

RidgeWood

A residential development in Ann Arbor

PURCHASER INFORMATION BOOKLET
FOR
RIDGEWOOD

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Lawrence Kestenbaum, Washtenaw Co



**THIRD AMENDED AND RESTATED
MASTER DEED OF RIDGEWOOD**

Ann Arbor Ridgewood Condominium Association, a Michigan nonprofit corporation, whose address is Post Office Box 2362, Ann Arbor, Michigan 48106, being the administrator of RidgeWood, a Condominium project established in pursuance of the provisions of the Michigan Condominium Act, as amended (being Act 59 of the Public Acts of 1978, as amended) (the "Act"), and of the Master Deed thereof, as recorded on February 7, 1992 in Liber 2581, Page 826 et seq., as amended by the First Amendment to Master Deed recorded on September 28, 1995, in Liber 3159, Page 260 et seq., and the Second Amendments to Master Deed and By-Laws recorded on May 2, 2011, in Liber 4845, Page 531 et seq., Washtenaw County Records, and known as Washtenaw County Condominium Subdivision Plan No. 154, hereby amends the Master Deed, so amended, of RidgeWood and the Condominium By-Laws attached to such Master Deed as Exhibit A, pursuant to the authority reserved in Article XI of said Master Deed and Article VIII of said Condominium By-Laws, and with the approval of not less than sixty-six and two-thirds percent (66-2/3%) of all co-owners in number and in value. Upon recording of this Third Amended and Restated Master Deed in the office of the Washtenaw County Register of Deeds, said previously recorded Master Deed, as amended, with the exception of the Condominium Subdivision Plan attached thereto as Exhibit B, shall be superseded and replaced.

Recitals

WHEREAS, the Association desires to amend its governing documents by the recording of this Third Amended and Restated Master Deed and the Condominium Bylaws attached hereto as Exhibit A, together with the Condominium Subdivision Plan attached as Exhibit B to the Master Deed previously recorded in Liber 2581, Page 826 et seq., as amended by the First Amendment to Master Deed recorded on September 28, 1995, in Liber 3159, Page 260 et seq., and the Second Amendments to Master Deed and By-Laws recorded on May 2, 2011, in Liber 4845, Page 531 et seq., Washtenaw County Records, all of which are incorporated by reference, and made a part of this Third Amended and Restated Master Deed regarding the real property described in Article IV



Washtenaw County Register of Deeds
Submitted for Recording
5/21/2020 at 9:00 AM

below, and all appurtenances to it, together with the improvements located on that property, which was previously established as a residential Condominium Project under the provisions of the Act, by the recording of the Master Deed, and which real property the Association intends shall continue as a Condominium under the provisions of the Act and this Third Amended and Restated Master Deed and Exhibit A and Exhibit B hereto;

NOW, THEREFORE, the Association does, upon the recording of this Third Amended and Restated Master Deed, reaffirm the establishment of RidgeWood as a Condominium Project under the Act and does declare that RidgeWood (the "Condominium"), shall continue to be held, conveyed, hypothecated, encumbered, leased, rented, occupied, improved, or in any other manner utilized, subject to the provisions of the Act, and to the covenants, conditions, restrictions, uses, limitations and affirmative obligations set forth in this Third Amended and Restated Master Deed and the Condominium Bylaws (Exhibit A) and the Condominium Subdivision Plan (Exhibit B) to this Third Amended and Restated Master Deed, all of which shall be deemed to bind and run with the land and shall continue to be a burden and a benefit to the Association, its successors and assigns, and any persons acquiring or owning an interest in the said real property, their grantees, successors, heirs, executors, administrators and assigns. In furtherance of the establishment of said Condominium, it is provided as follows:

ARTICLE I

DEFINITIONS

Certain terms are utilized not only in this Master Deed and Exhibits "A" and "B" hereto, but are or may be used in various other instruments such as, by way of example and not in limitation, the Articles of Incorporation and corporate By-Laws and Rules and Regulations of the Ann Arbor Ridgewood Condominium Association, a Michigan non-profit corporation, and deeds, mortgages, liens, land contracts, easements, and other instruments affecting the establishment of or transfer of interests in RidgeWood as a condominium. Wherever used in such documents or any other pertinent instruments, the terms set forth below shall be defined as follows:

- (1) The "Act" means the Michigan Condominium Act, being Act 59 of the Public Acts of 1978, as amended.
- (2) "Association" means Ann Arbor Ridgewood Condominium Association, the non-profit corporation organized under Michigan law of which all co-owners shall be members, which corporation shall administer, operate, manage, and maintain the Condominium. Any action required of or permitted to the Association shall be exercisable by its Board of Directors unless specifically reserved to its members by the Condominium documents or the laws of the State of Michigan, and any reference to the Association shall, where appropriate, also constitute a reference to its Board of Directors.
- (3) "Association By-Laws" means the corporate By-Laws of the Association.
- (4) "Common elements", where used without modification, shall mean both

the general and limited common elements described in Article V hereof.

(5) “Condominium By-Laws” means Exhibit A hereto, being the By-Laws setting forth the substantive rights and obligations of the co-owners and required by Section 3(9) of the Act to be recorded as part of the Master Deed.

(6) “Condominium documents” wherever used means and includes this Master Deed and Exhibits A and B\ hereto, the Articles of Incorporation, the By-Laws, and the Rules and Regulations, if any, of the Association.

(7) “Condominium premises” means and includes the land and the buildings, all improvements and structures thereon, and all easements, rights and appurtenances belonging to RidgeWood as described above.

(8) “Condominium”, “Condominium project” or “project” means RidgeWood as a Condominium project established in conformity with the provisions of the Act.

(9) “Condominium Subdivision Plan “means Exhibit B hereto.

(10) “Co-owner” means a person, firm, corporation, partnership, association, trust, or other legal entity or any combination thereof who or which owns one or more units in the Condominium project. The term “owner”, wherever used, shall be synonymous with the term “co-owner”. “Co-owner” shall also include a land contract vendee, and both the land contract vendor and vendee shall have joint and several responsibility for assessments by the Association.

(11) “Mortgagee” means the individual, financial institution, corporation, partnership, or other entity holding a first mortgage on an individual unit in RidgeWood.

(12) “Unit” means the enclosed space constituting a single complete condominium unit in RidgeWood, as such space may be described in Exhibit B hereto.

Terms not defined in this Third Amended and Restated Master Deed, but defined in the Act, shall have the meanings given to them in the Act unless the context clearly indicates to the contrary. Whenever any reference herein is made to one gender, the same shall include a reference to any and all genders where the same would be appropriate; similarly, whenever a reference is made herein to the singular, a reference shall also be included to the plural where the same would be appropriate.

ARTICLE II

TITLE OF PROJECT

The Condominium project shall be known as RidgeWood, Washtenaw County Condominium Subdivision Plan No.154. The architectural plans for the project were approved by

the City of Ann Arbor, Washtenaw County, State of Michigan. The Condominium project is established in accordance with the Act.

ARTICLE III

NATURE OF PROJECT

(1) The buildings and units contained in the Condominium, including the number, boundaries, dimensions, area, and volume of each condominium unit therein, are set forth in the condominium Subdivision Plan attached as Exhibit B hereto. The Condominium is a residential condominium and contains twenty-five (25) units. Each unit is capable of individual utilization on account of having its own entrance from and exit to a common element of the Condominium project.

(2) Each co-owner in the Condominium project shall have an exclusive right to his condominium unit and shall have undivided and inseparable rights to share with other co-owners the common elements of the Condominium project as are designated by this Master Deed.

(3) No co-owner shall use his condominium unit or the common elements in any manner inconsistent with the purposes of the project or in any manner which will interfere with or impair the rights of any other co-owner in the use and enjoyment of his condominium unit or the common elements.

ARTICLE IV

LEGAL DESCRIPTION

The land which is submitted to the Condominium Project established by this Third Amended and Restated Master Deed is particularly described as follows:

Commencing at the S 1/4 corner of Section 30, T2S, R6E, City of Ann Arbor, Washtenaw County, Michigan; thence N89°51'00"W 901.23 feet along the South line of said Section and the South line of "Dover Parkside Subdivision" as recorded in Liber 15 of Plats, Pages 16 and 17, Washtenaw County Records, to the Southwest corner of said subdivision; thence N00°16'30"E 800.44 feet along the West line of said subdivision to the Point of Beginning; thence N88°43'30"W 88.00 feet; thence S 65°13'20"W 253.33 feet; thence N00°02'00"E 504.27 feet; thence N75°43'50"E 330.20 feet along the southerly right-of-way line of Liberty Street; thence S00°16'30"W 479.92 feet along the West line of said "Dover Parkside Subdivision" (and the Northerly extension thereof) to the Point of Beginning. Being a part of the Southwest 1/4 of Section 30, T2S, R6E, City of Ann Arbor, Washtenaw County, Michigan and containing 3.49 acres of land, more or less,

together with and subject to easements, restrictions and governmental limitations of record, and any easements set forth on the Condominium Subdivision Plan attached hereto as Exhibit B or as declared and reserved in Article IX below.

ARTICLE V

COMMON ELEMENTS

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

- (1) The general common elements are:
 - (a) The land described in Article IV hereof, including driveways, roads, sidewalks, and parking spaces not designated as limited common elements;
 - (b) The electrical wiring network throughout the project up to, but not including, the electric meter for each unit;
 - (c) The gas line network throughout the project up to, but not including, the gas meter for each unit;
 - (d) The telephone, telecommunication and television wiring networks throughout the project up to, but not including, connections to provide service to individual units;
 - (e) The plumbing network throughout the project up to, but not including, the water meter for each unit;
 - (f) The water distribution system, sanitary sewer system and storm drainage system throughout the project up to the point of connection with each unit;
 - (g) Foundations, supporting columns, unit perimeter walls (including windows, doors and heating ducts therein), roofs, ceilings, floor construction between unit levels, basement floors, and chimneys;
 - (h) Such other elements of the project not herein designated as general or limited common elements which are not enclosed within the boundaries of a unit and which are intended for common use or necessary to the existence, upkeep and safety of the project;
 - (i) Easements for all of the aforementioned utility systems that are provided by or for the benefit of third parties are hereby dedicated to them for that purpose in the locations as set forth in Exhibit B hereto;

(j) Some or all of the utility lines (including mains and service leads) and equipment described in Article V, paragraphs (l)(b), (c), (d), (e), and (f) may be owned by the local municipal authority or by the company that is providing the pertinent utility service. Accordingly, such utility lines and equipment shall be general common elements only to the extent of the co-owners interest therein.

(2) The limited common elements are:

(a) Certain parking spaces on driveways in front of garages, landscaping strips, stairs, and sidewalks are appurtenant to certain units as limited common elements as designated in Exhibit B attached hereto.

(b) Each individual porch in the project is restricted in use to the co-owner of the unit which opens onto such porch, as shown on Exhibit B hereto.

(c) Each individual deck or patio in the project is restricted in use to the co-owner of the unit which opens into such deck or patio as shown on Exhibit B hereto.

(d) Each individual exterior air-conditioning unit and the concrete pad upon which it sits shall be restricted in use to the co-owner of the unit to which it is connected.

(e) Each individual balcony in the project is restricted in use to the co-owner of the unit which opens into such balcony as shown on Exhibit B hereto.

(f) Fireplaces, chimney flues and the interior surfaces of unit perimeter walls (including windows and doors therein), ceilings and floors contained within a unit shall be subject to the exclusive use and enjoyment of the co-owner of such unit.

(g) Each individual garage door (including any windows in such garage door and attached fixtures) is restricted in use to the co-owner of the unit which opens into such garage as shown on Exhibit B hereto.

(3) Convertible areas extend off the rear and side of certain units as shown on Exhibit B to permit construction and installation of decks and patios as may be approved by the Association pursuant to Section 3, Article VI, of the Condominium By-Laws. Any deck or patio located within a convertible area shall be a limited common element appurtenant to the unit to which it is attached.

(4) The respective responsibilities for the insurance, maintenance, decoration, repair, and replacement of the common elements are as follows:

(a) The cost of insurance, maintenance, repair, and replacement of the limited common elements described in Article V, paragraphs (2)(c), (2)(d), (2)(e), 2(f) with respect only to fireplaces, 2(g), and (3) above shall be borne by the co-owner of the unit to which such limited common elements respectively appertain.

(b) The cost of insurance, maintenance, repair, and replacement of the doors (but not windows, window glass or window frames) referred to in Article V, paragraph(l)(g) shall be borne by the co-owner of the unit in which such general common elements are located.

(c) The cost of insurance, maintenance, repair, and replacement of all other general and limited common elements described above 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 and any increase in Association insurance premiums resulting from such co-owner fault. The costs of decoration, (but not repair or replacement except in cases of co-owner fault) of all surfaces referred to in Article V, paragraph (2)(f) shall be borne by the co-owner of each unit to which such surfaces are appurtenant.

(d) The cost of maintaining, repairing and replacing the water heater, garage door opener, internal unit plumbing, dishwasher, refrigerator, stove, oven, garbage disposal, heating and air conditioning equipment, lighting, and other items servicing a unit that are not general common elements, whether or not they are within the unit they service, shall be the sole responsibility of the co-owner whose unit is serviced by such items.

(e) The individual co-owners shall be responsible for the cost and installation of bulbs within the light fixtures at the front and back of their respective units, although the fixtures themselves shall be maintained by the Association.

(f) In the event a co-owner fails to maintain, decorate, repair or replace any items for which he 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 limited common elements, all at the expense of the co-owner of the unit. Except in the case of an emergency, when no advance notice shall be required, the Association shall give the defaulting co-owner ten (10) days' advance written notice of the work to be performed, and a grace period of thirty (30) days thereafter to complete the work, prior to the Association undertaking any of the work itself. 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 V which are required, in the first instance to be borne by any co-owner, shall be assessed against such co-owner and shall be due and payable with

his 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.

ARTICLE VI

UNIT DESCRIPTION AND PERCENTAGE OF VALUE

(1) Each unit in the project is described in this paragraph with reference to the Condominium Subdivision Plan of RidgeWood as surveyed by Washtenaw Engineering Company, Inc., and attached hereto as Exhibit B. Each unit shall include: (1) with respect to each unit basement, all that space contained within the unpainted surfaces of the basement floor and walls and the uncovered underside of the first floor joists, and (2) with respect to the upper floors of units, all that space contained within the interior finished unpainted walls and ceilings and from the finished subfloor, all as shown on the floor plans and sections in Exhibit B hereto and delineated with heavy outlines. The dimensions shown on basement plans in Exhibit B have been physically measured by Washtenaw Engineering Company, Inc. In the event that the dimensions on the measured basement plan of any specific unit differ from the dimensions on the typical basement plan for such unit shown in Exhibit B, then the typical upper plans for such unit shall be deemed to be automatically changed for such specific unit in the same manner and to the same extent as the measured basement plan. The architectural plans and specifications for the project have been filed with the City of Ann Arbor.

(2) The percentage of value assigned to each unit is set forth in subparagraph 3(b) below. The percentage of value assigned to each unit shall be determinative of each owner's respective share of the common elements of the Project and the proportionate share of each respective owner in the proceeds. Notwithstanding any difference(s) in the percentage(s) of value among co-owners, each owner's respective share in the expenses of administration and the value of such co-owner's vote at meetings of the Association shall be equal. The total value of the Project is one hundred percent (100%).

(3) Set forth below are:

(a) Each condominium unit number as it appears on the Condominium Subdivision Plan.

(b) The percentage of value assigned to each condominium unit.

		Percentage of
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<u>Unit Number</u>	<u>Unit Address</u>	<u>Value Assigned</u>
1	601 RidgeWood Court	4.166
2	603 RidgeWood Court	4.166
3	609 RidgeWood Court	3.125
4	611 RidgeWood Court	3.125
5	617 RidgeWood Court	4.166
6	619 RidgeWood Court	4.166
7	625 RidgeWood Court	3.125
8	627 RidgeWood Court	3.125
9	633 RidgeWood Court	4.166
10	635 RidgeWood Court	4.166
11	658 RidgeWood Court	4.166
12	656 RidgeWood Court	4.167
13	650 RidgeWood Court	4.167
14	648 RidgeWood Court	4.167
15	640 RidgeWood Court	4.167
17	634 RidgeWood Court	4.167
18	632 RidgeWood Court	4.167
19	626 RidgeWood Court	4.167
20	624 RidgeWood Court	4.167
21	618 RidgeWood Court	4.167
22	616 RidgeWood Court	4.167
23	610 RidgeWood Court	4.167
24	608 RidgeWood Court	4.167
25	602 RidgeWood Court	4.167
26	600 RidgeWood Court	4.167

ARTICLE VII

RIGHTS OF MORTGAGEES

Notwithstanding any other provision in this Master Deed or the Condominium By-Laws or any other documents, the following provisions shall apply and may not be amended or deleted without the prior written consent of the holders of first mortgages on at least two-thirds (2/3) of the condominium unit of record:

(1) A first mortgagee, at its request, is entitled to written notification from the Association of any default by the co-owner of such condominium unit in the performance of such co-owner's obligations under the Condominium documents which is not cured within sixty (60) days.

