with interest, costs, fines, late charges and actual attorney's fees (not limited to statutory fees) incurred in the collection thereof. The Association may require the advance payment of a reasonable processing fee for the issuance of such written statement.

Unpaid sums assessed to a co-owner by the Association constitute a lien upon the unit or units in the project owned by the co-owner at the time of the assessment superior to other liens except tax liens on the unit in favor of any State or Federal taxing authority and sums paid on a first mortgage of record. However, past due assessments which are evidenced by a notice of lien, recorded according to the Act, have priority over a subsequently recorded first mortgage. The lien upon each unit owned by a co-owner shall be in the amount assessed against the unit, plus a proportionate share of the total of all other unpaid assessments due on units no longer owned by the co-owner, but which became due while the co-owner had title to the units. The

lien may be foreclosed by court action or by advertisement by the Association in the name of the Condominium on behalf of the other co-owners.

Section 7. Special assessments and property taxes shall be assessed against the individual condominium units identified as units on the Condominium Subdivision Plan and not on the total property of the Special assessments and property taxes in any year in which the property existed as an established Condominium on the tax day shall be assessed against the individual condominium unit. Condominium units shall be described for such purposes by reference to the condominium unit number on the Condominium Subdivision Plan together with the Liber and page of the county records in which the Master Deed is recorded. Assessments for subsequent real property improvements to a specific condominium unit shall be assessed to that condominium unit description only. For property tax and special assessment purposes, each condominium unit shall be treated as a separate single unit of real property and shall not be combined with any other unit(s), and no assessment of any fractional part shall be made, nor shall any division or split of the assessment or taxes of any single condominium unit be made notwithstanding separate or common ownership.

Section 8. A construction lien concerning a condominium arising under Act No. 497 of the Public Acts of 1980, being Sections 570.1101 to 570.1305 of the Michigan Compiled Laws, is subject to the following limitations:

(a) Except as otherwise provided in this section, a construction lien for an improvement furnished to a condominium unit or to a limited common element shall attach only to the condominium unit to which the improvement was furnished.

(b) A construction lien for an improvement authorized by the Association shall attach to each condominium unit only to the proportional extent that the co-owner of the condominium unit is required to contribute to the expenses of administration, as provided by the Condominium documents.

(c) A construction lien shall not arise or attach to a condominium unit for work performed on the common elements if the work was not contracted for by the Association.

Section 9. Any co-owner bringing an unsuccessful lawsuit against the Association and/or its Board of Directors for the administration of the affairs of the Association, found to be consistent with the provisions contained in the Condominium documents, shall be charged by the Board of Directors for all expenses incurred by the Association. Such expenses may be collected by the Association in the same manner as an assessment.

ARTICLE III

ARBITRATION

Section 1. Disputes, claims or grievances arising out of or relating to the interpretation or application of the Condominium documents or the management agreement, if any, or any disputes, claims or grievances arising among or between co-owners or between co-owners and the Association or with a management company shall, upon the election and written consent of the parties involved, including the Association, be submitted to arbitration. 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. In the absence of the decision and written consent of the parties to abide by arbitration, no co-owner or the Association shall be precluded from petitioning the courts to resolve any such disputes, claims or grievances.

Section 3. Election by co-owners or the Association to submit any such dispute, claim or grievance to arbitration shall preclude such parties from litigating such dispute, claim or grievance in the courts.

ARTICLE IV

INSURANCE

Section 1. The Association shall carry property coverage for all risks of direct physical loss and liability insurance, fidelity coverage and worker's compensation insurance, if applicable, pertinent to the ownership, use and maintenance of the common elements and condominium units of the Condominium. 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, co-owners and their mortgage holders, as their interests may appear. Provision shall be made for certificates to be issued to the mortgage holders of co-owners. Each co-owner may obtain additional insurance coverage at his/her own expense on the unit. It shall be the co-owner's responsibility to obtain insurance coverage for personal property located within the unit or elsewhere in the Condominium for any form of damage that may occur, including water damage, for improvements and betterments to the unit and for alternative living expenses in event of fire or other catastrophe. The Association shall have absolutely no responsibility for obtaining such coverages. 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 rights of subrogation as to any claims against any co-owner or the Association, and such insurance shall contain a severability of interest endorsement.

(b) All common elements and condominium units of the Condominium shall be insured against all risks of direct physical loss in an amount equal to the maximum insurable replacement value, excluding foundation and excavation costs, as determined annually by the Board of Directors of the Association. Such coverage shall also extend to the unpainted surface of interior walls within any condominium unit and include the pipes, wires, conduits, and ducts contained therein and shall further include all fixtures, equipment and trim within a condominium unit which were furnished with the unit as standard items in accordance with the plans and specifications (or such replacements as do not exceed the cost of such standard items). Any improvements made by a co-owner within a unit shall be covered by insurance obtained by and at the expense of the co-owner; provided, however, that, if the Association elects to include such improvements under its insurance coverage, any additional premium cost to the Association shall be assessed and borne solely by the co-owner and collected as a part of or in addition to the assessments against the co-owner under Article II.

