

FOURTH AMENDMENT TO MASTER DEED

BRIDGETOWN CONDOMINIUM

This Fourth Amendment to Master Deed is made and executed on this 3rd day of February, 2020, by BRIDGETOWN CONDOMINIUM ASSOCIATION, A Michigan non-profit corporation, hereinafter referred to as "Association".

WHEREAS, the Association desires to amend its governing documents by the recording of this Fourth Amendment to Master Deed, together with the Condominium Bylaws attached hereto as Exhibit "A" which are hereby incorporated by reference and made a part hereof regarding the real property described in Article II below, together with the improvements located thereon, and the appurtenances thereto which was previously established as a residential Condominium Project under the provisions of the Act by recording a Master Deed in Liber 2226, Pages 901 through 949, Washtenaw County Records, together with Condominium Bylaws attached thereto as Exhibit "A" and the Condominium Subdivision Plan attached thereto as Exhibit "B", and by preparing a First Amendment to Master Deed and recording same in Liber 2309, Pages 054 through 065, Washtenaw County Records, and by a preparing Second Amendment to Master Deed and recording same in Liber 2393, Pages 422 through 440, Washtenaw County Records and re-recording the same in Liber 2402, Pages 108 through 126, and by preparing a Third Amendment to Master Deed and recording same in Liber 2567, Pages 795 through 804, Washtenaw County Records established the real property described in Article II below, together with improvements located thereon, and the appurtenances thereto, as a Condominium Project under the provisions of the Act; and

WHEREAS, amendments to the Master Deed and the Condominium Bylaws (Exhibit A to the Master Deed, were duly proposed, adopted and approved by the requisite majority of co-owners and mortgagees entitled to vote thereon in accordance with the provisions of Article IX of the Master Deed,

NOW, THEREFORE, the Association does, upon the recording hereof, reaffirm the establishment of Bridgetown Condominium as a Condominium Project under the Act and does declare that Bridgetown Condominium hereinafter referred to as the "Condominium", the "Project" or the "Condominium Project"), 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 master deed and Exhibits "A" hereto and the original Exhibit B to the Master Deed, hereto, as amended, 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 Project, it is provided as follows:

ARTICLE I

TITLE AND NATURE

The Condominium Project is known as Bridgetown Condominium, Washtenaw County Condominium Subdivision Plan No. 90. The architectural plans for the Project were filed with and approved by the Washtenaw County Building Department. The Condominium Project is established in accordance with the Act. The buildings and Units contained in the Condominium, including the number, boundaries, dimensions and area of each Unit therein, are set forth completely in the Condominium Subdivision Plan attached as Exhibit "B" to the original Master Deed, as amended. Each building contains individual Units for residential purposes and 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. Each Co-owner in the Condominium Project shall have an exclusive right to his or her or her 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 the Master Deed.

ARTICLE II

LEGAL DESCRIPTION

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

Beginning at the North $\frac{1}{4}$ corner of Section 13, T2S, R3E, City of Chelsea, Washtenaw County, Michigan; Thence S. 00 degrees 30 minutes 00 seconds E. 296.43 feet along the North and South $\frac{1}{4}$ line; Thence S. 03 degrees 08 minutes 35 seconds W. 233.73 Feet; Thence S. 89 degrees 12 minutes 15 seconds W. 407.87 Feet; Thence S. 00 degrees 38 minutes 40 seconds E. 10.0 Feet; Thence S. 89 degrees 12 minutes 15 seconds W. 160.0 Feet to a point on the Easterly Line of Sorensen Subdivision as recorded in Liber 12 of Plats, on Page 54 of Washtenaw County Records, Thence N. 0 degrees 38 minutes 40 seconds W. 695.67 Feet along said Easterly Line; Thence S. 88 degrees 13 minutes 40 seconds E. 582.54 Feet to a Point in the North and South $\frac{1}{4}$ Line of Section 12; Thence S. 01 degrees 32 minutes 40 seconds E. 129.82 Feet to the Point of Beginning, containing 9.023 acres of land, more or less, being a part of the Southwest $\frac{1}{4}$ of Section 12 and a part of the Northwest $\frac{1}{4}$ of Section 13, T2S, R3E, City of Chelsea, Washtenaw County, Michigan.