(2) Any first mortgagee who obtains title to a 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.

(3) Any first mortgagee who obtains title to a unit pursuant to the remedies provided in the mortgage or foreclosure of the mortgage or deed (or assignment) in lieu of foreclosure shall not be liable for such unit’s unpaid dues or charges which accrue prior to the acquisition of title to such unit by the mortgagee.

(4) Notwithstanding any provision of the Condominium documents to the contrary, first mortgagees are entitled to vote on amendments to the condominium documents only under the circumstances listed in Section 90a of the Act.

(5) Each first mortgagee has the right to examine the books and records of the Association.

(6) No co-owner, or any other party, shall have priority over any rights of first mortgagees of Units pursuant to their mortgages in the case of a distribution to co-owners of insurance proceeds or condemnation awards for losses to or a taking of Units and/or common elements.

(7) Notwithstanding anything provided herein to the contrary, in the event of a vote for an amendment to the Condominium documents, any mortgagee ballots not returned within ninety (90) days of mailing shall be counted as approval for the change.

ARTICLE VIII

DAMAGE TO CONDOMINIUM

In the event the Condominium is partially or totally damaged or destroyed or partially taken by eminent domain, the repair reconstruction or disposition of the property shall be as provided by the By-Laws attached hereto as Exhibit A.

ARTICLE IX

EASEMENTS

In the event any portion of a unit or common element encroaches upon another unit or common element due to shifting, settling or moving of a building, or due to survey errors or construction deviations, reciprocal easements shall exist for the maintenance of such encroachment for so long as such encroachment exists and for maintenance easements thereof

after rebuilding in the event of any destruction. Easements for the benefit of the Association and all co-owners shall also exist to, through and over those portions of the land, structures, buildings, improvements, ceilings, floors, and walls (including interior unit floors and walls) contained therein for the continuing maintenance, modification, alteration, repair and replacement of all utilities in the Condominium and for interior access to water shut-off valves that provide water to the common elements. There shall exist easements of support with respect to any unit interior wall which supports a common element. The Board of Directors of the Association may grant easements over or through or dedicate any portion of any general common element of the condominium for utility, roadway, access or safety purposes as may be necessary for the benefit of the Condominium.

ARTICLE X

AMENDMENT OR TERMINATION

Except as provided in preceding paragraphs as set forth above, the Condominium project shall not be terminated or any of the provisions of this Master Deed or Exhibits attached hereto amended unless done in compliance with the following provisions:

(1) The Condominium documents may be amended without the consent of co-owners or mortgagees for any purpose if the amendment does not materially alter or change the rights of a co-owner or materially impair the security of a mortgagee, as defined in Section 90a of the Act. Amendments showing minor architectural variances and modifications to a unit, correcting survey or other errors made in the Condominium documents, changes required by any public authority having jurisdiction over the Condominium, changes deemed necessary to comply with or include provisions permitted by the Act, or for the purpose of facilitating mortgage loan financing for existing or prospective co-owners and to enable the purchase or insurance of such mortgage loans by the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association, the Veterans Administration, the Department of Housing and Urban Development, 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 insures mortgages, and to provide descriptions and assign responsibility for common elements constructed, but not previously disclosed in the Master Deed, shall be examples of amendments which do not materially alter or change the rights of a co-owner or mortgagee.

(2) The Condominium shall be terminated only by the agreement of eighty percent (80%) of the co-owners of units to which all of the votes in the Association appertain and the mortgagees of two-thirds (2/3) of the first mortgages covering the units, with each mortgagee to have one (1) vote for each unit covered by its mortgage. Any mortgagee ballots not returned within ninety (90) days of mailing shall be counted as approval for the termination.

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

(4) Upon recordation of an instrument terminating a Condominium, the property constituting the Condominium shall be owned by the co-owners as tenants in common in proportion to their respective undivided interests in the common elements immediately before recordation. As long as the tenancy in common lasts, each co-owner or the heirs, successors or assigns thereof shall have an exclusive right of occupancy of that portion of the property which formerly constituted the unit.

(5) Upon recordation of an instrument terminating a Condominium, any rights the co-owners may have to the assets of the Association shall be in proportion to their respective undivided interests in the common elements immediately before recordation, except that common profits shall be distributed in accordance with the Condominium documents and the Act.

(6) The Condominium documents may be amended for a proper purpose, other than as set forth in this Article, even if the amendment will materially alter or change the rights of the co-owners, mortgagees or other interested parties, with the prior written consent of two-thirds (2/3) of the first mortgagees (based upon one (1) vote for each unit covered by its mortgage), but only as is required in accordance with Section 90a of the Act, and co-owners of the individual units. A co-owner's unit dimensions or appurtenant limited common elements may not be modified without his consent and that of his mortgagee. 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 co-owners entitled to vote as of the record date for such votes.

(7) A person causing or requesting an amendment to the Condominium documents shall be responsible for costs and expenses of the amendment to the Condominium documents except for amendments based upon a vote of a prescribed majority of co-owners or based upon the Board of Director's decision, the costs of which are expenses of administration.

(8) A Master Deed amendment dealing with the addition, withdrawal or modification of units or other physical characteristics of the Condominium shall comply with the standards prescribed in the Act for preparation of an original Condominium Subdivision Plan for the Condominium.

(9) An amendment to this Third Amended and Restated Master Deed shall not be effective until the amendment is duly recorded.

[Signatures on Following Page]

In all other respects, other than as hereinbefore indicated, the original Master Deed, as amended, of RidgeWood, a condominium, including all Exhibits attached thereto, recorded and amended as aforesaid, is hereby ratified, confirmed and redeclared.

Dated: May 7, 2020

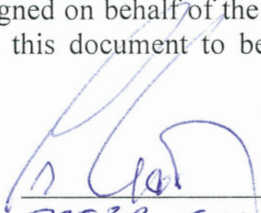
ANN ARBOR RIDGEWOOD CONDOMINIUM
ASSOCIATION, a Michigan nonprofit corporation

By: 

Michael Mason, President

STATE OF MICHIGAN, COUNTY OF WASHTENAW

On May 7, 2020, Michael Mason appeared before me, and stated under oath that he is the President of Ann Arbor Ridgewood Condominium Association, a Michigan nonprofit corporation, and that this document was signed on behalf of the corporation, by authority of its board of directors, and he acknowledged this document to be the free act and deed of the corporation.


PETER GOODSTEIN, Notary Public
Washtenaw County, Michigan
Acting in Washtenaw County
My commission expires: JULY 14, 2025

This document prepared by and
when recorded return to:
David B. Guenther (P67947)
Conlin, McKenney & Philbrick, P.C.
350 S. Main Street, Suite 400
Ann Arbor, Michigan 48104-2131
(734) 761-9000

Recording fee: \$30.00

Exhibit A

Condominium By-Laws

EXHIBIT A
CONDOMINIUM BY-LAWS
RIDGEWOOD

ARTICLE I.

ASSOCIATION OF CO-OWNERS

Section 1. RidgeWood, a condominium project, located in the City 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 project in accordance with the 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 project 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 condominium unit in the Condominium.
- (c) Except as limited by these By-Laws, each co-owner who is current in the payment of his assessments shall be entitled to one vote for each condominium unit owned.

Voting shall be by number.

(d) No co-owner shall be entitled to vote at any meeting of the Association until he has presented evidence of ownership of a condominium unit in the condominium project 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, the number or numbers of the condominium unit or condominium units owned by the co-owner, and the name and address of each person, firm, corporation, partnership, association, trust, or other entity who is the co-owner. Such notice shall be signed and dated by the co-owner. The individual representative designated may be changed by the co-owner at any time by filing a new notice in the manner herein provided.

(f) Each co-owner shall notify the Association in writing of the name and address of the mortgagee for his 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 corporate By-Laws of the Association (the "Association Bylaws"). Notice of time, place and subject matter of all meetings, as provided in the Association By-Laws, shall be given to each co-owner by mail, email or other electronic transmission or delivery to each individual representative at the address designated by the respective co-owners. If a notice is required or permitted under these Condominium By-Laws or the Michigan Nonprofit Corporation Act, electronic transmission is written notice.

(h) The presence in person or by proxy of forty percent (40%) in number 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. 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 number 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 at a given meeting of the members of the Association.

(k) An electronic transmission casting a vote or consenting to an action that is transmitted by a co-owner or proxy holder or a person authorized to act for a co-owner or proxy holder is written, signed and dated for purposes of these By-Laws if the electronic transmission is delivered with information from which the Association can determine that the electronic transmission was transmitted by the co-owner or proxy holder or person authorized to act for a co-owner or proxy holder and the date on which the electronic transmission was transmitted. A vote cast or consent given by electronic transmission is not delivered until it is reproduced in paper form and the paper form is delivered to the Association.

(l) 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 Master Deed, all amendments to the Master Deed and other Condominium documents for the condominium project, 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 mortgagees of condominium units in the condominium project.

Such accounts shall be open for inspection by the co-owners during reasonable working hours, and the books, records and financial statements shall be independently audited or reviewed at least annually by a certified public accountant, in accordance with the statements on auditing standards or the statements on standards for accounting and review services, respectively, of the American institute of certified public accountants, unless the Association, by the affirmative vote of at least a majority of its members, opts out on an annual basis from such requirement. 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 written 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 project 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 project and the common elements thereof.
- (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 thereof.
- (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 project.
- (6) To acquire, maintain and improve and to buy, sell, convey, assign, mortgage, or lease (as landlord or tenant) 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, including (but without limitation) the lease or purchase of any unit in the project for use by a resident manager.
- (7) To borrow money and issue evidences of indebtedness in furtherance of any and all of the purposes of the business of the Association, and to secure the same by mortgage, pledge or other lien on property owned by the Association; provided, however, that any such action shall also be approved by the affirmative vote of sixty percent (60%) in number of all of the members of the Association qualified to vote.
- (8) To make reasonable rules and regulations governing the use and enjoyment 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.

- (9) To enforce the provisions of the Condominium documents.
- (10) 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 or guarantee by the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association, the Veterans Administration, the Department of Housing and Urban Development, and/or any other agency of the Federal government or the State of Michigan, or by any other institutional participant in the secondary mortgage market that purchases or insures mortgages.
- (11) 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.
- (12) 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.
- (13) To assert, defend or settle claims on behalf of all co-owners in connection with the common elements of the condominium project. 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.
- (14) To do anything required of or permitted to it as administrator of the condominium project, by the Master Deed, Condominium By-Laws, Articles of Incorporation 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 4(a) 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 project 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%) in number of all co-owners qualified to vote.

Section 6.

(a) The Association shall indemnify any person that was or is a party or is threatened to be made a party to a threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative and whether formal or informal, other than an action by or in the right of the Association, by reason of the fact that the person is or was a director, officer, employee, nondirector volunteer, or agent of the Association, or is or was serving at the request of the Association as a director, officer, partner, trustee, employee, nondirector volunteer, or agent of another foreign or domestic corporation, business corporation, partnership, joint venture, trust, or other enterprise, whether for profit or not, for expenses, including attorneys' fees, judgments, penalties, fines, and amounts paid in settlement actually and reasonably incurred by the person in connection with the action, suit, or proceeding if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the Association or its members, and with respect to a criminal action or proceeding, if the person had no reasonable cause to believe that the conduct was unlawful. The termination of an action, suit, or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, does not, of itself, create a presumption that the person did not act in good faith and in a manner that the person reasonably believed to be in or not opposed to the best interests of the Association or its members and, with respect to any criminal action or proceeding, had reasonable cause to believe that the conduct was unlawful. In the event of any claim for reimbursement or indemnification hereunder based upon a settlement by the director, officer, committee member, employee, nondirector volunteer or agent seeking such reimbursement or indemnification, the indemnification herein shall only apply if the Board of Directors (with any director seeking reimbursement abstaining) approves such settlement and reimbursement as being in the best interests of the Association.

(b) The Association shall indemnify a person that was or is a party or is threatened to be made a party to a threatened, pending, or completed action or suit by or in the right of the Association to procure a judgment in its favor by reason of the fact that the person is or was a director, officer, employee, nondirector volunteer, or agent of the Association, or is or was serving at the request of the Association as a director, officer, partner, trustee, employee, nondirector volunteer, or agent of another foreign or domestic corporation, business corporation, partnership, joint venture, trust, or other enterprise, whether for profit or not, for expenses, including attorneys' fees and amounts paid in settlement actually and reasonably incurred by the person in connection with the action or suit if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the Association or its members. An Association shall not indemnify a

person for a claim, issue, or matter in which the person is found liable to the Association except to the extent authorized under Section 564c of the Michigan Nonprofit Corporation Act.

(c) The foregoing rights of indemnification shall be in addition to and not exclusive of all other rights to which such director, officer, committee member, employee, nondirector volunteer, or agent 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. Further, the Board of Directors shall carry directors' and officers' liability insurance covering acts of the directors, officers, committee members, employees, nondirector volunteers, or agents of the Association in such amounts as it shall deem appropriate. Notwithstanding anything to the contrary in these By-Laws, the Association shall indemnify a person under this Section 6 only in accordance with applicable Michigan law, as amended from time to time, including, without limitation, Section 564a of the Michigan Nonprofit Corporation Act.

ARTICLE II.

ASSESSMENTS

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

Section 2. All costs incurred by the Association in satisfaction of any liability arising within, caused by or 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 interest 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 project, 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 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 noncumulative basis. Since the minimum standard required by this subparagraph may prove to be inadequate for this particular project, the Board of Directors should carefully analyze the condominium project to determine if a greater amount should be set aside or if additional reserve funds should

be established for other purposes from time to time and, in the event of such a determination, the Board of Directors shall be empowered to establish such greater or other reserves without co-owner approval. Upon adoption of such annual budget by the Board of Directors, copies of said budget shall be delivered to each co-owner and the assessment for said year shall be established, based upon said budget, although the delivery of a copy of the budget to each co-owner shall not affect the liability of any co-owner for any existing or future assessments. Should the Board of Directors at any time determine, in the sole discretion of the Board of Directors, (1) that the assessments levied are or may prove to be insufficient to pay the costs of operation, 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 \$7,500.00 annually for the entire project (adjusted for increases in the Consumers Price Index used by the United States Department of Labor, Bureau of Vital Statistics, Metropolitan Detroit area, since the date of recording of the initial Master Deed), 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 5, hereof. The discretionary authority of the Board of Directors to levy assessments pursuant to this subparagraph shall rest solely with the Board of Directors -for the benefit of the Association and the members thereof, and shall not be enforceable by any creditors of the Association or of the members thereof.

(b) Special assessments, in addition to those required in above, may be made by the Board of Directors from time to time and approved by the co-owners as hereinafter provided to meet other needs or requirements of the Association, including, but not limited to, (1) assessments for additions to the common elements of a cost exceeding \$7,500.00 annually for the entire condominium project (adjusted for increases in the Consumers Price Index used by the United States Department of Labor, Bureau of Vital Statistics, Metropolitan Detroit area, since the date of recording of the initial Master Deed), (2) assessments to purchase a condominium unit upon foreclosure of the lien for assessments described in Section 6 hereof, or (3) assessments for any other appropriate purpose not elsewhere herein described, Special assessments referred to in this subparagraph (b) (but not including those assessments referred to in subparagraph 3 (a) above, which shall be levied in the sole discretion of the Board of Directors) shall not be levied without the prior approval of at least sixty percent (60%) in number of all co-owners qualified to vote. The authority to levy assessments pursuant to this subparagraph is solely for the benefit of the Association and the members thereof and shall not be enforceable by any creditors of the Association or of the members thereof.

Section 4. Unless otherwise provided herein or in the Master Deed, all assessments levied against the co-owners to cover expenses of administration, and otherwise, shall be apportioned equally among and paid by the co-owners.

(a) Any other common expenses benefiting less than all of the units, or any expenses incurred as a result of the conduct of less than all those entitled to occupy the condominium project, or their tenants or invitees, shall be specifically assessed against the

unit or units involved, in accordance with such reasonable rules and regulations as shall be adopted by the Board of Directors of the Association.