(c) All premiums for insurance purchased by the Association pursuant to these By-Laws shall be administrative expenses and collected as a part of or in addition to the assessments against said co-owner under Article II.

(d) 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, the co-owners and their mortgage holders, as their interests may appear. However, whenever repair or reconstruction of the Condominium shall be required as provided in Article V of these By-Laws, the proceeds of any insurance received by the Association as a result of that loss shall be applied to its repair or reconstruction. In no event shall hazard insurance proceeds be used for any other purpose unless two-thirds (2/3) of all of the institutional holders of first mortgages on units in the Condominium have given their prior written consent.

Section 2. Each co-owner of a unit in the Condominium, shall be deemed to appoint the Association as his/her true and lawful attorney-in-fact to act in connection with all matters concerning the maintenance of property insurance, liability insurance, fidelity coverage, worker's compensation insurance, if applicable, with the insurance company for the Condominium. The Association, as said attorney, shall have full power and authority to purchase and maintain such insurance, to collect and remit premiums, to collect proceeds, and to distribute the same to the Association, the co-owners and their respective mortgage holders, as their interests may appear (subject always to the Condominium documents), to execute releases of liability, and to execute all documents and do all things on behalf of the co-owner and the Condominium as shall be necessary or convenient to accomplish the foregoing.

ARTICLE V

RECONSTRUCTION OR REPAIR

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

(a) If the damaged property is a common element or condominium unit, the property shall be rebuilt or repaired if any condominium unit in the Condominium is tenantable, unless it is determined by a unanimous vote of all of the co-owners in the Condominium that the Condominium shall be terminated and each institutional holder of a first mortgage lien on any unit in the Condominium has given its prior written approval of such termination.

(b) If the Condominium is so damaged that no condominium unit is tenantable, and if each institutional holder of a first mortgage lien on any unit in the Condominium has given its prior written approval of the termination of the Condominium, the damaged property shall not be rebuilt and the Condominium shall be terminated, unless two-thirds (2/3) or more of the co-owners in value and in number agree to reconstruction by vote or in writing within ninety (90) days after the destruction.

Section 2. Any such reconstruction or repair shall be substantially in accordance with the Consolidating 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. If the damage is only to a part of a condominium 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. In all other cases, the responsibility for reconstruction and repair shall be that of the Association. In the event that a co-owner does not commence making repairs as required within thirty (30) days of the occurrence of the damage and diligently pursue such repairs to completion, the Board of Directors may make such repairs. The costs thereof shall constitute an additional assessment against such co-owner, due and enforceable as provided in these By-Laws for other assessments.

Section 4. Each co-owner shall be responsible for the reconstruction, repair and maintenance of the interior of his/her condominium unit, including, but not limited to, floor coverings, wall coverings, window shades, draperies, interior non load-bearing walls (but not any common elements therein), walls contained wholly within the unit, and pipes, wires, conduits, and ducts therein (after connection with fixtures), interior trim, furniture, light fixtures, and all appliances and equipment, whether freestanding or built-in. Damage to 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, and the reconstruction or repair shall be the responsibility of the Association in accordance with Section 8. However, any deductible amount is to be paid by the co-owner to whom the damage occurred. 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 responsible for the deductible amount, if any.

and shall be entitled to receive the proceeds of insurance relative to it. If there is a mortgage endorsement, the proceeds shall be payable to the co-owner and the mortgage holder jointly. In the event of substantial damage to or destruction of any unit or any part of the common elements, the Association shall promptly so notify each institutional holder of a first mortgage lien on any condominium unit in the Condominium. The Association shall have a lien for any funds advanced on behalf of any co-owner.

Section 5. Every co-owner shall perform promptly all maintenance and repair work within his/her own unit, which, if omitted, would affect the common elements or another unit(s), each co-owner being expressly responsible for the damages consequently resulting from such omission. Repairs of installations within a unit such as telephone, heating and cooling systems, water, sewer and plumbing systems, doors, lamps and all other accessories including water faucets, tanks and fixtures, but excluding water meters, shall be an expense of the co-owner. Each co-owner shall reimburse the Association for any expense incurred in repairing or replacing any common elements damaged through the fault of the co-owner.

Section 6. A co-owner who desires to make a repair or structural modification of his/her condominium unit shall first obtain written consent from the Association. The Association shall not give its consent if such repair or modification might jeopardize or impair the structural soundness, safety, utility, or harmonious appearance of the Condominium.

Section 7. Any person designated by the Association shall have access to each condominium unit as necessary during reasonable hours and upon notice to the occupant thereof for maintenance, repair or replacement of any of the common elements therein or accessible therefrom, and shall have access to each condominium unit without notice for making emergency repairs necessary to prevent damage to other condominium units or the common elements, or both.