ARTICLE III

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 limitation, the Articles of Incorporation, and Rules and Regulations of the Bridgetown 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 Bridgetown Condominium as a condominium. Wherever used in such documents or any other pertinent instruments, the terms set forth below shall be defined as follows:

A. The "Act" means the Michigan Condominium Act, being Act 59 of the Public Acts of 1978, as amended.

B. "Association" shall mean Bridgetown 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 laws of the State of Michigan.

C. "Association Bylaws" means the corporate Bylaws of Bridgetown Condominium Association, the Michigan non-profit corporation organized to manage, maintain and administer the Condominium. The Association Bylaws are incorporated within the Condominium Bylaws, Exhibit A to the Master Deed.

D. "Common Elements," where used without modification, means both the General and Limited Common Elements described in Article IV hereof.

E. "Condominium Bylaws" means Exhibit A hereto, being the Bylaws setting forth the substantive rights and obligations of the Co-owners and required by Section 3(4) of the Act to be recorded as part of the Master Deed.

F. "Condominium Documents", wherever used, means and includes this Master Deed and Exhibits "A" and "B" hereto, as amended, the Articles of Incorporation, and Rules and Regulations, if any, of the Association.

G. "Condominium Premises" means and includes the land, all improvements and structures thereon, and all easements, rights and appurtenances belonging to Bridgetown Condominium, as described above.

H. "Condominium Project", "Condominium", or "Project" means Bridgetown Condominium as a Condominium Project established in conformity with the provisions of the Act.

I. "Condominium Subdivision Plan" means Exhibit "B" attached to the original Master Deed, as amended.

J. "Co-owner" means a person, firm, Corporation, Partnership, Association, Trust, Land Contract Vendee, other legal entity or any combination thereof who or which owns one (1) or more Units in the Condominium Project. The term "Owner," wherever used, shall be synonymous with the term "Co-owner."

K. "Developer" shall mean Bridgetown Apartments, Inc., and its successors and assigns.

L. "Unit" or "Condominium Unit" each mean the enclosed space constituting a single complete residential unit in Bridgetown Condominium, as such space may be described in Exhibit "B" to the original Master Deed, as amended, and shall have the same meaning as the term "Condominium Unit" as defined in the Act.

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

ARTICLE IV

COMMON ELEMENTS

The Common Elements of the Project described in Exhibit "B" attached to the initial Master Deed and incorporated by reference herein and the respective responsibilities for maintenance, decoration, repair or replacement thereof, are as follows:

A. The General Common Elements are:

(1) **Land.** The land and beneficial easements described in Article II hereof including driveways, roads, sidewalks and parking spaces, not identified as Limited Common Elements, if any.

(2) **Electrical.** The electrical wiring network throughout the Project, including that contained within Unit walls, up to the point of connection with the circuit box, but not including, electrical fixtures, plugs and switches within any Unit.

(3) **Gas.** The gas line network throughout the Project up to the point of connection with individual unit meters.

(4) **Telephone.** The telephone and cable T.V. wiring network throughout the Project up to the point of entry to each Unit.

(5) **Water.** The water distribution system throughout the Project, including that contained within Unit walls, up to the point of connection with individual unit meters.

(6) **Sanitary Sewer.** The sanitary sewer system throughout the Project, including that contained within Unit walls, up to the point of connection where main drain line connects with individual unit drains.

(7) **Storm Sewer.** The storm drainage system throughout the Project.

(8) **Foundations.** The foundations, supporting columns, basement walls, Unit

perimeter walls (but not including windows and doors therein), roofs, ceiling construction, floor construction and chimneys.