(b) Annual assessments as determined in accordance with Article II, Section 3(a) above shall be payable by co-owner in four (4) equal quarterly installments, or in monthly, annual or such other installments as the Board of Directors of the Association may determine, commencing with acceptance of a deed to a condominium unit or with acquisition of fee simple title to a condominium unit by any other means. To provide working capital to the Association, each co-owner purchasing a unit after the recording date hereof shall pay to the Association at closing of the purchase of a unit a sum (the "Working Capital Contribution") initially equal to two month's assessments for the Association reserves. The Association shall have the power to increase, decrease, amend, or eliminate the amount of the Working Capital Contribution from time-to-time by designating such change or such amount in duly adopted rules and regulations. The Working Capital Contribution may, in the discretion of the Association, be placed either in a short-term operating capital reserve or in the capital reserve funding account, for use by the Association as needed from time to time. The Working Capital Contribution is non-refundable and will not be applied as a credit against any future assessments. If the unit is later sold, a new Working Capital Contribution will be assessed against the purchaser of the unit. The seller of the unit shall not receive any credit for the seller's Working Capital Contribution. Payment of the Working Capital Contribution shall be required prior to the exercise of any rights of membership in the Association including, without limitation, the use of the general common elements. Any unpaid Working Capital Contribution shall become a lien on the unit in the same manner as any unpaid common expenses attributable to such unit. The Association shall have the power to provide certain exceptions to the mandatory Working Capital Contribution where the transfer of a unit is not an arm's length sale.

(c) The payment of an assessment shall be in default if such assessment, or any part thereof, is not paid to the Association in full on or before the due date for such payment and, if a delinquency occurs, the Board of Directors may accelerate the due date of the balance of the unpaid annual assessment.

(d) Assessments in default shall bear interest at the rate of not less than seven percent (7%) per annum, plus such additional interest rate surcharge as the Board of Directors shall approve, until paid in full. provided, however, that 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. Additionally, the Association may assess additional fines for chronic late payment or non-payment of assessments in accordance with the provisions of Article XI of these By-Laws. 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.

(e) Each co-owner (whether one or more persons) shall be and remain personally liable for the payment of all assessments pertinent to his condominium unit which may be levied while such 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 therefor. 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. No co-owner may exempt himself from liability for his contribution toward the expenses of administration by waiver of the use or enjoyment of any of the common elements or by the abandonment of his 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 project, shall be deemed to have granted to the Association the unqualified right to elect to foreclose such lien either by judicial action or by advertisement.

(a) The provisions of Michigan law pertaining to foreclosure of mortgages by judicial action and by advertisement, as the same may be amended from time to time, are incorporated herein by reference for the purposes of establishing the alternative procedures to be followed in lien foreclosure actions and the rights and obligations of the parties to such actions. 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) Further, each co-owner and every other person who from time to time has any interest in the project shall be deemed to have authorized and empowered the Association to sell 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) Each co-owner of a unit in the project acknowledges that at the time of acquiring title to such unit he was notified of the provisions of this section and that he voluntarily, intelligently and knowingly waived notice of any proceedings brought by the Association to foreclose by advertisement the lien for nonpayment of assessments and a hearing on the same prior to the sale of the subject unit.

(d) Notwithstanding the foregoing, neither a judicial foreclosure action nor a suit at law for money judgment shall be commenced, nor shall any notice of foreclosure by advertisement be published, until the expiration of ten (10) days after mailing, by ordinary mail addressed to the delinquent co-owner at his or their last known address and/or to the representative designated in the written notice required by Article I(2)(e) hereof 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) Such written notice shall be accompanied by a written affidavit of an authorized representative of the Association that sets forth (i) the affiant's capacity to make the affidavit, (ii) the statutory and other authority for the lien, (iii) the amount outstanding, (iv) the legal description of the subject unit, and (v) the name(s) of the co-owner(s) of record.

(f) Such affidavit shall be recorded in the Office of the Washtenaw County Register of Deeds prior to the commencement of any foreclosure proceeding, but it need not have been recorded as of the date of mailing as aforesaid.

(g) If the delinquency is not cured within the ten (10) day period, the Association may take such remedial action as it elects hereunder or under Michigan law. In the event the Association elects to foreclose the lien by advertisement, the Association shall so notify the representative that he may request a judicial hearing by bringing suit against the Association.

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

(i) In the event of default by any co-owner in the payment of any installment of the annual assessment levied against his unit, and/or in the event of default by any co-owner in the payment of any installment and/or portion of any additional or special assessment levied against his unit, or any other obligation of a co-owner which, according to these Condominium By-Laws, may be assessed to and collected from the responsible co-owner in the manner provided in Article II hereof, the Association shall have the right to declare all unpaid installments of the annual assessment for the pertinent fiscal year (and for any future fiscal year in which said delinquency continues) and/or all unpaid portions or installments of any additional or special assessment, if applicable, 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 project, except as shall be necessary for purposes of ingress to and egress from his unit, and shall not be entitled to vote at any meeting of the Association, or be elected to or a voting member of the Board of Directors, and such co-owner's presence in person or by proxy shall not be taken into consideration when determining the quorum requirements for such meetings, so long as such default continues.

(j) In the event of default by any co-owner in the payment of any installment of the annual assessment levied against his unit, the Association shall have the right to declare all unpaid installments- of the annual assessment for the pertinent fiscal year

immediately due and payable. The Association also may discontinue the furnishing of any utilities or other services to a co-owner in default upon 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 project, except as shall be necessary for purposes of ingress to and egress from his unit, and shall not be entitled to vote at any meeting of the Association, such co-owner's presence in person or by proxy shall not be taken into consideration when determining the quorum requirements for such meetings, so long as such default continues.

(k) In a judicial foreclosure action, a receiver may be appointed to collect a reasonable rental for the unit from the co-owner thereof or any persons claiming under him 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 attorneys' fees (not limited to statutory fees) against the condominium unit shall be paid out of the sale price or by the purchaser in preference over any other assessments or charges of whatever nature except the following:

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

(ii) Payments due under a first mortgage having priority thereto.

(iii) A purchaser or grantee is entitled to a written statement from the Association setting forth the amount of unpaid assessments, interest, late charges, fines, costs, and actual attorneys' fees (not limited to statutory fees) against the seller or grantor, and the purchaser or grantee is not liable for nor is the condominium unit conveyed or granted subject to a lien for any unpaid assessments, interest, late charges, fines, costs, and actual attorneys' fees (not limited to statutory fees) against the seller or grantor in excess of the amount set forth in the written statement. Unless the purchaser or grantee requests a written statement from the Association as provided in the Act, at least five (5) days before the sale, the purchaser or grantee shall be liable for any unpaid assessments against the condominium unit together with interest, costs, fines, late charges and actual attorneys' 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.

Sums assessed to a co-owner by the Association which are unpaid constitute a lien upon the unit or units in the project owned by the co-owner at the time of the assessment before other liens except tax liens on the condominium unit in favor of any State or Federal taxing authority and sums paid on a first mortgage of record, except that past due assessments which are evidenced by a notice of lien, recorded according to the Act, have priority over a first mortgage recorded subsequent to the recording of the notice of lien. The lien upon each condominium unit owned

by the co-owner shall be in the amount assessed against the condominium unit, plus a proportionate share of the total of all other unpaid assessments attributable to condominium units no longer owned by the co-owner but which became due while the co-owner had title to the condominium units. The lien may be foreclosed by an action or by advertisement by the Association in the name of the condominium project 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 project or any other part thereof. The taxes and special assessments shall not be divided or apportioned on the tax roll, any provision of any law to the contrary notwithstanding. Special assessments and property taxes in any year in which the property existed as an established condominium project on the tax day shall be assessed against the individual condominium unit, notwithstanding any subsequent vacation of the condominium project. Condominium units shall be described for such purposes by reference to the condominium unit number on the Condominium Subdivision Plan and the caption thereof together with the liber and page of the county records in which the approved 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 or units, and no assessment of any fractions thereof 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 thereof.

Section 8. A construction lien concerning a condominium arising under Act No. 497 of the Public Acts of 1980, being Section 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 chargeable 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 the 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 to any such disputes, claims or grievances (which consent shall include an agreement of the parties that the judgment of any circuit court of the State of Michigan may be rendered upon any award pursuant to such arbitration) and upon written notice to the Association, be submitted to arbitration, and the parties thereto shall accept the arbitrator's decision as final and binding, provided that no question affecting the claim of title of any person to any fee or life estate in real estate is involved. In the absence of an agreement between the parties to use other rules, 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 election and written consent of the parties pursuant to Section 1 above, no co-owner or the Association shall be precluded from petitioning the courts to resolve any such disputes, claims or grievances.

Section 3. Election by co-owners or the Association pursuant to Section 1 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 project, and 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 and the co-owners and their mortgagees, as their interests may appear, and provision shall be made for the issuance of certificates of mortgagee endorsements to the mortgagees of co-owners. Each co-owner may obtain additional fire and extended insurance coverage, vandalism, malicious mischief, and liability insurance at his own expense upon his condominium unit. Each co-owner shall obtain insurance coverage for his personal property located within his condominium unit or elsewhere in the Condominium, for improvements and betterments to his condominium unit or upon limited common elements, including fireplaces, windows, screens and doors appurtenant to his condominium unit, and also for alternative living expenses in event of fire or other catastrophe. The Association shall have absolutely no responsibility for obtaining or verifying such coverages; provided, however, that, if the Association elects to include improvements made to the limited common elements against loss in event of fire or other

catastrophe under its insurance coverage, any additional premium cost to the Association attributable thereto shall be assessed to and borne solely by said co-owner and collected as a part of or in addition to the assessments against said co-owner under Article II hereof. 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 project 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 in consultation with its appropriate advisors. 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, doors, and trim within a condominium unit which were furnished with the unit as standard items in accordance with the plans and specifications thereof (or such replacements thereof as do not exceed the cost of such standard items). Any improvements made by a co-owner within his condominium unit shall be covered by insurance obtained by and at the expense of said co-owner; provided, however, that, if the Association elects to include such improvements under its insurance coverage, any additional premium cost to the Association attributable thereto shall be assessed to and borne solely by said co-owner and collected as a part of or in addition to the assessments against said co-owner under Article II hereof.

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

(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, and the co-owners and their mortgagees, as their interests may appear; provided, however, that, 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 any loss requiring repair or reconstruction shall be applied to such repair or reconstruction, and in no event shall hazard insurance proceeds be used for any purpose other than for repair, replacement or reconstruction of the project unless two-thirds (2/3) of all of the institutional holders of first mortgages on units in the project have given their prior written consent.

(e) On any claim on any of the above-mentioned policies of insurance obtained and maintained by the Association which is subject to a deductible amount, said deductible amount shall be paid by the co-owner of the unit which is damaged, provided, that in the case of damage (other than by negligence or fault of the co-owner) to a limited common element or a general common element, the deductible shall be paid by the Association, provided, further, however, that in the case of damage to a limited common element that

the co-owner is required to insure, maintain, repair and replace under Article V of the Master Deed, the deductible shall be paid by the co-owner, and the Association shall not be responsible for payment of any such deductible.

Section 2. Each co-owner, by ownership of a condominium unit in the condominium project, shall be deemed to appoint the Association as his true and lawful attorney-in-fact to act in connection with all matters concerning the maintenance of property insurance, liability insurance, fidelity coverage, worker's compensation insurance, if applicable, personal property insurance, and coverage for alternate living expenses in event of fire or other catastrophe pertinent to the condominium project, his condominium unit and the common elements appurtenant thereto with such insurer as may, from time to time, provide such insurance for the condominium project. Without limitation on the generality of the foregoing, the Association, as said attorney, shall have full power and authority to purchase and maintain such insurance, to collect and remit premiums therefor, to collect proceeds, and to distribute the same to the Association, the co-owners and their respective mortgagees, as their interests may appear (subject always to the condominium documents), to execute releases of liability, and to execute all documents and to do all things on behalf of such co-owner and the Condominium as shall be necessary or convenient to the accomplishment of the foregoing.

Section 3. Each individual co-owner shall indemnify and hold harmless every other co-owner and the Association for all damages and costs, including actual attorney's fees (not limited to statutory fees), which the other co-owners or the Association may suffer as a result of defending any claim arising out of an occurrence on or within an individual co-owner's unit. Each co-owner shall carry insurance to secure the indemnity obligations under this Section 3, if required by the Association. This Section 3 is not intended to give any insurer any subrogation right or any other right or claim against any individual co-owner.

Section 4. There may be overlapping coverage between the co-owner's insurance policies and insurance policies of the Association required to be carried pursuant to this Article. In situations where both coverages/policies are applicable to a given loss, the provisions of this Section 4 shall control in determining the primary carrier. In cases of property damage to the unit and its contents, or any other unit, any limited common element or other element or property for which the co-owner is assigned responsibility for maintenance, repair and replacement pursuant to the provisions of Article V of the Master Deed (including improvements and betterments), the co-owner's policy/carrier shall be deemed to be the primary carrier. In cases of property damage to the general common elements or any limited common element for which the Association is assigned responsibility for maintenance, repair and replacement pursuant to the provisions of the Master Deed, the Association's policy/carrier shall be deemed to be the primary carrier. In cases of liability for personal injury or otherwise, for occurrences in/on the unit or in/upon any limited common element for which the co-owner is assigned responsibility for maintenance, repair and replacement pursuant to the provisions of the Master Deed (including improvements and betterments), the co-owner's policy/carrier shall be deemed to be the primary carrier. In cases of liability for personal injury or otherwise, for occurrences in/on the general common elements or in/upon any limited common element for which the Association is assigned responsibility for maintenance, repair and replacement pursuant to the provisions of the Master Deed (including improvements and betterments), the Association's policy/carrier shall be deemed to be the primary

carrier. In all cases where the Association's policy/carrier is not deemed the primary policy/carrier, if the Association's policy/carrier contributes to payment of the loss, the Association's liability to the co-owner shall be limited to the amount of the insurance proceeds, and shall not in any event require or result in the Association paying or being responsible for any deductible amount under its policies. In cases where the co-owner's policy is deemed primary for the purpose of covering losses where the damage is incidental or caused by a general common element or the repair or replacement thereof, the insurance carrier of the co-owner shall have no right to subrogation against the Association or its carrier.

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 in number of the co-owners qualified to vote agree to reconstruction by vote or in writing within ninety (90) days after the destruction.

Section 2. Any such reconstruction or repair shall be substantially in accordance with the Master Deed and the plans and specifications for the project 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 or the common elements which are the responsibility of a co-owner to maintain, repair and/or insure, it shall be the responsibility of the co-owner to repair such damage in accordance with Section 4 hereof. In all other cases, the responsibility for reconstruction and repair, although not necessarily the cost thereof, shall be that of the Association. In the event that a co-owner does not commence making repairs as required of such co-owner herein 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 and the cost thereof shall constitute an additional assessment against such co-owner, due and enforceable as provided in these By-Laws for other assessments. No co-owner shall in any way restrict access to any portion of a condominium unit that must be accessible to service the general common elements. Should access to any general common element of any sort be required, the

Association may remove any coverings or attachments of any nature that restrict such access and will have no responsibility for repairing, replacing or reinstalling any materials, whether or not installation thereof has been approved hereunder, that are damaged in the course of gaining such access, nor shall the Association be responsible for monetary damages of any sort arising out of actions taken to gain such access.

Section 4. Regardless of the cause or nature of any damage or deterioration, each co-owner shall be responsible for the reconstruction, repair and maintenance of the interior of the co-owner's condominium unit and personal property, 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), fireplaces, interior trim, furniture, light fixtures, and all appliances and equipment, whether freestanding or built-in. In the event damage to interior walls within a co-owner's unit or to pipes, wires, conduits, ducts, or other common elements therein is covered by insurance held by the Association, then the reconstruction or repair shall be the responsibility of the Association in accordance with Section 8. In no event shall the Association be responsible for restoration of more than finished, unpainted drywall in the case of damage to ceilings and walls which are the responsibility of the Association under this Article. If any other interior portion of a unit is covered by insurance held by the Association for the benefit of the co-owner, the co-owner shall be responsible for the deductible amount, if any, and shall be entitled to receive the proceeds of insurance relative thereto and, if there is a mortgage endorsement, the proceeds shall be payable to the co-owner and the mortgagee jointly. In the event of substantial damage to or destruction of any unit or any part of the common elements, the Association 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 on any funds advanced on behalf of any co-owner subordinate to the lien of any first mortgagee on such co-owner's unit.

Section 5. Every co-owner shall perform promptly all maintenance and repair work within his own unit, which, if omitted, would affect the common elements or another unit or units, each co-owner being expressly responsible for the damages consequently resulting from such omission. This shall include damage caused to other units in the Condominium due to water leaking from plumbing fixtures. Repairs of installations within a unit such as telephone, heating and cooling systems, water, sewer and plumbing systems, windows, screens, doors, locks, electrical fixtures, and all other accessories including water faucets, tanks and fixtures, but excluding water meters, shall be an expense of the co-owner of such unit. 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 or 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 project.