Section 8. The Association shall be responsible for the reconstruction, repair and maintenance of the common elements and any incidental damage to a condominium unit caused by such common elements or the reconstruction, repair or maintenance thereof. An adequate reserve fund for replacement, reconstruction and repair of the common elements must be established and must be funded by regular monthly payments rather than by special assessments. Immediately after a casualty causing damage to property for which the Association has the responsibility of maintenance, repair and reconstruction, the Association shall obtain reliable and detailed estimates of the cost to 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 required reconstruction or repair, or if at any time during such reconstruction or repair, or upon completion of such reconstruction or repair, the funds for the payment of the costs 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. Any excess proceeds of insurance shall belong to the Association.

Section 9. Section 133 of the Act and the following provisions shall control upon any taking by eminent domain:

(a) In the event of any taking of an entire condominium unit by eminent domain, the co-owner and his/her mortgage holder, as their interest may appear, shall be entitled to receive the award for such taking and, after acceptance, shall be divested of all interest in the Condominium with regard to such unit. In the event that any condemnation award shall become payable to any co-owner whose condominium unit is not wholly taken by eminent domain, then such award shall be paid by the condemning authority to the Association on behalf of such co-owner. If only a part of any condominium unit is taken, the Association shall rebuild the same as is necessary to make it habitable and remit the balance of the condemnation proceeds pertinent to such condominium unit to the owner and his/her mortgage holder, as their interests may appear.

(b) If there is any taking of any portion of the Condominium other than any condominium unit, the condemnation proceeds relative to such taking shall be paid to the Association, and the affirmative vote of at least two-thirds (2/3) of the co-owners in number and in value shall determine whether to rebuild, repair or replace the portion so taken or to take such other action as they deem appropriate. If no such affirmative vote is obtained, such condemnation proceeds shall be remitted to the co-owners and their mortgage holders, as their respective interests may appear, in accordance with their respective percentages of value set forth in Article V of the Consolidating Master Deed.

(c) In the event the Condominium continues after taking by eminent domain, then the remaining portion of the Condominium shall be resurveyed and the Consolidating Master Deed amended accordingly and, if any condominium unit shall have been taken, then Article V of the Consolidating Master Deed shall also be amended to reflect such taking and to proportionately readjust the percentages of value of the remaining co-owners based upon the continuing value of the Condominium of one hundred percent (100%). Such amendment may be effected by an officer of the Association duly authorized by the Board of Directors without the necessity of execution or specific approval by any co-owner.

(d) In the event any condominium unit in the Condominium or any portion thereof, or the common elements or any portion thereof, is made the subject matter of condemnation or eminent domain proceedings, or is otherwise sought to be acquired by a condemning authority, the Association shall promptly notify each institutional holder of a first mortgage lien on any of the units in the Condominium, provided that the name and address of each has been provided to the Association.

(e) If portions of a condominium unit are taken by eminent domain, the court shall determine the fair market value of the portions of the condominium unit not taken. The undivided interest for each condominium unit in the common elements shall be reduced in proportion to the diminution in the fair market value of the condominium unit resulting from the taking. The portions of undivided interest in the common elements divested from the co-owners of a condominium unit shall be reallocated among the other condominium units in the Condominium in proportion to their respective undivided interest in the common elements. A condominium unit partially taken shall receive the reallocation in proportion to its undivided interest as reduced by the court. The court shall enter a decree reflecting the reallocation of undivided interests, and the award shall include just compensation to the co-owner of the condominium unit partially taken for that portion of the undivided interest in the common elements divested from the co-owner and not re-vested in the co-owner pursuant to subsection f, as well as for that portion of the condominium unit taken by eminent domain.

(f) If the taking of a portion of a condominium unit makes it impractical to use the remaining portion of that condominium unit for a lawful purpose permitted by the Condominium documents, then the entire undivided interest in the common elements appertaining to that condominium unit shall thenceforth appertain to the remaining condominium units, being allocated to them in proportion to their respective undivided interests in the common elements. The remaining portion of that condominium unit shall thenceforth be a common element. The court shall enter an order reflecting the resulting reallocation of undivided interests, and the award shall include just compensation to the co-owner of the condominium unit for the co-owner's entire undivided interest in the common elements and for the entire condominium unit.

(g) Votes in the Association and liability for future administrative expenses appertaining to a condominium unit taken or partially taken by eminent domain shall thenceforth appertain to the remaining condominium units, being allocated to them in proportion to the relative voting strength in the Association. A condominium unit partially taken shall receive a reallocation as though the voting strength in the Association was reduced in proportion to the reduction in the undivided interests in the common elements.

Section 10. 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 at least two-thirds (2/3) of the co-owners based upon assigned voting rights shall be binding on all co-owners.