(9) **Other.** Such other elements of the Project not herein designated as General or Limited Common Elements which are not enclosed within the boundaries of a Unit, and which are intended for common use or necessary to the existence, upkeep and safety of the Project.

B. Limited Common Elements are:

(1) **Garages.** The garages, porches, courtyards, decks, and certain sidewalks from driveways to front porches, if any, adjoining each Unit shall be subject to the exclusive use and enjoyment of the Co-owner of such Unit. Any attic storage is limited to the exclusive use of the Unit through which access to that attic storage is obtained.

(2) **Windows, doors, ceilings and floors.** Windows, doors, ceiling surfaces and floor surfaces, and the interior surfaces of Unit perimeter walls contained within a Unit shall be subject to the exclusive use and enjoyment of the Co-owner of such Unit.

(3) **Hot Water Heaters, Furnaces, Air Conditioners and Sump Pumps.** Hot water heaters, furnaces, air conditioner condensing unit and pad, sump pumps, if any, are restricted in use to the Co-owner of the Unit which such item services.

(4) **Driveways.** The driveways immediately in front of each Unit as shown on Exhibit "B" hereto is restricted in use to the Co-owner of the Unit to which it shall be appurtenant.

(5) **Fireplace.** The fireplace, its chimney and flues, if any, are restricted in use to the Co-owner of the Unit which such item services.

C. The respective responsibilities for the maintenance, decoration, repair and replacement of the Common Elements are as follows:

(1) The costs of decoration, repair and maintenance of all surfaces referred to in Article IV, B-2 above shall be borne by the Co-owner of the Unit to which such Limited Common Elements are appurtenant.

(2) The costs of maintenance, repair and replacement of each hot water heater, furnace, air conditioner condenser and pad, and sump pump, described in Article IV, B-3 above shall be borne by the Co-owner of each Unit or Units to which such Limited Common Element is appurtenant.

(3) The costs of maintenance, repair and replacement of each fireplace, its chimney and flues, described in Article IV, B-5 above shall be borne by the Co-owner of each Unit or Units to which such Limited Common Element is appurtenant.

(4) The costs of maintenance and replacement of the driveways and walks shall be borne by the Association.

(5) The costs of maintenance, repair and replacement of all General and Limited Common Elements other than as described above, shall be borne by the Association.

(6) No Co-owner shall use his or her 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 or her Unit or the Common Elements.

ARTICLE V

UNIT DESCRIPTION AND PERCENTAGE OF VALUE

A. Each Unit in the Project is described in this paragraph with reference to the subdivision and site plan of Bridgetown Condominium as prepared by Walter F. Lewis, Registered Professional Engineer of Washtenaw Engineering Company, as to Units 1 through 36 inclusive, and George F. Daly Registered Land Surveyor, as to additional Units, and attached to the original Master Deed, as amended, as Exhibit "B". Each Unit shall include: (1) with respect to each 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 the Units other than basements, all that space contained within the interior finished unpainted walls and ceilings and from the finished sub-floor all as shown on the floor plans and sections in Exhibit B, attached to the original Master Deed, as amended, and delineated with heavy outlines.

B. The percentage of value assigned to each Unit is equal. The percentages of value are computed on the basis of equal value for each Unit. The percentage of value assigned to each Unit shall be determinative of the proportionate share of each respective Co-owner in the proceeds and expenses of the administration and the value of such Co-owner's vote at the meetings of the Association of Co-owners. The total value of the Project is 100. The percentage of value allocated to each Unit may be changed only with the prior written approval of each institutional holder of a first mortgage lien on any Unit in the Project and with the unanimous consent of all Co-owners expressed in an amendment to this Master Deed, duly approved and recorded.