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. An adequate reserve fund for replacement, reconstruction and repair of the common elements must be established and must be funded by regular 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 reconstruction or repair required to be performed by the Association, or if at any time during such reconstruction or repair, or upon completion of such reconstruction or repair, the funds for the payment of the costs thereof are insufficient, assessments shall be made against all co-owners for the cost of reconstruction or repair of the damaged property in sufficient amounts to provide funds to pay the estimated or actual cost of repair. 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 of such condominium unit and his mortgagee, as their interest may appear, shall be entitled to receive the award for such taking and, after acceptance thereof, he and his mortgagee shall be divested of all interest in the condominium project 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 thereof and his mortgagee, 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) in number of the co-owners qualified to vote 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 mortgagees, as their respective interests may appear, in accordance with their respective percentages of value set forth in Article VI of the Master Deed.

(c) In the event the condominium project continues after taking by eminent domain, then the remaining portion of the condominium project shall be resurveyed and the Master Deed amended accordingly and, if any condominium unit shall have been taken, then Article VI of the Master Deed shall also be amended to reflect such taking and to proportionately readjust the percentages of value of the remaining co-owners based upon

the continuing value of the Condominium of one hundred percent (100%). Such amendment may be effected by an officer of the Association duly authorized by the Board of Directors without the necessity of execution or specific approval thereof by any co-owner.

(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 any condemnation or eminent domain proceedings, or is otherwise sought to be acquired by a condemning authority, the Association shall promptly so 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 appertaining to the condominium units 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 thereby divested from the co-owners of a condominium unit shall be reallocated among the other condominium units in the condominium project 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 under this subsection. The court shall enter a decree reflecting the reallocation of undivided interests produced thereby, 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 revested 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 reallocation of undivided interests produced thereby, 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 expenses of administration 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.

Section 11. 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 mortgagees of condominium units pursuant to their mortgages in the case of a distribution to condominium unit owners of insurance proceeds or condemnation awards for losses to or a taking of condominium units and/or common elements.

ARTICLE VI.

RESTRICTIONS

Section 1.

(a) No condominium unit shall be used for other than single-family residential purposes. A "family" shall have the meaning set forth in the City of Ann Arbor Zoning Ordinance. Upon written request, the Association may permit reasonable exceptions to the restriction imposed by this section.

(b) No more than four (4) persons may continuously occupy any unit described and/or utilized as a two (2) bedroom unit, and no more than six (6) persons may continuously occupy any 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.

(c) No co-owner shall carry on any business enterprise or commercial activity within the Condominium or within his unit, specifically including for profit day care, adult foster care, nursing facilities, transitional housing, short-term rental and similar enterprises, except that co-owners shall be allowed to have home offices in their units, provided the same (i) do not involve additional pedestrian or vehicular traffic by customers, users or beneficiaries of the services being performed and/or congestion within the Condominium, (ii) do not utilize or involve the presence of any employees within their units other than the co-owners or occupants, (iii) do not unreasonably disturb other co-owners, (iv) do not involve additional expense to the Association, (v) do not violate any other provision or restriction contained in the Condominium documents, (vi) do not involve the storage of bulk goods for resale, and (vii) do not constitute a violation of any municipal ordinances or regulations.

Section 2.

(a) A co-owner may lease his unit for the same purposes set forth in Section 1 of this Article VI, subject to the restrictions set forth in this Section 2, including written disclosure of such lease to the Board of Directors of the Association in the manner

specified in subsection (c) below. In order to lease a condominium unit after the date of recording of this Third Amended and Restated Master Deed in the Office of the Washtenaw County Register of Deeds (the "Effective Date"), a co-owner must have occupied the unit as a primary residence for at least two (2) years after the date of purchase. In addition, effective upon the Effective Date, (i) no more than two (2) condominium units in the Condominium may be leased or occupied by non-co-owner occupants at any time, with approval granted for individual leases on a first applied, first approved basis, provided, that the foregoing restrictions shall not affect the rights of any lessors or lessees under a written lease otherwise in compliance with Section 112 of the Michigan Condominium Act and these Condominium By-Laws and executed before the Effective Date, and provided further, that the foregoing restrictions shall not apply to any unit already leased or occupied by a non-co-owner occupant or occupants on the Effective Date until such time as a sale or other transfer of such unit has been consummated, it being understood that the number of any such already leased or occupied unit(s) shall nonetheless be included in the total number of units deemed to be leased or occupied by non-co-owner occupants for purposes of, and subject to the restriction on the total number of leases set forth in, this Section 2(a). For purposes of this Section 2, a "sale or other transfer" shall not include: (i) the addition or removal of a co-owner's spouse to the title of any unit, as long as the co-owner also remains on title to the unit, or (ii) if the co-owner is a trust, the replacement of the sole trustee of the trust, as long as the replacement trustee is the spouse of the former trustee.

(b) No co-owner shall lease less than an entire unit in the Condominium and no tenant shall be permitted to occupy except under a written lease, the initial term of which is at least twelve (12) months and the total term of which, including all renewals, is a maximum of three (3) years. After the expiration of each such maximum term, in order to lease the unit again after the Effective Date in accordance with this Article VI, Section 2, the co-owner shall be required to have occupied the unit as a primary residence for an additional period of at least one (1) year. No co-owner shall be permitted to enter into a lease with respect to such co-owner's unit if the co-owner is in arrearage to the Association for assessments, unless in each case specifically approved in writing by the Association, which approval shall not be unreasonably withheld. Such written lease shall (i) require the tenant and all non-co-owner occupants to comply with the Condominium documents, any rules and regulations of the Association, and the City of Ann Arbor Housing Code; (ii) provide that failure to comply with the Condominium documents, rules and regulations, and City of Ann Arbor Housing Code constitutes a default under the lease, (iii) provide that the unit may not be sublet nor the lease assigned, in whole or in part, and (iv) provide that the Board of Directors has the power to terminate the lease or to institute an action to evict the tenant and for money damages after fifteen (15) days prior written notice to the condominium unit co-owner, in the event of a default by the tenant in the performance of the lease. The Board of Directors may suggest or require a standard form lease and/or a standard form lease addendum for use by unit co-owners. Under no circumstances shall transient tenants be accommodated. "Transient tenant" is someone who occupies a unit for less than the minimum lease term required above regardless of whether or not compensation is paid. The terms of all leases, occupancy agreements and occupancy arrangements shall incorporate, or be deemed to incorporate, all of the provisions of the

Condominium documents.

(c) 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 tenants 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. The co-owner proposing the tenant shall provide the Association with the full names and addresses of the proposed tenant(s) and all family members proposed to reside in the condominium unit and the make, model and license plate number of any vehicle(s) registered to the proposed tenant(s) or occupants. The co-owner proposing the tenant shall also provide the Association with written notice of contact information, including at least a physical address, email address, and telephone number, where the co-owner may be contacted in person during the term of the proposed lease. Such written notice shall be signed and dated by the co-owner. Provision of notice by the Association to the co-owner at such physical address or email address shall be deemed notice served to such co-owner under any provision of the Act, the articles of incorporation of the Association, or these By-Laws requiring or permitting notice to co-owners, until the co-owner notifies the Association in writing of a different physical address or email address in accordance with Article I, Section 2(e) of these By-Laws.

(d) A co-owner desiring to rent or lease a condominium unit shall, upon request of the Association, provide the Association with documentation satisfactory to the Association evidencing that the co-owner has purchased property, vandalism, malicious mischief and liability insurance upon the condominium unit desired to be rented or leased and any appurtenant limited common elements for the duration of the term of the proposed lease, in appropriate coverage amounts, in addition to any coverage carried by the Association.

(e) 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 the Condominium.

(f) 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 (e)(3) hereinabove.

(g) The Board of Directors of the Association shall have the right in its reasonable discretion to grant exemptions to the restrictions in this Section 2 upon a showing by a co-owner that the co-owner's inability to lease his or her unit would constitute an undue hardship for such co-owner. In determining whether an "undue hardship" exists for a co-owner, the Board may consider factors such as, for example, where a co-owner inherits a unit (whether directly by will or indirectly by operation of a trust) from a deceased parent but already owns a primary residence; where a co-owner is required to relocate more than thirty (30) miles away from the unit due to an involuntary job transfer or academic sabbatical; a co-owner is transferred to an extended care medical facility; there exists any other objectively verifiable hardship relating to the health of the co-owner; or similar circumstances exist outside the reasonable control of the co-owner.

Section 3.

(a) No co-owner shall make alterations in exterior appearance or make structural modifications to his condominium unit (including interior walls through or in which there exist easements for support utilities) or make changes in any of the common elements, limited or general, without the express advance written approval of the Board of Directors, including (but not by way of limitation) exterior painting or the erection of antennas (except within a unit or within a limited common element adjacent to a unit, when done in compliance with Federal Communication Commission Rules), 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 impairs sound-conditioning provisions. The Board of Directors may approve only such modifications as do not impair the soundness, safety, utility, or harmonious appearance of the Condominium. No co-owner shall in any way restrict access to any plumbing, water line, water line valves, water meter, sprinkler

system valves or any other element that must be accessible to serve the common elements or any element which affects an Association responsibility in any way. Should access to any facilities of any sort be required, the Association may remove any coverings or attachments of any nature that restrict such access and will have no responsibility for repairing, replacing or reinstalling any materials, whether or not installation thereof has been approved hereunder, that are damaged in the course of gaining such access, nor shall the Association be responsible for monetary damages of any sort arising out of actions taken to gain necessary access.

(b) Following such alteration or modification, the co-owner or successor co-owner shall be responsible for the cost of maintenance and repair of such alteration or modification or any damages resulting therefrom, as determined by the Board of Directors. In the event of damages or threat of damages from such alteration or modification, upon the request of the Board of Directors, the co-owner or successor shall be responsible for the cost of removing such alteration or modification and restoring the affected common element to its condition prior to the alteration or modification.

Section 4. No noxious, improper, unlawful, or offensive activity shall be carried on in any condominium unit or upon the common elements, limited or general, nor shall anything be done which may be or become an annoyance or a nuisance to the co-owners of the Condominium, nor shall any unreasonably noisy activity be carried on in any unit or on the common elements. No co-owner shall do or permit anything to be done or keep or permit to be kept in his condominium unit or on the common elements anything that will increase the rate of insurance on the Condominium, 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, whether approved or not by the Association.

Section 5. Animals, including household pets, may be maintained by any co-owner.

(a) No animal may be kept or bred for any commercial purpose, and all animals shall have such care and restraint so as not to be obnoxious or offensive on account of noise, odor or unsanitary conditions. No dog that barks and can be heard on any frequent or continuing basis shall be kept in any unit or on the common elements.

(b) No dog houses, invisible fences, or unattended tethering of dogs shall be permitted on the general common elements. No animal may be permitted to run loose at any time upon the common elements, and any animal shall at all times be on a leash and attended by some responsible person while on the common elements, limited or general. No savage or dangerous animal shall be kept, and any co-owner who causes any animal to be brought or kept upon the premises of the Condominium shall indemnify and hold harmless the Association for any loss, damage or liability which the Association may sustain as the result of the presence of such animal on the premises, whether or not the Association has given its permission therefor.

(c) Each co-owner shall be responsible for the collection and disposition of all fecal matter deposited by any animal maintained by such co-owner.

(d) The Association may charge all co-owners maintaining animals a reasonable additional assessment to be collected in the manner provided in Article II of these By-laws in the event that the Association determines such assessment necessary to defray the maintenance cost to the Association of accommodating animals within the Condominium.

(e) The Association may, without liability to the owner thereof, remove or cause to be removed any animal from the condominium which it determines to be in violation of the restrictions imposed by this section.

(f) The Association shall have the right to require that any animals be registered with it and may adopt such additional reasonable rules and regulations with respect to animals as it may deem proper. In the event of any violation of this Section of the Board of Directors may assess fines for such violation in accordance with these By-Laws and in accordance with duly adopted rules and regulations of the Association.

Section 6. The common elements, limited or general, shall not be used for storage of supplies, materials, personal property, or trash or refuse of any kind, which shall be stored in enclosed garages or as otherwise provided in duly adopted rules and regulations of the Association. Trash receptacles shall be maintained in areas designated therefor at all times and shall not be permitted to remain elsewhere on the common elements except for such short periods of time as may be reasonably necessary to permit periodic collection of trash. The common elements shall not be used in any way for the drying, shaking or airing of clothing or other fabrics. Automobiles may only be washed in areas approved by the Association. In general, no activity shall be carried on nor condition maintained by any co-owner, either in his condominium unit or upon the common elements, which spoils the appearance of the Condominium.

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

Section 8. No house trailers, commercial vehicles, boat trailers, boats, camping vehicles, camping trailers, snowmobiles, snowmobile trailers, recreational vehicles, or vehicles other than motor vehicles used for personal transportation and automobiles may be parked or stored upon the premises of the Condominium unless stored fully enclosed within a garage. No inoperative vehicles of any type may be brought or stored upon the Condominium premises either temporarily or permanently. Commercial vehicles and trucks shall not be parked in or about the Condominium (except as above provided) unless while making deliveries or pickups in the normal course of business. All automobiles shall be parked overnight in garages or on the limited common element parking spaces on the driveway in front thereof, except where a co-owner maintains three cars, in which event one car only may be parked in the duly designated but unassigned parking spaces on the common elements. In the event that there arises a shortage of parking spaces due to maintenance of more than three cars by a number of co-owners, the Association may allocate or assign parking spaces from time to time on an equitable basis. Maintenance of more than three

cars by the occupants of any one condominium unit shall be prohibited, except with the revocable written approval of, the Association in the event space is reasonably available therefor. Co-owners shall, if the Association shall require, register with the Association all cars maintained on the condominium premises. Overnight parking on any private road(s) in the Condominium is prohibited. The Association shall have the right to place or cause to be placed adhesive windshield stickers on cars improperly parked and may also enable private towing of improperly parked vehicles to off-premises locations, all without any liability on the part of the Association to the owners or user of such improperly parked vehicles.

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

Section 10. No signs or other advertising devices shall be displayed which are visible from the exterior of a condominium unit or on the common elements, including "for sale" signs which shall not exceed three (3) square feet in area per side, without written permission from the Association, and which shall be in compliance with any sign ordinance of the City of Ann Arbor.

Section 11. Reasonable regulations consistent with the Act, the Master Deed and these By-Laws concerning the use and enjoyment of the condominium units and common elements may be made and amended from time to time by any Board of Directors of the Association. Copies of all such regulations and amendments thereto shall be furnished to all co-owners and shall become effective thirty (30) days after mailing or delivery thereof to the designated voting representative of each co-owner. Any such regulation or amendment may be revoked at any time by the affirmative vote of more than fifty percent (50%) in number of all co-owners qualified to vote.

Section 12. The Association or its duly authorized agents shall have access to each condominium unit from time to time during reasonable working hours and upon notice to the co-owner thereof as may be necessary for the maintenance, repair or replacement of any of the common elements. The Association or its agents shall also have access to each condominium unit at all times without notice as may be necessary to make emergency repairs to prevent damage to that condominium unit, the common elements or another condominium unit. It shall be the responsibility of each co-owner during all periods of absence from or lease of his or her unit to provide the Association with (i) contact information, including a telephone number, at which such co-owner may be reached in the event of emergency, and (ii) means of access to his condominium unit during all periods of absence. In the event of the failure of such co-owner to provide means of access, the Association may gain access in such manner as may be reasonable under the circumstances and shall not be liable to such co-owner for any necessary damage to his condominium unit caused thereby or for repair or replacement of any locks, doors or windows damaged in gaining such access.

Section 13. No co-owner shall perform any landscaping or plant any trees, shrubs or flowers or place any ornamental materials upon the common elements except in such co-owner's landscaping strip area appurtenant solely to his unit wherein landscaping and ornamentation shall be installed and maintained by the co-owner with the prior written approval of materials and design

by the Association. The Board of Directors may also designate such other areas adjacent to each unit wherein a co-owner may install approved landscaping.

Section 14. Use of motorized vehicles anywhere on the condominium premises other than passenger cars, authorized maintenance vehicles and commercial vehicles as provided in Section 8 of these By-Laws is prohibited. The Board of Directors may, by duly adopted regulations, make reasonable exceptions to this section.

Section 15. No unsightly condition shall be maintained on any balcony, deck or patio or any other place which is visible from the street or other common elements. Only furniture and equipment consistent with ordinary balcony, deck or patio use shall be permitted. Such furniture or equipment may remain on balconies, decks or patios during the entire year.

Section 16. Each co-owner shall maintain his condominium unit and any limited common elements appurtenant thereto for which he has maintenance responsibility in a safe, clean and sanitary condition. Each co-owner shall also use due care to avoid damaging any of the common elements, including, but not limited to, the telephone, water, gas, plumbing, electrical, or other utility conduits and systems and any other elements in a condominium unit which are appurtenant to any other condominium unit.