ARTICLE VI

RESTRICTIONS

Section 1. No unit shall be used for other than residential purposes. No co-owner shall carry on any commercial activities anywhere on the premises of the Condominium. No more four (4) persons may continuously occupy any such unit described as a two (2) bedroom unit, and no more than six (6) persons may continuously occupy any such unit described and/or utilized as a three (3) bedroom unit in the Master Deed. Continuous occupancy shall mean occupancy for more than thirty (30) nights in any calendar year.

Section 2. 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. This shall include, but not be limited to, exterior painting or the erection of antennas, lights, aerials, awnings, doors, shutters or other exterior attachments or modifications; nor shall any co-owner damage or make modifications or attachments to common element walls between units which in any way impair sound conditioning qualities of the walls. The Board of Directors may approve only such modifications as do not impair the soundness, safety, utility or appearance of the Condominium.

Section 3. No immoral, improper, unlawful or offensive activity shall be carried on in any unit or upon the common elements, limited or general; nor shall anything be done which may be or become an annoyance or nuisance to the co-owners of the Condominium, nor shall any unreasonably noisy activity be carried on in any unit or on the common elements. No co-owner shall do or permit anything to be done or to 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 Board of Directors, and each co-owner shall pay to the Association the increased cost of insurance premiums resulting from any such activity or the maintenance of any such condition.

Section 4. Without the prior written consent of the Board of Directors, no animal or pet other than up to two cats and/or one dog shall be kept in the Condominium by any co-owner. Any pets kept in the Condominium shall have such care and restraint as not to be obnoxious on account of noise, odor or unsanitary conditions. No savage or dangerous animal shall be kept, including, but not limited to "exotics", pit bulls or any other animal deemed by the Board, in its sole discretion to be unreasonably dangerous. 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 Condominium property. The term "animal or pet" as used in this section shall not include small animals which are constantly caged such as small birds or fish.

Section 5. The common elements, limited or general, shall not be used for storage of supplies, materials, personal property or trash or refuse of any kind, except as provided in the Consolidating Master Deed or in duly adopted rules and regulations of the Association. Trash receptacles shall be maintained in areas designated therefore at all times and shall not be permitted to remain elsewhere on the common elements except for such short periods of time as may be reasonably necessary to permit periodic collection of trash. The common elements shall not be used in any way for the drying, shaking, or airing of clothing or other fabrics. Automobiles may only be washed in areas approved by the Board of Directors. 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 detracts from the appearance of the Condominium.

Section 6. Each driveway leading into a garage or carport may only be used by the co-owner entitled to use the garage or carport. 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 bicycles, vehicles, chairs or benches may be left unattended on or about the common elements, except as approved in writing in advance by the Board of Directors. 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. No house trailers, commercial vehicles, boat trailers, boats, camping vehicles, camping trailers, snowmobiles, snowmobile trailers or vehicles other than automobiles may be parked or stored upon the common elements of the Condominium, unless parked in an area specifically designated therefore by the Board of Directors.

Section 8. No co-owner shall use, or permit the use by any occupant, agent, employee, invitee, guest or member of his or her family of any firearms, air rifles, pellet guns, B-B guns, bows and arrows, sling shots, or other similar weapons, projectiles or devices anywhere on or about the Condominium.

Section 9. No signs or other advertising devices shall be displayed which are visible from the exterior of a unit or on the common elements, including "For Sale" signs, without written permission from the Board of Directors.

Section 10. 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 the Board of Directors. Copies of all such regulations and amendments thereto shall be furnished to all co-owners or posted on a general common element. Any such regulation or amendment may be revoked at any time by the affirmative vote of a majority of the co-owners.

Section 11. The Association and 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 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 circumstances 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.

Section 12. No co-owner shall perform any landscaping or plant any trees or shrubs or place any ornamental materials upon the common elements other than the private court yards and adjacent landscape strips, if any, unless approved by the Board of Directors in writing or unless permitted by the Consolidating Master Deed or the regulations of the Association.

Section 13. No unsightly condition shall be maintained upon any court yard, balcony, patio or porch and only furniture and equipment consistent with ordinary court yard, balcony, patio or porch use shall be

permitted to remain there during seasons when the same are reasonably in use and no furniture or equipment of any kind shall be stored on balconies, patios or porches during seasons when the same are not reasonably in use.

Section 14. 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 is excluded by virtue of a deductible provision, in which case the responsible co-owner shall bear the expense to the extent of the deductible amount. Any costs or damages to the Association may be assessed to and collected from the responsible co-owner in the manner provided in Article II hereof.

Section 15.

(a) A co-owner desiring to rent or lease a condominium unit shall disclose that fact in writing to the Association at least ten (10) days before presenting a lease form or otherwise agreeing to grant possession of a condominium unit to potential lessees or occupants, and at the same time, shall supply the Association with a copy of the exact lease for its review for its compliance with the Condominium documents. The co-owner shall also provide the Association with a copy of the executed lease. If no lease form is to be used, then the co-owner shall also provide the Association with the name and address of the lessees or occupants, along with the rental amount and due dates of any rental or compensation payable to a co-owner, the due dates of that rental and compensation, and the term of the proposed arrangement.