ARTICLE VI

EASEMENTS

A. Easement for Maintenance of Encroachments. In the event any portion of a Unit or Common Element encroaches upon another Unit or Common Element due to shifting, settling or moving of a building, or due to survey errors, or construction deviations, reciprocal easements shall exist for the maintenance of such encroachment for so long as

such encroachment exists, and for maintenance thereof after rebuilding in the event of any destruction. There shall be easements to, through and over those portions of the land, structures, buildings, improvements and walls (including interior Unit walls) contained therein for the continuing maintenance and repair of all utilities in the Condominium. There shall exist easements of support with respect to any Unit interior wall which supports a Common Element.

B. Easements Retained by Association.

(1) **Utility Easement.** The Association also hereby reserves for the benefit of itself, its successors and assigns, and all future Owners of the land described in Article VI or any portion or portions thereof, perpetual easements to utilize, tap, tie into, service, maintain, extend and enlarge all utility mains located on the Condominium Premises, including, but not limited to, water, electric, communications, storm and sanitary sewer mains. In the event the Association, its successors or assigns, utilizes, taps, ties into, extends or enlarges any utilities located on the Condominium Premises, it shall be obligated to pay all of the expenses reasonably necessary to restore the Condominium Premises to their state immediately prior to such utilization, tapping, tying-in, extension or enlargement.

(2) **Grant of Easements by Association.** The Association, acting through its lawfully constituted Board of Directors shall be empowered and obligated to grant such easements, licenses, rights-of-entry, and rights-of-way over, under, and across, the Condominium Premises for utility purposes, access purposes, or other lawful purposes as may be necessary for the benefit of the Condominium or for the benefit of any other land described in Article VI hereof.

(3) **Easements for Maintenance, Repair and Replacement.** The Association, and all public or provide utilities shall have such easements as may be necessary over the Condominium premises, including all Units and Common Elements to fulfill any responsibilities of maintenance, repair, decoration or replacement which they, or any of them, are required or permitted to perform under the Condominium Documents.

ARTICLE VII

AMENDMENT

This Master Deed and the Condominium Subdivision Plan (Exhibit "B" to the original Master Deed, as amended) may be amended with the consent of not less than sixty-six and two-thirds (66-2/3%) of the Co-owners and sixty-six and two-thirds (66-2/3%) of the Unit mortgagees (allowing one (1) vote for each mortgage held), except as hereinafter set forth:

A. Modification of Units or Common Elements. No Unit dimensions and appurtenant Limited Common Elements may be modified without the consent of the Co-owner of such Unit nor may the method or formula used to terminate the percentage of value of Units in the Project for other than voting purposes, any provisions relating to the ability or

terms under which a Co-owner may rent a Unit, the nature or extent of Limited Common Elements, or the responsibility for maintenance, repair or replacement thereof be modified without the written consent of the Co-owner of any Unit to which the same are appurtenant.

B. Change in Percentage of Value. The value of the vote of any Co-owner and the corresponding proportion of common expenses assessed against such Co-owner shall not be modified without the written consent of such Co-owner and his or her or her mortgagee, nor shall the percentage of value assigned to any Unit be modified without like consent, except as provided in Article V, Section 6(c) of the Condominium Bylaws and except as provided in Article VI, and Article VII hereof.

ARTICLE VIII

ASSIGNMENTS

Any or all of the rights and powers granted or reserved by the Association in the Condominium Documents or by law, including the power to approve or disapprove any act, use or proposed action, or any other matter or thing, may be assigned by it to any other entity or to the Association. Any such assignment or transfer shall be made by appropriate instrument in writing duly recorded in the office of the Washtenaw County Register of Deeds.

BRIDGETOWN CONDOMINIUM ASSOCIATION,
A Michigan non-profit corporation

Dated:

By: Scott Edward Allen
Scott Edward Allen, Its President

STATE OF MICHIGAN) ss
COUNTY OF Washtenaw

The foregoing Fourth Amendment to Master Deed of Bridgetown Condominium was acknowledged before me, a Notary Public, on the 3rd day of February, 2020, by Scott Edward Allen, known to me to be the President of Bridgetown Condominium Association, a Michigan non-profit corporation and executing same as his or her own free act and deed on behalf of the Association.