(a) Each co-owner shall be responsible for damages or costs to the Association resulting from negligent damage to or misuse of any of the common elements by him or his family, guests, tenants, 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). Each co-owner's responsibility shall include damage caused to other units in the Condominium due to water leaking from plumbing fixtures. Any costs or damages to the Association may be assessed to and collected from the co-owner in the manner provided in Article II hereof. Any costs or damages to the Association may be assessed to and collected from the co-owner in the manner provided in Article II hereof.

Section 17. The Association shall have the right to refuse to approve any plans or specifications, or grading or landscaping plans which are not suitable or desirable in its opinion for aesthetic or other reasons; and in passing upon such plans, specifications, grading or landscaping, it shall have the right to take into consideration the suitability of the proposed improvement or modification, the site upon which it is proposed to effect the same, and the degree of harmony thereof with the condominium as a whole. The purpose of this section is to assure the continued maintenance of the Condominium as a beautiful and harmonious residential development, and shall be binding upon both the Association and upon all co-owners.

Section 18. The Condominium project shall at all times be maintained in a manner consistent with the highest standards of a beautiful, serene, private, residential community for the benefit of the co-owners and all persons interested in the condominium.

Section 19. All co-owners, their tenants and invitees, shall maintain the heat of their units to a minimum of fifty (50) degrees because of the danger of freezing water pipes that would damage the common elements. Garage doors shall remain closed at all times when the garages are not in active use.

ARTICLE VII.

MORTGAGES

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

Section 2. The Association shall notify each mortgagee appearing in said book of the name of each company insuring the Condominium against fire, perils covered by "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. Any mortgagee 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 4. Whenever a ballot requirement appears in these By-Laws for the benefit of a mortgagee which requires a ballot in support of or against a proposal submitted by the Association, the mortgagee shall respond within ninety (90) days of receipt of said notice or the lack of response thereto shall be deemed as approval of the proposal.

Section 5. 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 members of the Association and to designate a representative to attend all such meetings.

Section 6. Notwithstanding any other provisions of the Condominium documents, the holder of any first mortgage covering any condominium unit in the project 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 7. The Association shall give the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association and all other mortgagees of record notice (c/o Servicer at Servicer's address) in writing of any loss to or the taking of the common elements and related facilities of the condominium project if such loss or taking exceeds Ten Thousand Dollars (\$10,000.00), or 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 mortgagee 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 mortgagee holds a mortgage on a condominium unit in the Condominium and has given notice of this ownership to the Association.

Section 8. Nothing contained in the Condominium documents shall be construed to give a co-owner or any other party priority over any rights of first mortgagees of condominium units pursuant to their mortgages in cases of a distribution to co-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, mortgagees 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) in number of all co-owners qualified to vote. 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 mortgagees shall be required, with each mortgagee to have one (1) vote for each unit covered by its mortgage. Any mortgagee ballots not returned within ninety (90) days after 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 or based upon the Advisory Committee's decision, the costs of which are expenses of administration.

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 project 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 By-Laws (but not the Association 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 circumstance identified in Section 90a(9) of the Act.

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 project in any manner are subject to and shall comply with the Act, as amended, and the mere acquisition, occupancy or rental of any unit or an interest therein or the utilization of or entry upon the condominium premises shall signify that the condominium documents are accepted and ratified. In the event the Condominium documents conflict with the provisions of the Act, the Act shall govern.

ARTICLE X.

DEFINITIONS

All terms used herein shall have the same meaning as set forth in the Master Deed to which these 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 the event of an alleged default by a co-owner, the Association may recover from such co-owner the costs of any legal proceeding(s) and/or actual attorneys' fees (not limited to statutory fees) incurred by the Association, whether or not in connection with a legal proceeding and without regard to whether such proceeding is successful, but in no event shall any co-owner be entitled to recover such attorneys' fees. The Association shall have the right to assess such costs and fees against the defending co-owner under Article II of these By-Laws.

(c) The violation of any of the provisions of the condominium documents shall also give the Association or its duly authorized agents the right, in addition to the rights set forth above, to enter upon the common elements, limited or general, or into any 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 Association, acting through its duly constituted Board of Directors, of monetary fines for such violations. No fine may be assessed unless rules and regulations establishing such fine have first been duly adopted by the Board of Directors of the Association and notice thereof 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 Twenty-Five Dollars (\$25.00) for the second violation, Fifty Dollars (\$50.00) for the third violation, or One Hundred Dollars (\$100.00) for any subsequent violation. The Association, acting through its Board of Directors, may increase or decrease the fine schedule set forth above by Board resolution after giving prior written notice to co-owners of the proposed change.

(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 or any co-owner or co-owners pursuant to any terms, provisions, covenants, or conditions of the aforesaid Condominium documents shall be deemed to be cumulative, and the exercise of any one or more shall not be deemed to constitute an election of remedies, nor shall it preclude the party thus exercising the same from exercising such other and additional rights, remedies or privileges as may be available to such party at law or in equity.

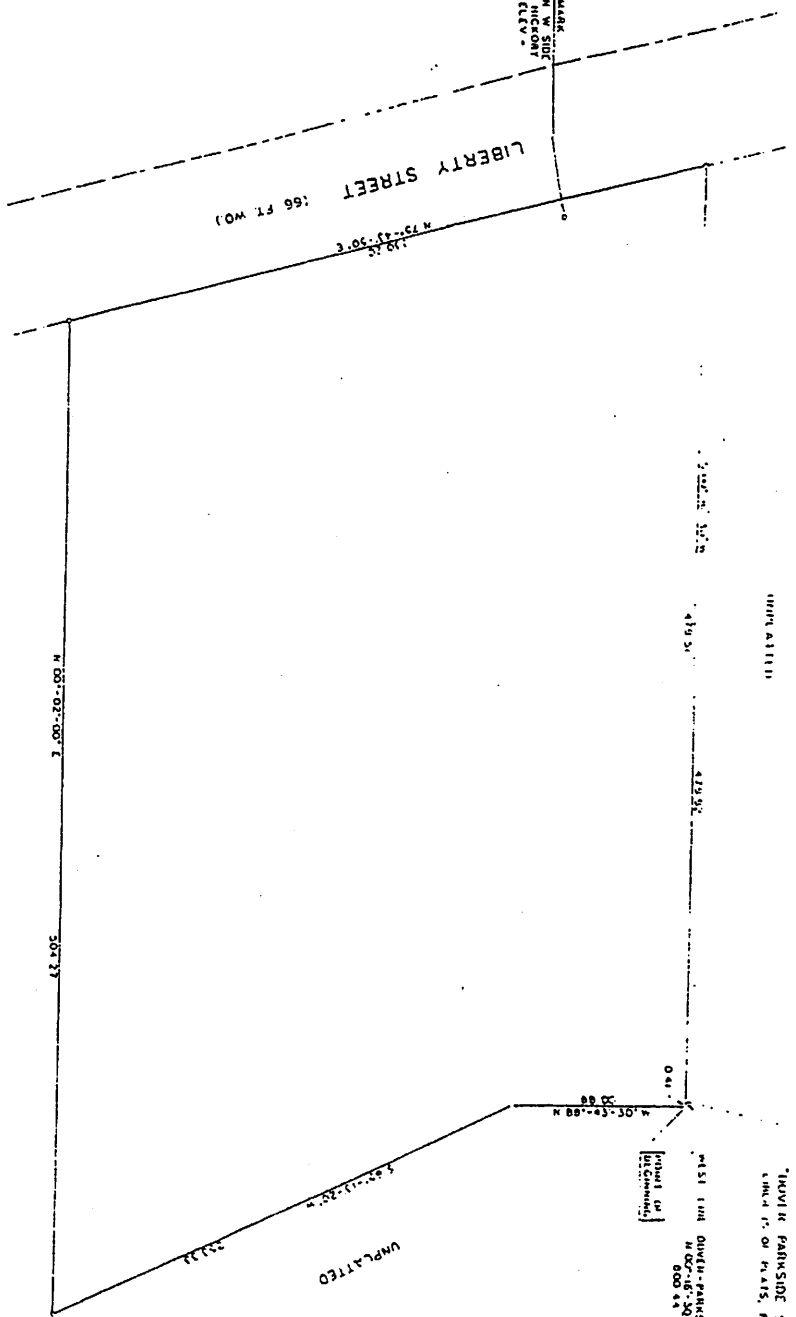
ARTICLE XII.

SEVERABILITY

Section 1. 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.

EXISTING MARK
 POINT IN W. QUARTER
 OF SECTION 12
 1563.50 ELEV.

LIBERTY STREET 166 FT. W.O.



UNPLATTED

UNPLATTED

UNPLATTED

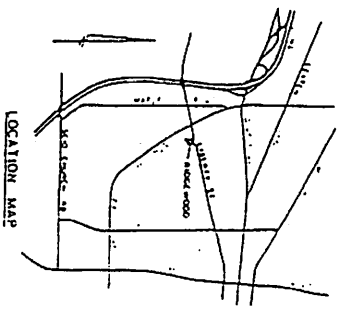
1/4 SECTION 12
 TOWN OF PARKSIDE SUBDIVISION
 PLATS 16 & 17
 1563.50 ELEV.

BLANKS ARE RELATED TO
 GOVERN-PARKSIDE SUBDIVISION
 RECORDED IN LIBER 15 OF PLATS
 PAGES 16 AND 17

UNPLATTED



EDWARD H. FRANKE
 REGISTERED LAND SURVEYOR
 MICHIGAN LICENSE NO. 12345
 1234 WEST LIBERTY AVE
 ANN ARBOR, MICHIGAN 48104



PROPOSED, DATED 12-16-91 SHEET 2



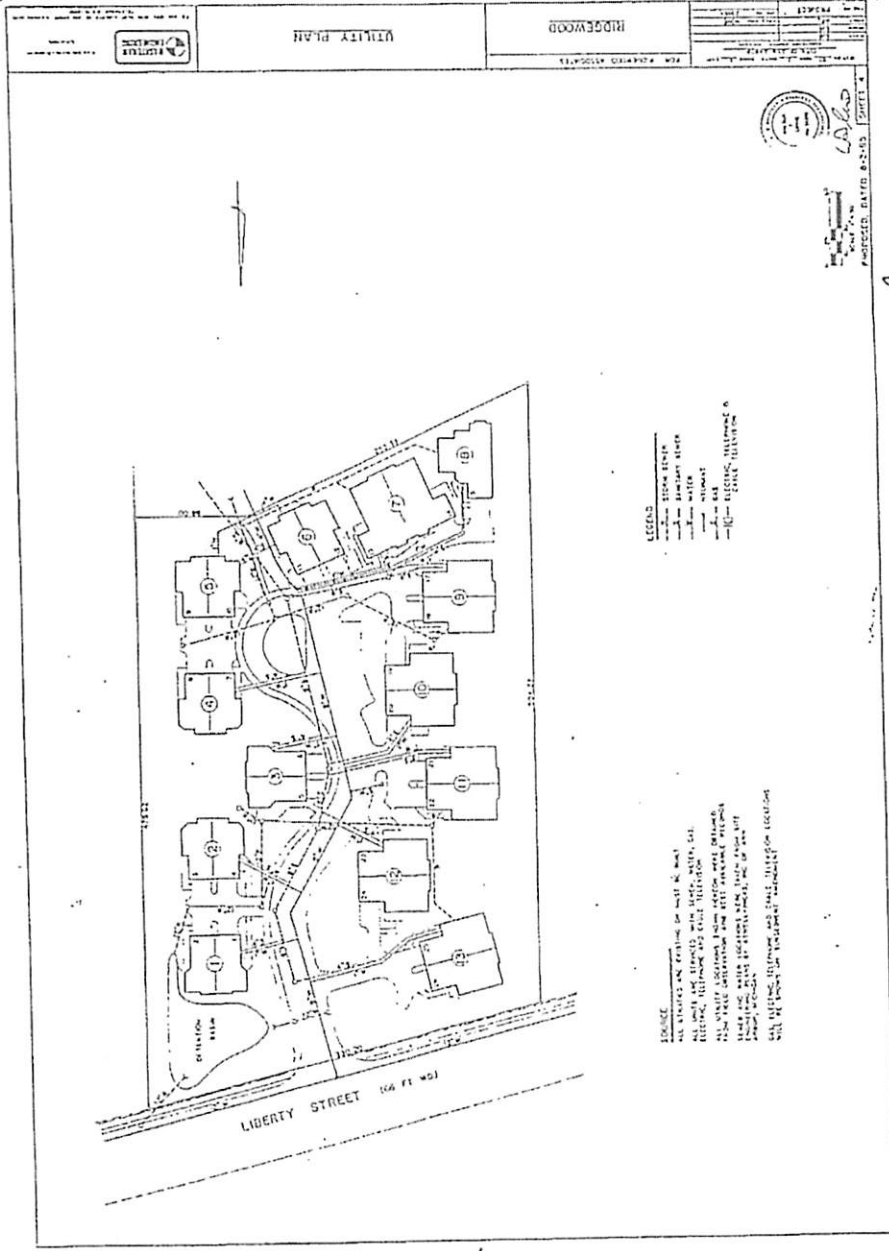
DATE	12-16-91
PROJECT	LIBERTY STREET
BY	[Signature]
CHECKED	[Signature]
APPROVED	[Signature]

FOR RIDGEWOOD ASSOCIATES
RIDGEWOOD

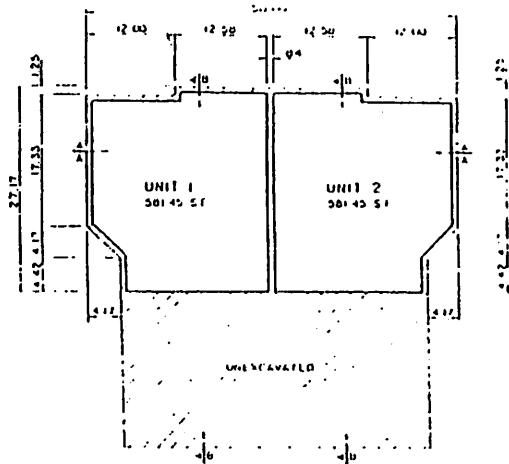
SURVEY PLAN



Page 52 of 67
 Copy

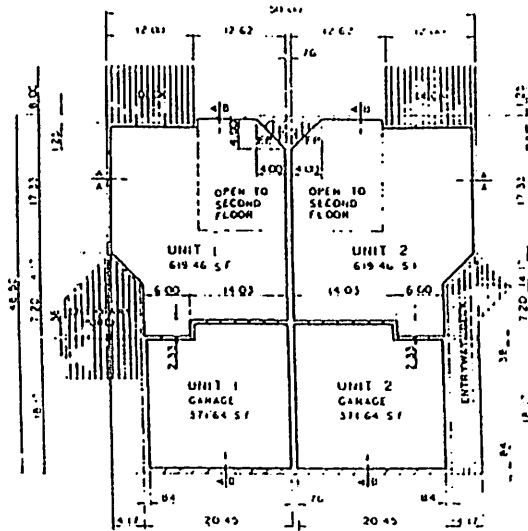


Liberty 03159 Page 0265
page 6 of 8



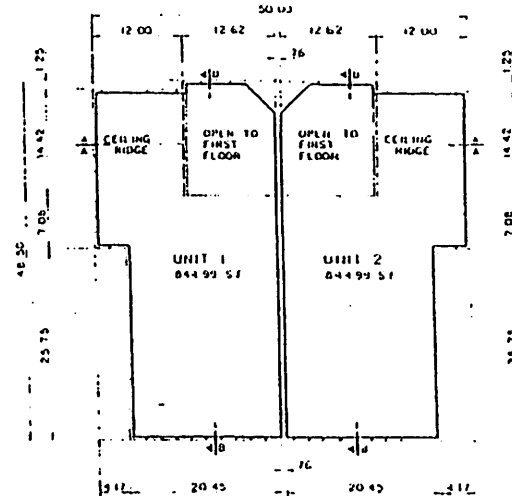
BASEMENT PLAN

ALL EXTERIOR WALLS ARE 04 THICK



FIRST FLOOR PLAN

ALL EXTERIOR WALLS ARE 42 THICK EXCEPT WHERE OTHERWISE NOTED



SECOND FLOOR PLAN

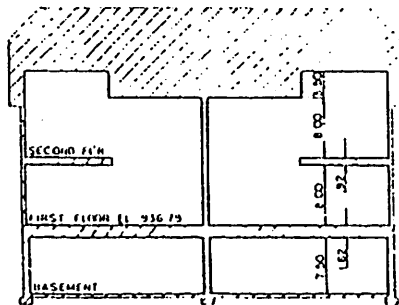
LEGEND

- GENERAL COMMON ELEMENT
- LIMITED COMMON ELEMENT
- LIMITS OF OWNERSHIP
- COORDINATE POINT
- FIREPLACE

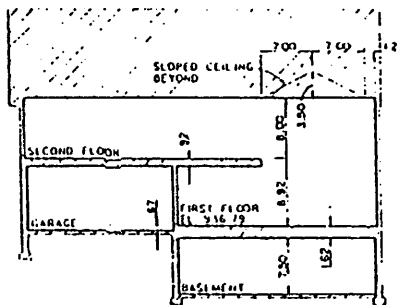
ALL ANGLES BETWEEN WALLS, FLOORS AND CEILINGS ARE 90° EXCEPT WHERE OTHERWISE SHOWN