(b) No rooms in a condominium unit may be rented and no tenant shall be permitted to occupy except under a lease, the initial term of which is at least six (6) months unless specifically approved in writing by the Association.

(c) All leases and rental agreements shall be in writing and shall incorporate the condominium documents by reference. Tenants or non co-owner occupants shall comply with all of the conditions of the Condominium documents. All rentals shall comply with all applicable ordinance and statutory requirements.

(d) If the Association determines that the tenant or non- co-owner occupant failed to comply with the conditions of the Condominium documents, the Association shall take the following action:

(1) The Association shall notify the co-owner by certified mail advising of the alleged violation by the tenant.

(2) 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.

(3) 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 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 to the general common elements caused by the co-owner or tenant in connection with the condominium unit or Condominium.

(e). When a co-owner is in arrearage to the Association for assessments, the Association may give written notice of the arrearage to the 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 shall not be a breach of the rental agreement or lease by the tenant. Any tenant failing to make such payments after receiving written notice from the Association shall become personally liable for their payment to the Association and the Association may do the following:

(1) 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 proceedings.

(2) Initiate proceedings pursuant to subsection d (3) hereinabove.

ARTICLE VII

MORTGAGES

Section 1. Any co-owner who mortgages his/her condominium unit shall notify the Association of the name and address of the mortgage holder. The Association shall maintain such information in a book entitled "Mortgages of Units." At the written request of a mortgage holder, which provides its name and address, and the unit number or address on which it has a mortgage, the Association shall give written notification to the mortgage holder of any default by the co-owner of such condominium unit which is not cured within sixty (60) days.

Section 2. The Association shall notify each mortgage holder appearing in said book of the name of each company insuring the Condominium against fire, perils covered by "all risk" property coverage, fidelity coverage, public liability, and vandalism and malicious mischief, and the amount of such coverage, as well as of any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association.

Section 3. The Association shall give written notification to each mortgage holder appearing in said book at least thirty (30) days prior to the effective date of any change of manager (not including change in employees of a corporate manager) of the Condominium.

Section 4. Any mortgage holder which acquires title to a condominium unit pursuant to the remedies provided in the mortgage or foreclosure of the mortgage or deed (or assignment) in lieu of foreclosure shall be exempt from any "right of first refusal" contained in the Condominium documents and shall be free to sell or lease such unit without regard to any such provision, although no such provision exists at the present time.

Section 5. Unless at least two-thirds (2/3) of the co-owners and of the first mortgage holders, pursuant to Section 90a of the Act, have given their prior written approval, the Association shall not:

(a) by act or omission seek to abandon or terminate the Condominium (in which event eighty percent (80%) of the co-owners and the first mortgage holders must give their approval);

(b) following the recording of the Consolidating Master Deed, change the pro rata interest or obligations of any condominium unit for the purpose of

(1) levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards, or

(2) determining the pro rata share of ownership of each condominium unit in appurtenant real estate and any improvements thereon which are owned by the co-owners in the Condominium in undivided pro rata interests ("common elements");

(c) partition or subdivide any condominium unit;

(d) by act or omission seek to abandon, partition, subdivide, encumber, sell, or transfer the common elements (the granting of easements for public utilities or for other public purposes consistent with the intended use of the common elements by the Condominium shall not be deemed a transfer within the meaning of this clause); or

(e) use hazard insurance proceeds for losses to any condominium property (either condominium units or common elements) for anything other than the repair, replacement or reconstruction of such improvements, except as provided by statute in case of substantial loss to the condominium units and/or common elements of the Condominium.

Section 6. Whenever a ballot requirement appears in these By-Laws for the benefit of a mortgage holder which requires a ballot in support of or against a proposal submitted by the Association, the mortgage holder shall respond within ninety (90) days of mailing of said notice or the lack of response shall be deemed as approval of the proposal.

Section 7. Upon written 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 notice of all meetings of Association members and to designate a representative to attend all such meetings.

Section 8. Notwithstanding any other provisions of the Condominium documents, the holder of any first mortgage covering any unit in the Condominium which comes into possession of the condominium unit pursuant to the remedies provided in the mortgage or by deed (or assignment) in lieu of foreclosure, or any purchaser at a foreclosure sale, shall take the property free of any claims for unpaid assessments or charges against the mortgaged condominium unit which accrue prior to the time such holder acquires title to the condominium unit.

Section 9. The Association shall give the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association and all other mortgage holders of record notice (c/o Servicer at Servicer's address) in writing of

(a) any loss to or the taking of the common elements and related facilities of the Condominium if such loss or taking exceeds Ten Thousand Dollars ($10,000.00), or

(b) damage to a condominium unit covered by a mortgage purchased in whole or in part by the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association or any other mortgage holder if such damage exceeds One Thousand Dollars ($1,000.00).