JOSEPH ROBERT TUREK
Notary Public, State of Michigan
County of Washtenaw
My Commission Expires 11/21/2025
Acting in the county of _____

Joseph Robert Turek
Notary Public
Washtenaw County, Michigan
My Commission Expires: 11-21-2025
Acting in _____, County, MI

**DRAFTED BY AND WHEN
RECORDED RETURN TO:**

Edward J. Zelmanski (P30530)
44670 Ann Arbor Rd., Ste. 170
Plymouth, MI 48170
(734) 459-0062



BRIDGETOWN CONDOMINIUM ASSOCIATION

AMENDED AND RESTATED CONDOMINIUM BYLAWS

EXHIBIT "A" TO THE FOURTH AMENDMENT TO MASTER DEED

ARTICLE I

ASSOCIATION OF CO-OWNERS

Section 1. Association. Bridgetown, a residential Condominium located in the City of Chelsea, County of Washtenaw, State of Michigan, hereinafter the "Condominium", shall be administered by an Association of Co-owners which shall be a nonprofit corporation, hereinafter called the "Association", organized under the applicable laws of the State of Michigan, and responsible for the management, maintenance, operation and administration of the Common Elements, easements and affairs of the Condominium in accordance with the Master Deed, these Bylaws, the Articles of Incorporation, the duly adopted rules and regulations of the Association, and the laws of the State of Michigan.

These Bylaws shall constitute the Bylaws referred to in the Master Deed and required by Section 3 (8) of Act No. 59 of the Michigan Public Acts of 1978, as amended (hereinafter the "Act") and the Michigan Nonprofit Corporation Act.

Section 2. Membership; No Refunds of Reserves. Each Co-owner shall be a member of the Association and no other person or entity shall be entitled to membership. 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 the Co-owner's Unit in the Condominium.

A Co-owner selling a Unit shall not be entitled to any refund whatsoever from the Association with respect to any reserve or other asset of the Association. The Association shall keep current copies of the Master Deed, all amendments to the Master Deed and other Condominium Documents for the Condominium available at reasonable hours to Co-owners, prospective purchasers and prospective mortgagees of Units in the Condominium. All Co-owners in the Condominium and all persons using or entering upon or acquiring any interest in any Unit therein or the Common Elements thereof shall be subject to the provisions and terms set forth in the aforesaid Condominium Documents.

ARTICLE II

ASSESSMENTS

All expenses arising from the management, administration and operation of the Association pursuant to the Condominium Documents and the Act, shall be levied by the Association against the Units and the Co-owners thereof in accordance with the following provisions:

Section 1. Assessments for Common Elements. All costs incurred by the Association in satisfaction of any liability arising within, caused by, or connected with the Common Elements or the administration of the

Condominium shall constitute expenditures affecting the administration of the Condominium, and all sums received as the proceeds of, or pursuant to a policy of insurance securing the interest of the Co-owners against liabilities or losses arising within, caused by, or connected with the Common Elements or the administration of the Condominium shall constitute receipts affecting the administration of the Condominium, within the meaning of Section 54(4) of the Act.

Section 2. Determination of Assessments. Assessments shall be determined in accordance with the following provisions:

(a) **Budget; Additional Assessments.** The Board of Directors of the Association shall establish an annual budget in advance for each fiscal year and such budget shall project all expenses for the forthcoming year which may be required for the proper operation, management and maintenance of the Condominium, including a reasonable allowance for contingencies and reserves. Failure or delay of the Board of Directors to prepare or adopt a budget for any fiscal year shall not constitute a waiver or release in any manner of a Unit Co-owner's obligation to pay the allocable share of the common expenses as herein provided whenever the same shall be determined and, in the absence of any annual budget or adjusted budget each Unit Co-owner shall continue to pay each monthly installment at the monthly rate established for the previous fiscal year until notified of the monthly payment which is due not more than ten (10) days after such new annual or adjusted budget is adopted.