AREAS ARE CALCULATED FROM INTERIOR DIMENSIONS

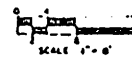
ELEVATIONS ARE TO USGS DATUM



SECTION A-A



SECTION B-B



SCALE 1"=6'

PROPOSED, DATED 12-16-91 SHEET 5



W. J. ...

W. J. ...
W. J. ...

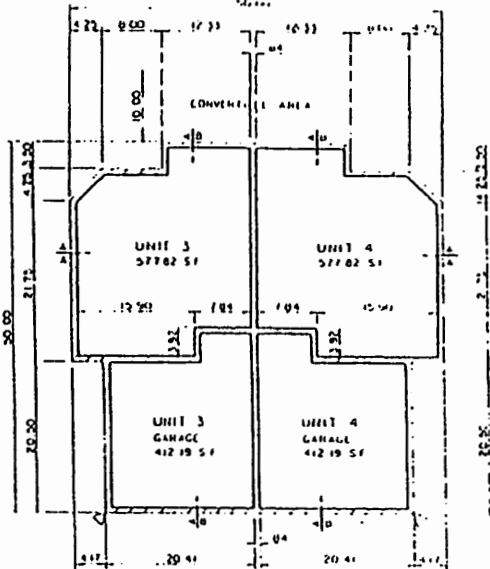


BUILDING No. 1
FLOOR PLANS AND SECTIONS

FOR RIDGEWOOD ASSOCIATES

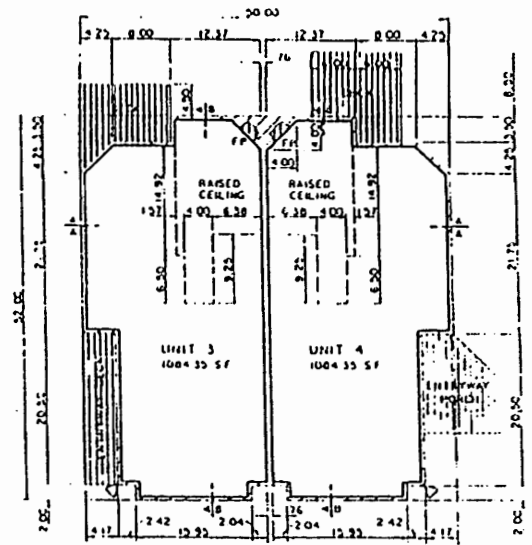
RIDGEWOOD

LIBERCOL ASSOCIATES



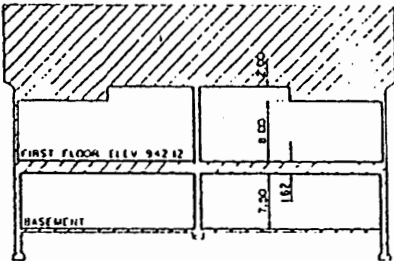
BASEMENT PLAN

ALL EXTERIOR WALLS ARE 8" THICK

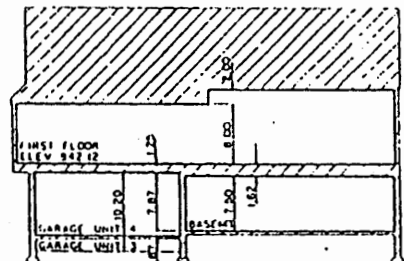


FIRST FLOOR PLAN

ALL EXTERIOR WALLS ARE 4" THICK



SECTION A-A



SECTION B-B

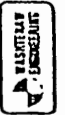
LEGEND

- GENERAL COMMON ELEMENT
- LIMITED COMMON ELEMENT
- LIMITS OF OWNERSHIP
- COORDINATE POINT
- FIREPLACE

ALL ANGLES BETWEEN WALLS, FLOORS AND CEILINGS ARE 90° EXCEPT WHERE OTHERWISE SHOWN

AREAS ARE CALCULATED FROM INTERIOR DIMENSIONS

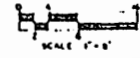
ELEVATIONS ARE TO U.S.G.S DATUM



BUILDING No. 2
FLOOR PLANS AND SECTIONS

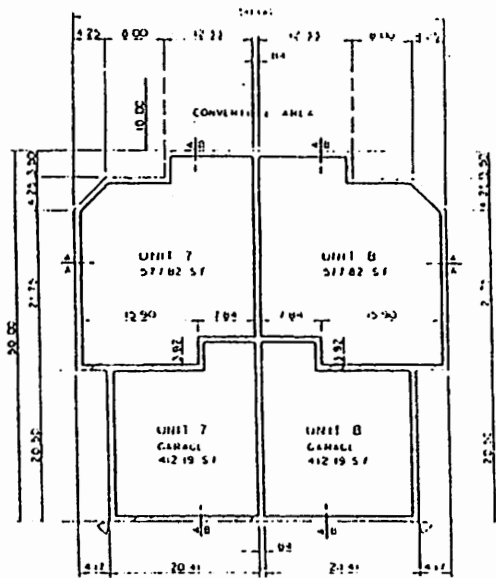
RIDGEWOOD ASSOCIATES

RIDGEWOOD



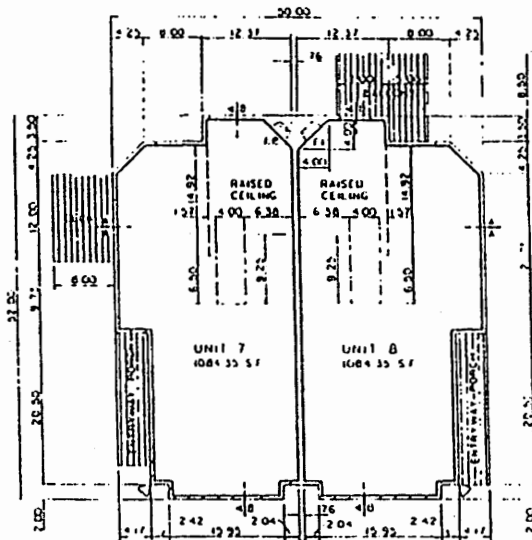
PROPOSED, DATED 12-16-91 SHEET 6

W. J. Berglund
W. J. Berglund
W. J. Berglund
LIBRARY



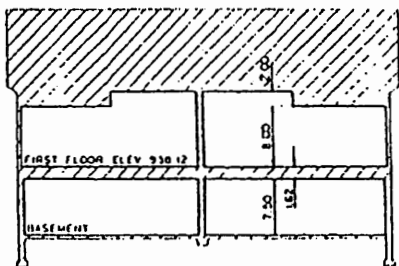
BASEMENT PLAN

ALL EXTERIOR WALLS ARE 8" THICK

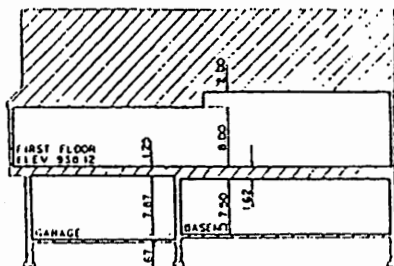


FIRST FLOOR PLAN

ALL EXTERIOR WALLS ARE 4" THICK



SECTION A-A



SECTION B-B

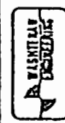
LEGEND

- GENERAL COMMON ELEMENT
- LIMITED COMMON ELEMENT
- LIMITS OF OWNERSHIP
- COORDINATE POINT
- FR FIREPLACE

ALL ANGLES BETWEEN WALLS, FLOORS AND CEILINGS ARE 90° EXCEPT WHERE OTHERWISE SHOWN

AREAS ARE CALCULATED FROM INTERIOR DIMENSIONS

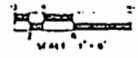
ELEVATIONS ARE TO USGS DATUM



BUILDING No. 4
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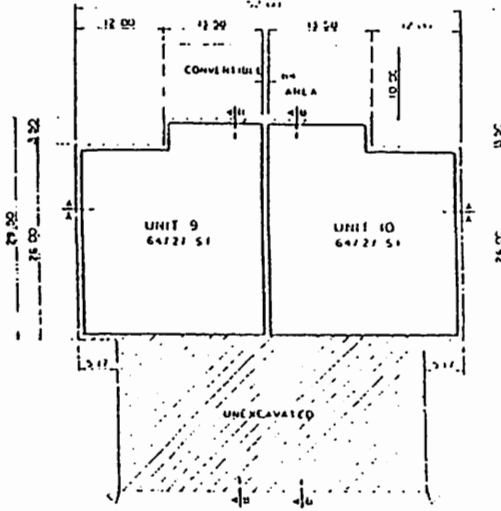
FOR RIDGEWOOD ASSOCIATES

RIDGEWOOD

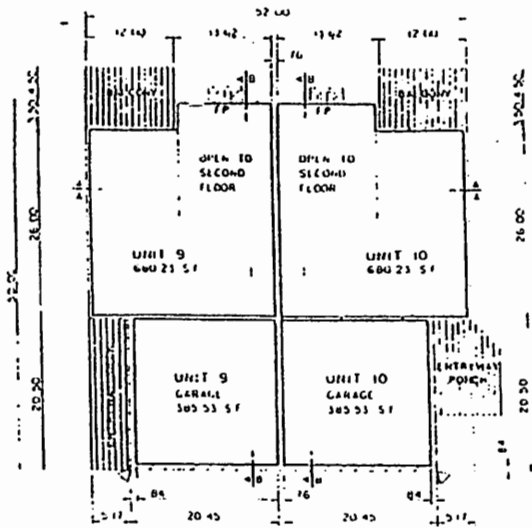


PROPOSED, DATED 12-16-91 SHEET 8

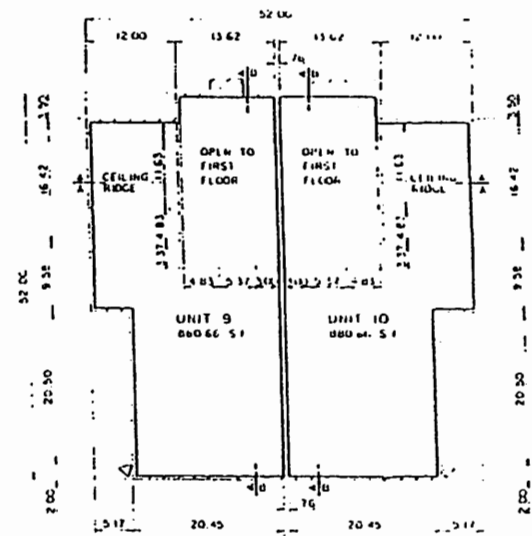
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page 58 of 67
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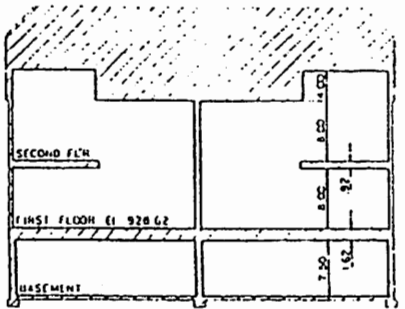
BASEMENT PLAN
ALL EXTERIOR WALLS ARE 84 THICK



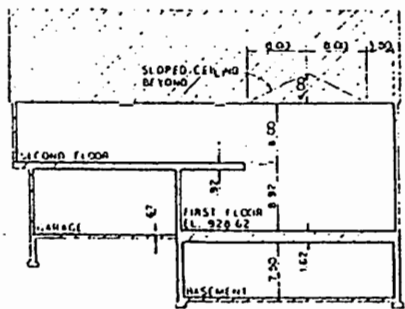
FIRST FLOOR PLAN
ALL EXTERIOR WALLS ARE 42 THICK EXCEPT WHERE OTHERWISE NOTED



SECOND FLOOR PLAN
ALL EXTERIOR WALLS ARE 42 THICK



SECTION A-A



SECTION B-B

- LEGEND**
- GENERAL COMMON ELEMENT
 - LIMITED COMMON ELEMENT
 - LIMITS OF OWNERSHIP
 - COORDINATE POINT
 - FIREPLACE

ALL ANGLES BETWEEN WALLS, FLOORS AND CEILINGS ARE 90° EXCEPT WHERE OTHERWISE SHOWN
AREAS ARE CALCULATED FROM INTERIOR DIMENSIONS
ELEVATIONS ARE TO USGS DATUM

PROPOSED, DATED 12-16-91 SHEET 9

SCALE 1"=0'

FOR RIDGEWOOD ASSOCIATES

RIDGEWOOD

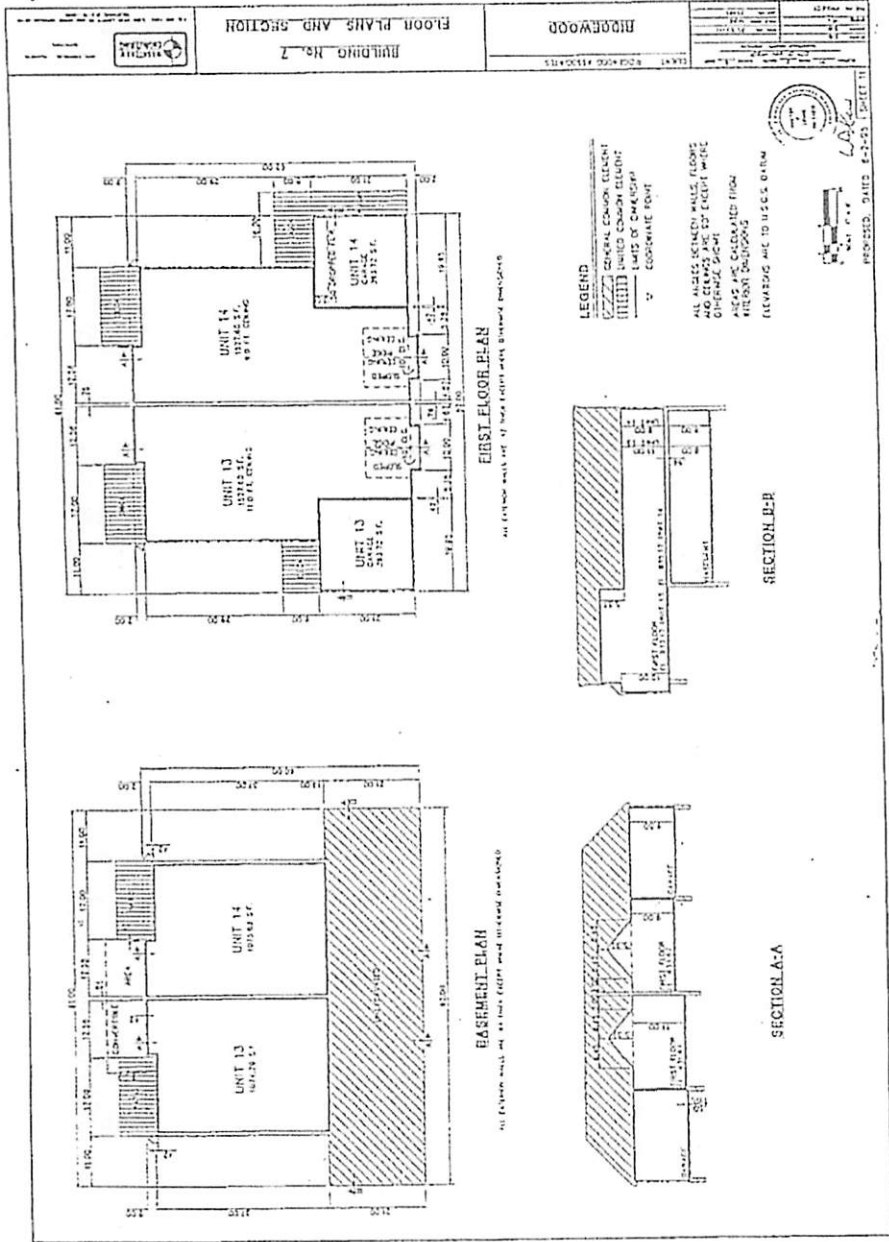
BUILDING No. 5
FLOOR PLANS AND SECTIONS

LIBRARY OF THE UNIVERSITY OF CALIFORNIA

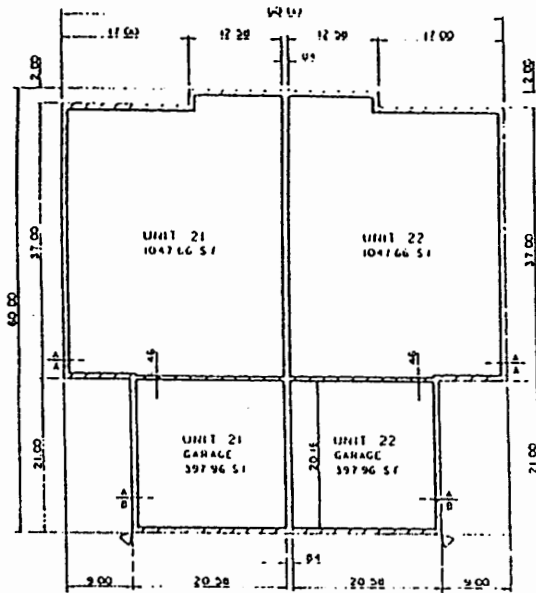
DATE 5/29/98

PROJECT

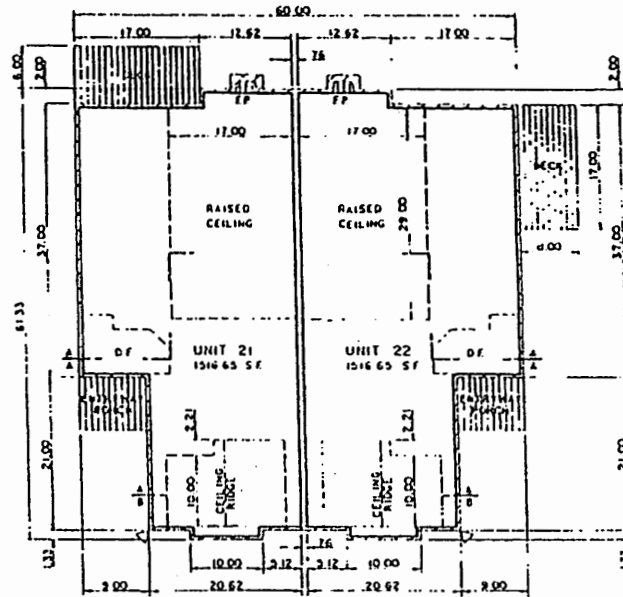
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DATE 5/29/98
LIBRARY OF THE UNIVERSITY OF CALIFORNIA