This section shall apply only if the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association or any other mortgagees hold a mortgage on a condominium unit in the Condominium and have given notice of this ownership to the Association.

Section 10. Nothing contained in the Condominium documents shall be construed to give a condominium unit owner or any other party priority over any rights of first mortgage holders of condominium units pursuant to their mortgages in cases of a distribution to condominium unit owners of insurance proceeds or condemnation awards for losses to or taking of condominium units and/or common elements.

ARTICLE VIII

AMENDMENTS

Section 1. Amendments to these By-Laws may be proposed by the Board of Directors of the Association acting upon the vote of the majority of the Directors or by one-third (1/3) or more in number of the co-owners voting in person or by instrument in writing signed by them. Upon any such amendment being proposed, a meeting for consideration of the same shall be duly called in accordance with the provisions of the Association By-Laws.

Section 2. These By-Laws may be amended by an affirmative vote of a majority of the Board of Directors, provided that such amendments do not materially alter or change the rights of co-owners, mortgage holders or other interested parties, and to keep these By-Laws in compliance with the Act.

Section 3. These By-Laws may be amended by the Association, at any regular annual meeting or a special meeting called for such purpose, by an affirmative vote of two-thirds (2/3) of all co-owners in number and in value. No consent of mortgagees shall be required to amend these By-Laws, except as otherwise provided in Section 90a of the Act, in which event the approval of two-thirds (2/3) of the first mortgage holders shall be required, with each mortgagee to have one (1) vote for each mortgage held. Any mortgagee ballots not returned within ninety (90) days of mailing shall be counted as approval for the change. The affirmative vote of two-thirds (2/3) of co-owners is considered two-thirds (2/3) of all the co-owners entitled to vote as of the record date for such votes. A person causing or requesting an amendment to the Condominium documents shall be responsible for costs and expenses of the amendment except for amendments based upon a vote of a prescribed majority of co-owners, the costs of which are administrative expenses.

Section 4. A copy of each amendment to these By-Laws shall be recorded in the Office of the Washtenaw County Register of Deeds and shall be furnished to every member of the Association after adoption; provided, however, that any amendment to these By-Laws that is 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 received a copy of the amendment.

Section 5. Eligible mortgage holders, those holders of a first mortgage on a unit who have requested the Association to notify them on any proposed action that requires the consent of a specified percentage of eligible mortgage holders, also shall have the right to join in the decision making about certain amendments to the Condominium documents.

Section 6. Any amendment to these Condominium By-Laws shall become effective upon recording such amendment in the Office of the Washtenaw County Register of Deeds. Without the prior written approval of two-thirds (2/3) of all institutional holders of first mortgage liens on any unit in the Condominium, no amendment to these By-Laws shall become effective which involve any change, direct or indirect, in Article I, Sections 3 and 4b, Article II, Sections 3a and 4, Article IV, Section 1d, Article V, Sections 1, 4 and 8, Article VII, Sections 1, 4, 5, 8, 9, and 10, Article VIII, Sections 3 and 6, or Article XI, Section 1, or to any other provision that decreases the benefits or increases the obligations or materially affects the rights of any members of the Association, as further identified by the Federal National Mortgage Association's legal guidelines in Chapter 4, Conventional Projects, Legal Requirements, of the current issue of the Federal National Mortgage

Association's Lending Guide. Any mortgagee ballots not returned within ninety (90) days of mailing shall be counted as approval for the change.

ARTICLE IX

COMPLIANCE

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

ARTICLE X

DEFINITIONS

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

ARTICLE XI

REMEDIES FOR DEFAULT

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

(a) Failure to comply with any of the terms or provisions of the Condominium documents shall be grounds for relief, which may include, without limitations, 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) In any proceedings arising because of alleged default by a co-owner, the Association or the co-owner or co-owners bringing the legal action, if successful, shall recover the costs of the proceedings and such actual and actual attorney's fees (not limited to statutory fees). In no event shall any defending co-owner be entitled to recover such attorney's fees.

(c) The violation of any of the provisions of the Condominium documents shall also give the Association or its duly authorized agents the right to enter upon the common elements, limited or general, or into any condominium unit where reasonably necessary, and summarily remove and abate, at the expense of the co-owner in violation, any structure, thing or condition existing or maintained contrary to the provisions of the Condominium documents. The Association shall have no liability to any co-owner arising out of the exercise of its removal and abatement power authorized herein.