An adequate reserve fund for maintenance, repairs and replacement of those Common Elements that must be replaced on a periodic basis shall be established in the budget and must be funded by regular monthly payments as set forth in Section 3 below rather than by additional or lump sum assessments. At a minimum, the reserve fund shall be equal to ten (10%) percent of the Association's current annual budget on a non-cumulative basis. Since the minimum standard required by this Section may prove to be inadequate for this particular Condominium, the Association of Co-owners should carefully analyze the Condominium to determine if a greater amount should be set aside, or if additional reserve funds should be established for other purposes from time to time. The funds contained in such reserve fund should be used for major repairs and replacements of Common Elements.

Upon adoption of an 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 failure to deliver a copy of the budget to each Co-owner shall not affect the liability of any Co-owner for any existing or future assessments.

If the Board of Directors at any time determines, in its sole discretion that the assessments levied are or may prove to be insufficient:

- (1) to pay the costs of operation, management, maintenance, insurance and repair of the Condominium;
- (2) to provide replacements of existing Common Elements;
- (3) to provide additions to the Common Elements not exceeding Ten Thousand Dollars (\$10,000.00), in the aggregate, annually, 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 or special assessment or assessments without Co-owner approval as it shall deem to be necessary.

The Board of Directors shall also have the authority, without Co-owner consent, to levy assessments pursuant to the provisions of Article V, Section 4 hereof. The authority to levy assessments pursuant to this subsection is solely for the benefit of the Association and the members thereof and shall not be enforceable by any creditors of the Association or the members thereof except in the event that the Association may voluntarily and conditionally assign the right to levy assessments to any lender in connection with any voluntary loan transaction entered into by the Association.

(b) Special Assessments. Special assessments, other than additional assessments referenced in subsection (a) of this Section 2, 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 (and not repair or replacement of) the Common Elements of an aggregate cost exceeding Ten Thousand Dollars (\$10,000.00), per year;

(2) assessments to purchase a Unit upon foreclosure of the lien for assessments described in Section 5 hereof;

(3) assessments for any other appropriate purpose not elsewhere herein described.

Special assessments referred to in this subsection (but not including those assessments referred to in subsection 2(a) above which may be levied in the sole discretion of the Board of Directors) shall not be levied without the prior approval of more than sixty (60%) percent of all Co-owners in number and in value. The authority to levy assessments pursuant to this subsection is solely for the benefit of the Association and the members thereof and shall not be enforceable by any creditors of the Association or the members thereof except in the event that the Association may voluntarily and conditionally assign the right to levy assessments to any lender in connection with any voluntary loan transaction entered into by the Association.

Section 3. Apportionment of Assessments; Default in Payment. Unless otherwise provided herein, all assessments levied against the Co-owners to cover expenses of administration shall be apportioned among and paid by the Co-owners in accordance with the percentage of value allocated to each Unit in the Master Deed, without increase or decrease for the existence of any rights to the use of Limited Common Elements appurtenant to a Unit. Any unusual common expenses benefitting less than all of the Condominium Units, or any expenses incurred as a result of the conduct of less than all those entitled to occupy the Condominium Project or by their licensees or invitees may be assessed against the Condominium Unit or Units involved as may be determined by the Board of Directors in the exercise of its reasonable business judgment.