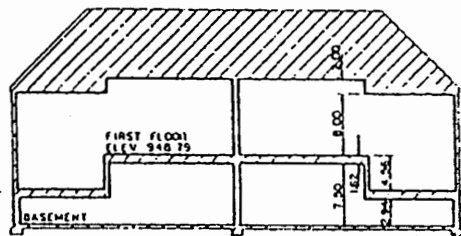
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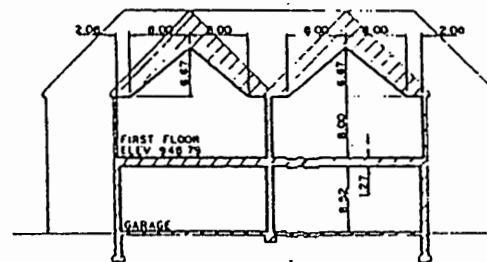
BASEMENT PLAN
ALL EXTERIOR WALLS ARE 04 THICK



FIRST FLOOR PLAN
ALL EXTERIOR WALLS ARE 02 THICK



SECTION A-A



SECTION B-B

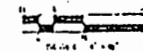
LEGEND

- GENERAL COMMON ELEMENT
- LIMITED COMMON ELEMENT
- LIMITS OF OWNERSHIP
- COORDINATE POINT
- FIREPLACE
- DROPPED FLOOR

ALL ANGLES BETWEEN WALLS, FLOORS AND CEILINGS ARE 90° EXCEPT WHERE OTHERWISE SHOWN

AREAS ARE CALCULATED FROM INTERIOR DIMENSIONS

ELEVATIONS ARE TO U.S.G.S. DATUM



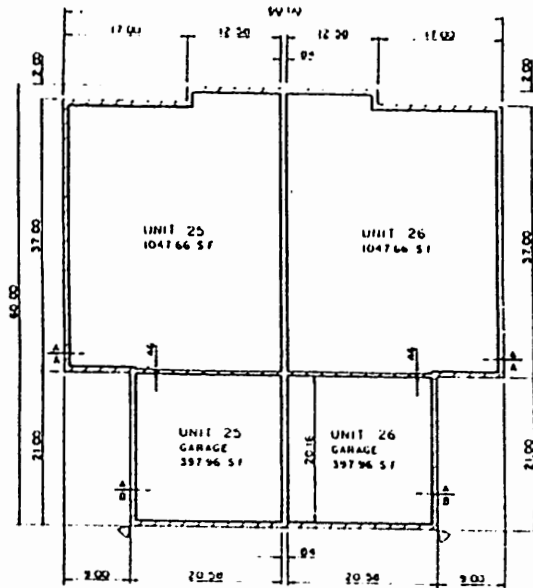
PROPOSED, DATED 12-16-91 SHEET 13



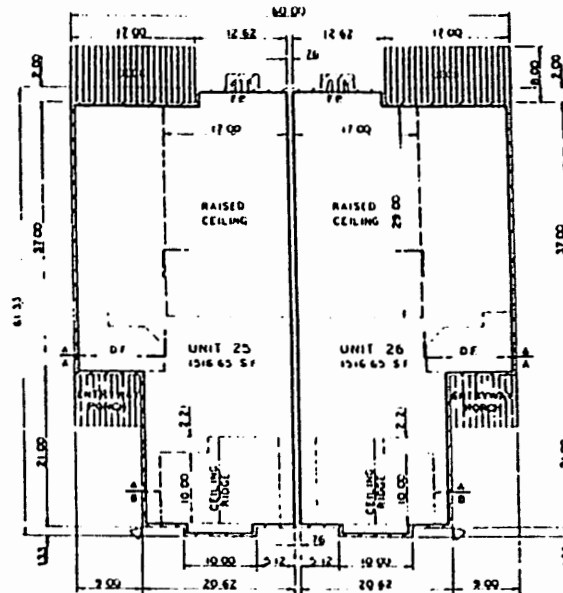
BUILDING No. 11
FLOOR PLANS AND SECTIONS

TOP RIDGEWOOD ASSOCIATES
RIDGEWOOD

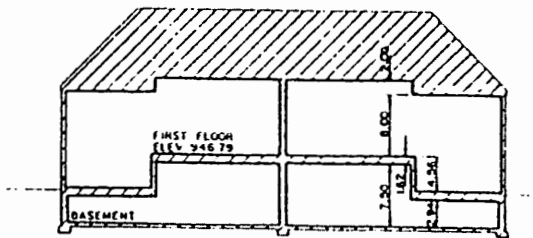
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Page 105 of 117
LINE CO. PAPER



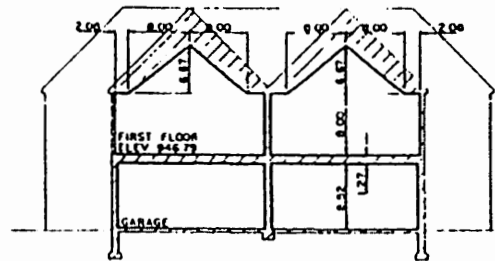
BASEMENT PLAN
ALL EXTERIOR WALLS ARE 84 THICK



FIRST FLOOR PLAN
ALL EXTERIOR WALLS ARE 42 THICK



SECTION A-A



SECTION B-B

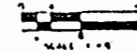
LEGEND

- GENERAL COMMON ELEMENT
- LIMITED COMMON ELEMENT
- LIMITS OF OWNERSHIP
- COORDINATE POINT
- FIREPLACE
- DROPPED FLOOR

ALL ANGLES BETWEEN WALLS, FLOORS AND CEILINGS ARE 90° EXCEPT WHERE OTHERWISE SHOWN

AREAS ARE CALCULATED FROM INTERIOR DIMENSIONS

ELEVATIONS ARE TO USGS DATUM



PROPOSED, DATE: 12-16-91, SHEET 17



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Linda L. [unclear]
1747 [unclear]

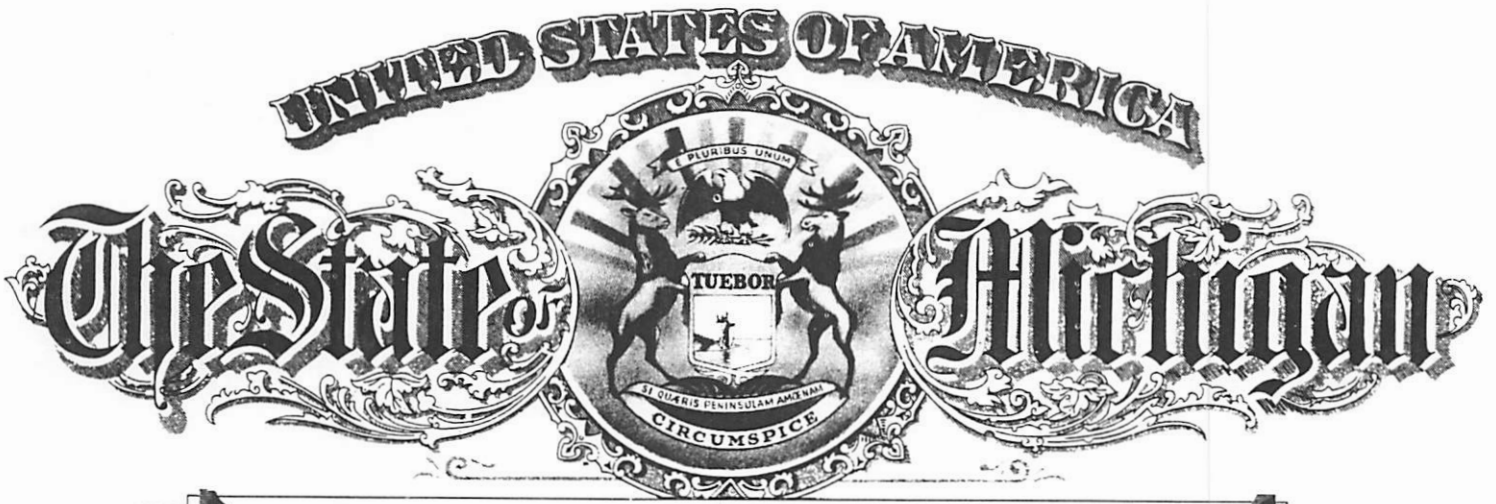


BUILDING No. 13
FLOOR PLANS AND SECTIONS

RIDGEWOOD ASSOCIATES

PROJECT NO.	13
DATE	12-16-91
SHEET	17

INVERTED FOR FABRICATION



Michigan Department of Commerce

Lansing, Michigan

This is to Certify That Articles of Incorporation of

ANN ARBOR RIDGEWOOD CONDOMINIUM ASSOCIATION

were duly filed in this office on the 10TH day of JULY, 19 91,
in conformity with Act 162, Public Acts of 1982.

*In testimony whereof, I have hereunto set my
hand and affixed the Seal of the Department,
in the City of Lansing, this 10TH day
of JULY, 19 91.*

Director

RECEIVED

C75 522

Michigan Department of Commerce

JUL 03 1991

912PH0950 0705 DRG&FI \$20.00

Corporation & Securities Bureau

NON-PROFIT

FILED

ARTICLES OF INCORPORATION

JUL 10 1991

Administrator
MICHIGAN DEPT OF COMMERCE
Corporation & Securities Bureau

These Articles of Incorporation are signed by _____ for the purpose of forming a non-profit corporation under the provisions of Act No. 162 of the Public Acts of 1982, as amended, as follows:

720 117

ARTICLE I.

The name of the corporation is Ann Arbor Ridgewood Condominium Association.

ARTICLE II.

The purpose or purposes for which the Association is formed are as follows:

- (a) To manage and administer the affairs of and to maintain Ridgewood, a condominium (hereinafter called the "Condominium");
- (b) To levy and collect assessments against and from the members of the Association and to use the proceeds thereof for the purposes of the Association, to enforce assessments through liens and foreclosure proceedings when appropriate, and to impose late charges for nonpayment of assessments;
- (c) To carry insurance and to collect and allocate the proceeds thereof;
- (d) To rebuild improvements to the common elements after casualty;
- (e) To contract for and employ persons, firms or corporations to assist in the management, operation, maintenance, and administration of said Condominium;
- (f) To make reasonable rules and regulations governing the use and enjoyment of the Condominium by members 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;
- (g) To own, maintain and improve, and to buy, sell, convey, assign, mortgage, or lease (as landlord or tenant) any real and personal property, or any interest therein, including,

SC

but not limited to, any unit in the Condominium, any easements or licenses or any other real property, whether or not contiguous to the Condominium, for the purpose of providing benefit to the members of the Association and in furtherance of any of the purposes of the Association;

- (h) To borrow money and issue evidences of indebtedness in furtherance of any or all of the objects of its business; to secure the same by mortgage, pledge or other lien;
- (i) To enforce the provisions of the Master Deed and By-Laws of the Condominium and of these Articles of Incorporation and such By-Laws and Rules and Regulations of the Association as may hereafter be adopted;
- (j) To do anything required of or permitted to it as Administrator of said Condominium by the Condominium Master Deed or By-Laws or by Act No. 59 of Public Acts of 1978, as from time to time amended;
- (k) In general, to enter into any kind of activity, to make and perform any contract and to exercise all powers necessary, incidental or convenient to the administration, management, maintenance, repair, replacement, and operation of said Condominium and to the accomplishment of any of the purposes thereof.

ARTICLE III.

Said Association is organized upon a non-stock membership basis.

The amount of assets which said Association possesses is:

Real Property	None
Personal Property	None

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

Assessment of Members

ARTICLE IV.

Location of the first registered office is: 225 South Ashley Street, Suite 203, Ann Arbor, Michigan 48104.

Post office address of the first registered office is: 225 South Ashley Street, Suite 203, Ann Arbor, Michigan 48104.

The name of the first resident agent is: Daniel W. Ketelaar.

ARTICLE V.

The name and place of business of the incorporator are as follows:

Karl R. Frankena
700 City Center Building
Ann Arbor, Michigan 48104

ARTICLE VI.

Any action required or permitted to be taken at an annual or special meeting of members may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, is signed by members having not less than the minimum number of votes that would be necessary to authorize or take the action at a meeting at which all members entitled to vote therein were present and voted. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to members who have not consented in writing.

ARTICLE VII.

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

- (a) Each co-owner (including the Developer) of a unit in the Condominium shall be a member of the Association, and no other person or entity shall be entitled to membership.
- (b) Membership in the Association shall be established by acquisition of fee simple title to a unit in the Condominium, or purchase of a unit on a land contract, 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 condominium unit and the furnishing of evidence of same satisfactory to the Association (except that the Developer of the Condominium shall become a member immediately upon establishment of the Condominium), the new co-owner thereby becoming a member of the Association, and the membership of the prior co-owner thereby being terminated.
- (c) The share of a member in the funds and assets of the Association 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 By-Laws of the Association.

ARTICLE VIII.

A volunteer director shall not be personally liable to the Association or its co-owners for monetary damages for breach of the director's fiduciary duty, except where there is:

- (a) A breach of the director's duty of loyalty to the Association or its co-owners;
- (b) Acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law;
- (c) A violation of Michigan Statutes Annotated Section 21.200(551);
- (d) A transaction from which the director derived an improper personal benefit; or
- (e) An act or omission that is grossly negligent.

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

Any repeal or modification of the foregoing provisions of this Article by the co-owners of the Association shall not adversely affect any right or protection of a director of the Association existing at the time of such repeal or modification.

ARTICLE IX.

These Articles of Incorporation may be amended, altered, changed, or repealed only by the affirmative vote of not less than two-thirds (2/3) of the entire membership of the Association; provided, that in no event shall any amendment make changes in the qualification for membership or the voting rights of members without the unanimous consent of the membership.

I, the incorporator, sign my name this 2nd day of July, 1991.



Karl R. Frankena

13:133:rwa01

ANN ARBOR RIDGEWOOD CONDOMINIUM ASSOCIATION

BY-LAWS

ARTICLE I.

ADOPTION OF CONDOMINIUM BY-LAWS

The By-Laws of RidgeWood, a condominium (hereinafter known as the Condominium By-Laws) as attached to the Master Deed and recorded in Liber 5355, Page 877, Washtenaw County Records, are hereby incorporated by referenced and adopted in their entirety as a part of the By-Laws of this Corporation (hereinafter known as the Association By-Laws).

ARTICLE II.

MEETINGS

Section 1. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the co-owners as may be designated by the Board of Directors. Meetings of the Association shall be conducted in accordance with Roberts Rules of Order when not otherwise in conflict with the Articles of Incorporation and By-Laws of the Association, or the Master Deed, Condominium By-Laws or the law of the State of Michigan.