(d) The violation of any of the provisions of the Condominium documents by any co-owner shall be grounds for assessment by the Board of Directors of monetary fines for such violations. No fine may be assessed unless rules and regulations establishing such fine have first been duly adopted by the Board of Directors of the Association and notice given to all co-owners in the same manner as prescribed in the Association By-Laws. Thereafter, fines may be assessed only upon notice to the offending co-owner as prescribed in the Association By-Laws and after an opportunity for such co-owner to appear before the Board

no less than seven (7) days from the date of the notice and offer evidence in defense of the alleged violation. All fines duly assessed may be collected in the same manner as provided in Article II of these By-Laws. No fine shall be levied for the first violation. No fine shall exceed Fifty Dollars ($50.00) for the second violation, One Hundred Dollars ($100.00) for the third violation, or be less than One Hundred Dollars ($100.00) for any subsequent violation.

(e) A co-owner may maintain an action against the Association and its officers and Directors to compel these persons to enforce the terms and provisions of the Condominium documents. In such a proceeding, the Association, if successful, shall recover the costs of the proceeding and actual attorney's fees (not limited to statutory fees). 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 terms and provisions of the condominium documents or the Michigan Condominium Act.

(f) 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.

(g) All rights, remedies and privileges granted to the Association and its co-owner(s) by the aforesaid Condominium documents shall be deemed to be cumulative, and the exercise of any one or more shall not be deemed to constitute an election of any one. This shall not preclude the party from exercising other additional rights, remedies or privileges as may be available by law.

ARTICLE XII

SEVERABILITY

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

Michigan Department of Labor & Economic Growth

Filing Endorsement

This is to Certify that the RESTATED ARTICLES OF INCORPORATION - NONPROFIT

for

ARBOR CONDOMINIUM ASSOCIATION

ID NUMBER: 756412

received by facsimile transmission on October 27, 2006 is hereby endorsed

Filed on October 27, 2006 by the Administrator.

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

In testimony whereof, I have hereunto set my hand and affixed the Seal of the Department, in the City of Lansing, this 27TH day of October, 2006.

, Director

Bureau of Commercial Services

Sent by Facsimile Transmission 06300

BCS/CD-511 (Rev. 12/03)

MICHIGAN DEPARTMENT OF LABOR & ECONOMIC GROWTH
BUREAU OF COMMERCIAL SERVICES

Date Received	(FOR BUREAU USE ONLY)
	This document is effective on the date filed, unless a subsequent effective date within 90 days after received date is stated in the document.

Name: D. Douglas Alexander

Address: 44670 Ann Arbor Road Suite 170

City: Plymouth State: MI Zip Code: 48170

EFFECTIVE DATE:

Document will be returned to the name and address you enter above. If left blank document will be mailed to the registered office.

RESTATED ARTICLES OF INCORPORATION

For use by Domestic Nonprofit Corporations

(Please read information and instructions on the last page)

Pursuant to the provisions of Act 162, Public Acts of 1982, the undersigned corporation executes the following Restated Articles:

1. The present name of the corporation is: Arbor Condominium Association
2. The identification number assigned by the Bureau is: 756412
3. All former names of the corporation are:
   none
4. The date of filing the original Articles of Incorporation was: June 24, 1987

The following Restated Articles of Incorporation supersede the Articles of Incorporation as amended and shall be the Articles of Incorporation for the corporation:

ARTICLE I

The name of the corporation is: Arbor Condominium Association

ARTICLE II

The purpose or purposes for which the corporation is organized are:

Please see attachment

ARTICLE III

1. The corporation is organized on a nonstock basis.
(stock or nonstock)

2. If organized on a stock basis, the aggregate number of shares which the corporation has authority to issue is _____. If the shares are, or are to be divided into classes, the designation of each class, the number of shares in each class, and the relative rights, preferences, and limitations of the shares of each class are as follows:

3. If organized on a nonstock basis, the description and value of its real property assets are: (If none, insert "none")

none

and the description and value of its personal property assets are: (if none, insert "none")

Cash of $29,000.00

(The valuation of the above assets was as of September 14, 2006)
The corporation is to be financed under the following general plan:

assessment of members

The corporation is organized on a membership basis.
(membership or directorship)

ARTICLE IV

1. The address of the registered office is:
3131 Professional Drive (Street Address) Ann Arbor (City), Michigan 48104-5131 (ZIP Code)
2. The mailing address of the registered office, if different than above:
_____ (Street Address or P.O. Box) _____ (City), Michigan _____ (ZIP Code)
3. The name of the resident agent is: Ronald Duprey

ARTICLE V (Additional provisions, if any, may be inserted here; attach additional pages if needed.)

please see attachment

5. COMPLETE SECTION (a) IF THE RESTATED ARTICLES DO **NOT** FURTHER AMEND THE ARTICLES OF INCORPORATION; OTHERWISE, COMPLETE SECTION (b).

a. ☐ These Restated Articles of Incorporation were duly adopted on the_____ day of_____, _____, in accordance with the provisions of Section 642 of the Act by the Board of Directors without a vote of the members or shareholders. These Restated Articles of Incorporation only restate and **integrate and do not further amend** the provisions of the Articles of Incorporation as heretofore amended and there is no material discrepancy between those provisions and the provisions of these Restated Articles.