Annual assessments as determined in accordance with Article II, Section 2 (a) above (but not additional or special assessments which shall be payable as the Board of Directors elects) shall be payable by the Co-owners in twelve (12) equal monthly installments, commencing with acceptance of a Deed to, or a land contract purchaser's interest in, a Unit, or with the acquisition of fee simple title to a Unit by any other means. Monthly installments of the annual assessment are due on the first day of each month. 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. A late charge shall be assessed for any assessment in default paid more than ten (10) days after its due date. The late charge shall be in the amount of Twenty Dollars (\$20.00) or such other amount as may be determined by the Board of Directors from time to time. In the event the board establishes a new late charge amount, it shall give written notice to all members thirty (30) days before the new late charge rate shall become applicable. Such late charge shall not be deemed to be a penalty or interest upon the funds due to the Association but is intended to constitute a reasonable estimate of the administrative costs and other damages incurred by the Association in connection with the late payment of assessments. Assessments in default shall bear interest at the rate of seven (7%) percent per annum or such higher rate as may be allowed by law until paid in full. All payments shall be applied first against late charges, attorney fees, interest and costs and thereafter against assessments in order of oldest delinquency.

Each Co-owner (whether one or more persons) shall be and remain personally liable for the payment of all assessments (including late charges and costs of collection and enforcement of payment) pertinent to the Co-owner's Unit which may be levied while such Co-owner is the owner thereof. In addition to a Co-owner who is also a land contract seller, the land contract purchaser shall be personally liable for the payment of all assessments (including late charges and costs of collection and enforcement of payment) pertinent to the subject Condominium Unit which are levied up to and including the date upon which the land contract seller actually takes possession of the Unit following extinguishment of all rights of the land contract purchaser in the Unit.

Section 4. Waiver of Use or Abandonment of Unit; Uncompleted Repair Work. No Co-owner may exempt himself or herself from liability for contribution toward the expenses of administration by waiver of the use or enjoyment of any of the Common Elements, or by the abandonment of the Co-owner's Unit, or because of uncompleted repair work, or the failure of the Association to provide service.

Section 5. Enforcement. The Association may enforce collection of delinquent assessments by a suit at law for a money judgment or by foreclosure of the statutory lien that secures payment of assessments, or both in accordance with the Act. Pursuant to Section 139 of the Act, no Co-owner may assert in an answer or set-off to a complaint brought by the Association for nonpayment of assessments the fact that the Association or its agents have not provided services or management to the Co-owner.

Each Co-owner, and every other person who from time to time has any interest in the Condominium, shall be deemed to have granted to the Association the unqualified right to elect to foreclose such lien either by judicial action or by advertisement. 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 purpose of establishing the alternative procedures to be followed in lien foreclosure actions and the rights and obligations of the parties to such actions. Further, each Co-owner and every other person who from time to time has any interest in the Condominium, shall be deemed to have authorized and empowered the Association to sell or to cause the Unit to be sold with respect to which the assessment(s), is or are delinquent and to receive, hold and distribute the proceeds of such sale in accordance with the priorities established by applicable law. Each Co-owner of a Unit in the Condominium acknowledges that at the time of acquiring title to such Unit, the Co-owner was notified of the provisions of this Section and that the Co-owner 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. The Association, acting on behalf of all Co-owners, may bid in at the foreclosure sale, and acquire, hold, lease, mortgage or convey the Condominium Unit.

Notwithstanding the foregoing, a judicial foreclosure action shall not be commenced, nor shall any notice of foreclosure by advertisement be published, until the expiration of ten (10) days after mailing, by first class mail, postage prepaid, addressed to the delinquent Co-owner(s) at his/her or their last known address of a written notice that one or more installments of the annual assessment and/or a portion or all of an additional and/or a special assessment levied against the pertinent Unit is or are delinquent and that the Association may invoke any of its remedies hereunder if the default is not cured within ten (10) days after the date of mailing. Such written notice shall be accompanied by or in the form of 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 (exclusive of interest, costs, attorney fees and future assessments), (iv) the legal description of the subject Unit(s), and (v) the name(s) of the Co-owner(s) of record. The Affidavit may contain other information that the Association of Co-owners considers appropriate as per the Michigan Condominium Act including but not limited to the amount of any unpaid interest, costs, attorney fees, future assessments, court costs and/or unpaid monetary fines. Such Affidavit shall be recorded in the office of the Register of Deeds in Washtenaw County prior to commencement of any foreclosure proceeding, but it need not have been recorded as of the date of mailing to the Co-owner. If the delinquency is not cured within the ten (10) day period, the Association may take such remedial action as may be available to it hereunder or under Michigan law. In the event the Association elects to foreclose the lien by advertisement, the Association shall so notify the Co-owner and shall inform the Co-owner that he/she may request a judicial hearing by bringing suit against the Association.