Section 2. The annual meetings of the co-owners shall be held on a date set by the Board of Directors during the month of December each succeeding year or at such other time as the Board of Directors may determine. At such meetings there shall be elected by ballot of the co-owners a Board of Directors in accordance with the requirements of Section 1 of Article III of these By-Laws. The co-owners may also transact such other business of the Association as may properly come before them.

Section 3. It shall be the duty of the President to call a special meeting of the co-owners as directed by resolution of the Board of Directors or upon a petition signed by one-third (1/3) of the co-owners presented to the Secretary of the Association. Notice of any special meeting shall state the time and place of such meeting and the purposes thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 4. It shall be the duty of the Secretary (or other Association officer in the Secretary's absence) to serve a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, upon each co-owner of record, at least

ten (10) days but not more than sixty (60) days prior to such meeting. If a notice is required or permitted under these Association By-Laws or the Michigan Nonprofit Corporation Act, electronic transmission is written notice. The mailing, postage prepaid, or transmission by email or other electronic means, of a notice to the representative of each co-owner at the address shown in the notice required to be filed with the Association by Article I, Section 2(e) of the Condominium By-Laws or otherwise in a manner authorized by the co-owner, shall be deemed notice served. Any co-owner may, by written waiver of notice signed by such co-owner, waive such notice, and such waiver, when filed in the records of the Association shall be deemed due notice.

Section 5. The presence in person or by proxy of forty percent (40%) in number of the co-owners qualified to vote shall constitute a quorum for holding a meeting of the co-owners, except for voting on questions specifically required herein to require a greater quorum. The written vote of any person furnished at or prior to any duly called meeting at which meeting said person is not otherwise present in person or by proxy shall be counted in determining the presence of quorum with respect to the questions upon which the vote is cast. If any meeting of co-owners cannot be held because a quorum is not in attendance, the co-owners who are present may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called.

Section 6. A member or proxy holder may participate in a meeting of members by means of a conference telephone or other means of remote communication equipment that permits all persons participating in the meeting to communicate with all other participants; provided that all participants are advised of the means of remote communication in use and the names of the participants in the meeting are divulged to all participants. Such participation by a member in a meeting shall constitute presence in person at the meeting and shall also be in compliance with the requirements of Section 405 of the Michigan Nonprofit Corporation Act.

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

Section 8. Any action required or permitted to be taken at an annual or special meeting of the co-owners may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, is signed by co-owners having not less than the minimum number of votes that would be necessary to authorize or take the action at a meeting at which all co-owners entitled to vote therein were present and voted. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to co-owners who have not consented in writing.

Section 9. Any action required or permitted to be taken at an annual or special meeting of the co-owners may be taken without a meeting by written ballot of the co-owners. Ballots shall be solicited in the same manner as provided in Section 4 for the giving of notice of

meetings of co-owners. The ballot provided to co-owners shall (a) set forth each proposed action, (b) provide an opportunity for co-owners to vote for or against each proposed action, and (c) specify the time by which the Association must receive a ballot in order to be counted as a vote of the co-owner, which time shall be not less than 20 nor more than 90 days after the date the Association provides the ballot to co-owners. An action shall be considered approved by the co-owners by ballot if the total number of co-owners voting or the total number of co-owner votes cast in ballots received by the Association by the time specified in the ballots equals or exceeds the quorum required to be present at a meeting to take the action, and the number of favorable votes equals or exceeds the number of votes that would be required to approve the action at a meeting at which the number of votes cast by co-owners present was the same as the number of votes cast by ballot.

Section 10. The transactions at any meeting of co-owners, either annual or special, however called and noticed, shall be as valid as though made at a meeting duly held after regular call and notice if a quorum is present either in person or by proxy and if, either before or after the meeting, each of the co-owners not present in person or by proxy signs a written waiver of notice or a consent to the holding of such meeting or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 11. Minutes or a similar record of the proceedings of meetings of co-owners, when signed by the President or the Secretary, shall be presumed truthfully to evidence the matters set forth therein. A recitation in the minutes of any such meetings that notice of the meeting was properly given shall be prima facie evidence that such notice was given.

Section 12. An electronic transmission casting a vote or consenting to an action that is transmitted by a co-owner or proxy holder or a person authorized to act for a co-owner or proxy holder is written, signed and dated for purposes of these By-Laws if the electronic transmission is delivered with information from which the Association can determine that the electronic transmission was transmitted by the co-owner or proxy holder or person authorized to act for a co-owner or proxy holder and the date on which the electronic transmission was transmitted. A vote cast or consent given by electronic transmission is not delivered until it is reproduced in paper form and the paper form is delivered to the Association.

ARTICLE III.

BOARD OF DIRECTORS

Section 1. The affairs of the Association shall be governed by the Board of Directors all of whom must be co-owners. The members of the Board of Directors must be members of the Association, or the spouse of a co-owner and member, or trustees or beneficiaries of a trust, or officers, partners, employees, or agents of a legal entity that is a co-owner and member of the Association. If a director ceases to qualify during the director's term, that person shall cease to be a director, and the director's place on the Board of Directors shall be deemed vacant. No more than one (1) co-owner or one (1) spouse from a condominium unit may serve on the Board of Directors at the same time. Directors shall serve without compensation.

Section 2. The Board of Director shall be composed of five (5) persons and shall manage the affairs of the Association. Five (5) directors shall be elected for staggered terms of

office. The initial term of office of three (3) directors shall be fixed at two (2) years. The initial term of office of two (2) directors shall be fixed at one (1) year. At the expirations of the initial term of office of each respective director, his successor shall be elected to serve a term of two (2) years. The directors shall hold office until their successors have been elected and hold their first meeting.

Section 3. The Board of Directors shall have all powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not by law, the Master Deed (including the Exhibits thereto) and Articles of Incorporation, or these By-Laws prohibited or directed to be exercised and done by the co-owners.

Section 4. In addition to the foregoing duties imposed by these By-Laws or any further duties which may be imposed by resolution of the co-owners, the Board of Directors shall be responsible specifically for the following:

- a. To manage and administer the affairs and maintenance of the condominium project and the common elements thereof.
- b. To levy, collect and disburse assessments against and from the co-owners 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 non-payment of said assessments.
- c. To carry insurance and collect and allocate the proceeds thereof.
- d. To rebuild improvements to the common elements after casualty.
- e. To contract for and employ persons, firms, corporations or other agents to assist in the management, operation, maintenance and administration of the condominium project.
- f. To acquire, maintain, and improve, and to buy, sell, convey, assign, mortgage or lease (as landlord or tenant) any real or personal property (including any unit in the condominium project, easements, right-of-way and license) on behalf of the Association in the furtherance of any of the purposes of the Association, including (but without limitation) the lease or purchase of any unit in the project for use by a resident manager.
- g. To borrow money and issue evidences of indebtedness in furtherance of any or all of the purposes of the business of the Association, and to secure the same by mortgage, pledge, or other lien, on property owned by the Association; provided, however, that any such action shall also be approved by affirmative vote of sixty percent (60%) of the co-owners in number.
- h. To make rules and regulations governing the use and enjoyment 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.

- i. To enforce the provisions of the Condominium documents.
- j. 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 or guarantee by the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association, the Veterans Administration, the Department of Housing and Urban Development, and/or any other agency of the Federal government or the State of Michigan, or by any other institutional participant in the secondary mortgage market that purchases or insures mortgages.
- k. To levy, collect and disburse fines against and from the co-owners after notice and hearing thereon and to use the proceeds thereof for the purposes of the Association.
- l. 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.
- m. To assert, defend, or settle claims on behalf of all co-owners in connection with the common elements of the Condominium project. 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.
- n. To do anything required of or permitted to it as administrator of the condominium project, by the Master Deed, Condominium By-Laws, Articles of Incorporation, or by the Michigan Condominium Act, as amended.

Section 5. The Board of Directors may make, and amend from time to time, regulations respecting the use and enjoyment of the condominium units and common elements in the Condominium and such other regulations as are necessary for the maintenance and control of the Condominium. Copies of all such regulations and amendments thereto shall be furnished to all co-owners and shall become effective thirty (30) days after mailing or delivery thereof to the designated voting representative of each co-owner. Any such regulation or amendment may be revoked at any time by the affirmative vote of more than fifty percent (50%) of all co-owners in number.

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

Section 7. At any regular or special meeting of the Association duly called with due notice of the removal action proposed to be taken, any one or more of the directors may be

removed with or without cause by the affirmative vote of more than fifty percent (50%) in number of all of the co-owners present and a successor may then and there be elected to fill any vacancy thus created. The quorum requirement for the purpose of filling such vacancy shall be the requirement set forth in Article II, Section 5. Any director whose removal has been proposed by the co-owners shall be given an opportunity to be heard at the meeting.

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

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

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

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

Section 12. At all meetings of the Board of Directors, a majority of the directors shall constitute a quorum for the transaction of business, and the acts of the majority of the directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If at any meeting of the Board of Directors, there be less than a quorum present the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice. The joinder of a director in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such director for purposes of determining a quorum. A quorum of the directors shall also permit the Board of Directors to take action by the written consent of individual directors and by means of a telephone conference between the directors. The Board of Directors is not subject to the Michigan Open Meetings Act and may close portions of its meetings to the co-owners, and provide for confidentiality of the minutes of the closed portion of its meetings, for such issues, as an example, as discussion of personnel employment and litigation matters.

Section 13. A member of the Board of Directors or a member of a committee designated by the Board may participate in a meeting of members by means of a conference telephone or other means of remote communication equipment by which all persons participating in the

meeting can communicate with each other. Such participation by a member in a meeting shall constitute presence in person at the meeting.

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

ARTICLE IV.

OFFICERS

Section 1. The principal officers of the Association shall be a President who shall be a member of the Board of Directors, a Vice President, a Secretary and a Treasurer, all of whom shall serve without compensation. The directors may appoint an assistant Treasurer, and an assistant Secretary, and such other officers as in their judgment may be necessary. Any two offices except that of President, Vice President and Secretary may be held by one person.

Section 2. The officers of the Association shall be elected annually by the Board of Directors at the organizational meeting of each new Board, shall serve without compensation, and shall hold office at the pleasure of the Board.

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

Section 4. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board of Directors. He shall have all of the general powers and duties which are usually vested in the office of the President of an association, including but not limited to the power to appoint committees from among the co-owners from time to time as he may in his discretion deem appropriate to assist in the conduct of the affairs of the Association.

Section 5. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other member of the Board to fill in on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Directors.

Section 6. The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the members of the Association; he shall have charge of the corporate seal and of such books and papers as the Board of Directors may direct; and he shall, in general, perform all duties incident to the office of the Secretary.

Section 7. The Treasurer shall have responsibility for Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He shall be responsible for the deposit of all monies and other valuable effects in the name and to the credit, of the Association, in such depositories as may from time to time be designated by the Board of Directors.

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

ARTICLE V.

SEAL

Section 1. The Association may (but need not) have a seal. If the Board of Directors determines that the Association shall have a seal, then it shall have inscribed thereon the name of the Association and the words "corporate seal", and "Michigan".

ARTICLE VI.

FINANCE

Section 1. The fiscal year of the Association shall be an annual period commencing on such date as may be initially determined by the Board of Directors. The commencement date of the fiscal year shall be subject to change by the Board for accounting reasons or other good cause.

Section 2. The funds of the Association shall be deposited in such bank as may be designated by the Board of Directors, shall be withdrawn only upon the check or order of such officers, employees or agents as are designated by resolution of the Board from time to time, and shall be handled in accordance with the Condominium, By-Laws. The funds may be invested from time to time in accounts or deposit certificates of such bank or savings association as are insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation and may also be invested in interest-bearing obligations of the United States Government.

ARTICLE VII.

INDEMNIFICATION OF DIRECTORS, OFFICERS, COMMITTEE MEMBERS, EMPLOYEES, NONDIRECTOR VOLUNTEERS, AND AGENTS

Section 1. The Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative and whether formal or informal, other than an action by or in the right of the Association, by reason of the fact that the person is or was a director, officer, committee member, employee, nondirector volunteer, or agent of the Association, or is or was serving at the request of the Association as a director, officer, partner, trustee, employee, nondirector volunteer, or agent of another foreign or domestic corporation, business corporation, partnership, joint venture, trust, or other enterprise, whether for profit or not for profit, against expenses including attorneys' fees, judgments, penalties, fines, and amounts paid in settlement actually and reasonably incurred by the person in connection with the action, suit, or proceeding if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the Association or its members, and with respect to any criminal action or proceeding, if the person had no reasonable cause to believe that conduct was unlawful. The termination of an action, suit, or proceeding by

judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, does not, of itself, create a presumption that the person did not act in good faith and in a manner that the person reasonably believed to be in or not opposed to the best interests of the Association or its members and, with respect to any criminal action or proceeding, had reasonable cause to believe that the conduct was unlawful. In the event of any claim for reimbursement or indemnification hereunder based upon a settlement by the director, officer, committee member, employee, nondirector volunteer or agent seeking such reimbursement or indemnification, the indemnification herein shall only apply if the Board of Directors (with any director seeking reimbursement abstaining) approves such settlement and reimbursement as being in the best interests of the Association.

Section 2. The Association shall indemnify any person who was or is a party to or is threatened to be made a party to a threatened, pending, or completed action or suit by or in the right of the Association to procure a judgment in its favor by reason of the fact that the person is or was a director, officer, employee, nondirector volunteer, or agent of the Association, or is or was serving at the request of the Association as a director, officer, partner, trustee, employee, nondirector volunteer, or agent of another foreign or domestic corporation, business corporation, partnership, joint venture, trust, or other enterprise whether for profit or not for expenses, including attorneys' fees, and amounts paid in settlement actually and reasonably incurred by the person in connection with the action or suit if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the Association or its members. However, the Association shall not indemnify a person for a claim, issue, or matter in which the person is found liable to the Association except to the extent authorized under Section 564c of the Michigan Nonprofit Corporation Act.

Section 3. The foregoing rights of indemnification shall be in addition to and not exclusive of all other rights to which such director, officer, committee member, employee, nondirector volunteer, or agent may be entitled. Ten (10) days' written notice of any proposed action by the Association to indemnify a director, officer, committee member, employee, nondirector volunteer or agent shall be given to all co-owners. Further, the Board of Directors shall carry directors' and officers' liability insurance covering acts of the directors, officers, committee members, employees, nondirector volunteers, or agents of the Association in such amounts as it shall deem appropriate. Notwithstanding anything to the contrary in these By-Laws, the Association shall indemnify a person under this Article VII only in accordance with applicable Michigan law, as amended from time to time, including, without limitation, Section 564a of the Michigan Nonprofit Corporation Act.

ARTICLE VIII.

COLLECTION OF ASSESSMENTS AND CHARGES

Section 1. Monthly, quarterly and annual assessments shall be due on the first day of such month, quarter or year for that month, quarter or year, respectively. All other charges for services rendered by the Association shall be due when billed.

Section 2. The Board of Directors shall establish a procedure for collection of delinquent assessments and charges, and shall set a schedule of actions to be taken and a penalty fee for each action. These penalty fees shall approximate the actual costs to the Association, so the additional expense incurred in the collection of delinquent assessments will be borne by the delinquent co-owners and not by all co-owners. This procedure shall be reviewed and updated periodically to reflect changing conditions and expenses.

Section 3. Assessments and charges in default shall bear an interest rate of not less than seven percent (7%) per annum in accordance with Article II, Section 4 of the Condominium By-Laws. The Board of Directors shall be authorized to approve an interest rate surcharge. 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 interest charges shall be compounded monthly on the unpaid balance of all delinquent accounts.

ARTICLE IX.

AMENDMENTS

Section 1. These By-Laws may be amended by the Association at a duly constituted meeting for such purpose, by an affirmative vote of at least two-thirds (2/3) of co-owners.

Section 2. 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 whether meeting as co-owners or by an instrument in writing signed by them.

Section 3. Upon any such amendment being proposed, a meeting for consideration of the same shall be duly called in accordance with the provisions of Article II of these By-Laws.

Section 4. At any meeting held to consider such amendment or amendments to these By-Laws, the written vote of any co-owner shall be recognized if such co-owner is not in attendance at such meeting or represented thereat by proxy, provided such written vote is delivered to the Secretary of the Association at or prior to such meeting.

ARTICLE XI.

COMPLIANCE

These By-Laws are set forth to comply with the requirements of Act No. 162 of the Public Acts of Michigan of 1982, as amended, Act No. 59 of the Public Acts of Michigan of 1978, as amended, and with the duly recorded Master Deed of the Condominium and Exhibits A and B attached thereto. In case any of these By-Laws conflict with the provisions of said statute or with the provisions of said Master Deed or the exhibits thereto, the provisions of the statute and said Master Deed and the exhibits thereto shall be controlling.