Signed this_____day of _____, _____

By_____
(Signature of Authorized Officer or Agent)

_____
(Type or Print Name)

b. ☑ These Restated Articles of Incorporation were duly adopted on the 5th day of September, 2006 in accordance with the provisions of Section 642 of the Act. These Restated Articles of Incorporation restate, integrate, and **do further amend** the provisions of the Articles of Incorporation and: (check one of the following)

☑ were duly adopted by the shareholders, the members, or the directors (if organized on a nonstock directorship basis). The necessary number of votes were cast in favor of these Restated Articles of Incorporation.

☐ were duly adopted by the written consent of **all** the shareholders or members entitled to vote in accordance with Section 407(3) of the Act.

☐ were duly adopted by the written consent of **all** the directors ~~pursuant to Section~~ 525 of the Act as the corporation is organized on a directorship basis.

☐ were duly adopted by the written consent of the shareholders or members having not less than the minimum number of votes required by statute in accordance with Section 407(1) and (2) of the Act. Written notice to shareholders or members who have not consented in writing has been given. (Note: Written consent by less than all of the shareholders or members is permitted only if such provision appears in the Articles of Incorporation)

Signed this 18th day of September, 2006

By Henry Miarka, President
(Signature of President, Vice-President, Chairperson, or Vice-Chairperson)

Henry Miarka — President
(Type or Print Name) (Type or Print Title)

AMENDED AND RESTATED
NON-PROFIT
ARTICLES OF INCORPORATION

ARTICLE II
PURPOSES

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

(a) To manage and administer the affairs of and to maintain Arbor, a condominium (hereinafter called "Condominium");

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

(c) To carry insurance and to collect and allocate the proceeds thereof;

(d) To rebuild improvements after casualty;

(e) To contract for and employ persons, firms, or corporations to assist in management, operation, maintenance and administration of said Corporation;

(f) To make and enforce reasonable regulations concerning the use and enjoyment of said Condominium;

(g) To own, maintain and improve, and to buy, sell, convey, assign, mortgage, or lease (as landlord or tenant) any real and personal property, including, but not limited to, any Unit in the Condominium, for any purpose of providing benefit to the members of the Corporation and in furtherance of any of the purposes of the Corporation;

(h) To borrow money and issue evidences of indebtedness in furtherance of any or all of the objects of its business; to secure by mortgage, pledge or other lien;

(i) To enforce the provisions of the Master Deed and Bylaws of the Condominium and of these Articles of Incorporation and such Bylaws and Rules and Regulations of this Corporation as may hereinafter be adopted;

(j) To do anything required of or permitted to it as administrator of said Condominium by the Condominium Master Deed or Bylaws or by Act No. 59 of Public Act of 1978, as amended; and

(k) In general, to enter into any kind of activity, to make and perform any contract and to exercise all powers necessary, incidental or convenient to the administration, management, maintenance, repair, replacement and operation of said Condominium and to the accomplishment of any of the purposes thereof.

ARTICLE V
EXISTENCE

The term of corporate existence is perpetual.

ARTICLE VI
MEMBERSHIP AND VOTING

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

(a) Each Co-owner of a Unit in the Condominium shall be a member of the Corporation, and no other person or entity shall be entitled to membership;

(b) Membership in the Corporation shall be established by acquisition of fee simple title or the interest of a land contract vendee as per MCL 559.106(l) to a Unit in the Condominium and by recording with the Register of Deeds of Washtenaw County, Michigan, a deed or other instrument establishing a change of record title to such Unit and the furnishing of evidence of same satisfactory to the Corporation the new Co-owner thereby becoming a member of the Corporation, and the membership of the prior Co-owner thereby being terminated.

(c) The share of a member in the funds and assets of the Corporation cannot be assigned, pledged, encumbered or transferred in any manner except as an appurtenance to his Unit in the Condominium.

(d) Voting by members shall be in accordance with the provisions of the Bylaws of this Corporation.

ARTICLE VII

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

(a) for any breach of an Officer's or Director's duty of loyalty to the Corporation or its members;

(b) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law;

(c) resulting from a violation of MCLA 450.2551(1);

(d) for any transaction from which the Officer or Director derived an improper personal benefit;

(e) an act or omission occurring before the effective date if the provision grants limited liability.

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

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

(i) The volunteer was acting or reasonably believed he or she was acting within the scope of his or her authority.

(ii) The volunteer was acting in good faith.

(iii) The volunteer's conduct did not amount to gross negligence or willful and wanton misconduct.

(iv) The volunteer's conduct was not an intentional tort.

(v) The volunteer's conduct was not a tort arising out of the ownership, maintenance, or use of a motor vehicle for which tort liability may be imposed as provided in Section 3135 of the insurance code of 1956, Act No. 218 of the Public Acts of 1956, being Section 500.3135 of the Michigan Compiled Laws.

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

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