The expenses incurred in collecting unpaid assessments, including interest, costs, actual attorney's fees (not limited to statutory fees), late charges, unpaid monetary fines and advances for taxes or other liens paid by the Association to protect its lien, shall be chargeable to the Co-owner in default including late charges and unpaid monetary fines, if any, and shall be secured by the lien on the Co-owner's Unit. In the event of default by any Co-owner in the payment of any installment of the annual assessment levied against the Co-owner's Unit, 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 the Co-owner's Unit, or any other obligation of a Co-owner which, according to these Bylaws, 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 applicable fiscal year (and for any future fiscal year in which said delinquency continues) and/or all unpaid portions or installments of the additional or special assessment, if applicable, immediately due and payable. The Association also may discontinue the furnishing of any utility or other services to a Co-owner in default upon seven (7) days written notice to such Co-owner of its intention to do so. A Co-owner in default shall not be entitled to utilize any of the General Common Elements of the Condominium, shall not be entitled to vote at any meeting of the Association, and shall not be entitled to run for election as a director or be appointed an officer of the Association so long as such default continues; provided, however, this provision shall not operate to deprive any Co-owner of ingress or egress to and from the Co-owner's Unit. 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 person claiming under such Co-owner as provided by the Act.

Section 6. Liability of Mortgagee. Notwithstanding any other provisions of the Condominium Documents, the holder of any first mortgage covering any Unit in the Condominium which acquires title to the Unit pursuant to the remedies provided in the mortgage and any purchaser at a foreclosure sale in regard to said first mortgage, shall take the property free of any claims for unpaid assessments or charges against the mortgaged Unit which accrue prior to the acquisition of title by such holder, purchaser or assignee (except for claims for a pro rata share of such assessments or charges resulting from a pro rata reallocation of such assessments or charges to all Units including the mortgaged Unit). If title is acquired via deed in lieu of

foreclosure, the grantee under such deed shall be fully liable to the Association for all amounts owed on the Unit.

Section 7. Property Taxes and Special Assessments. All property taxes and special assessments levied by any public taxing authority shall be assessed in accordance with Section 131 of the Act.

Section 8. Personal Property Tax Assessment of Association Property. 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 9. Construction Lien. A construction lien (mechanic's lien) otherwise arising under Act No. 497 of the Michigan Public Acts of 1980, as amended, shall be subject to the limitations set forth in Section 132 of the Act, including the following:

(a) A construction lien (mechanic's lien) for work performed upon a Condominium Unit or upon a Limited Common Element may attach only to the Condominium Unit upon which the work was performed.

(b) A construction lien (mechanic's lien) for work authorized by the Association of Co-owners may attach to each Condominium Unit only to the proportionate 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 (mechanic's lien) may not arise or attach to a Condominium Unit for work performed on the Common Elements not contracted by the Association of Co-owners.

Section 10. Statement as to Unpaid Assessments. Pursuant to the provisions of the Act, the purchaser of any Unit may request a statement from the Association as to the outstanding amount of any unpaid Association assessments, interest, late charges, fines, costs and attorney fees thereon and related collection costs. Upon written request to the Association, accompanied by a copy of the executed purchase agreement pursuant to which the purchaser holds the right to acquire the Unit, the Association shall provide a written statement of such unpaid assessments and related collection costs as may exist or a statement that none exist, which statement shall be binding upon the Association for the period stated therein. Upon the payment of that sum within the period stated, the Association's lien for assessments as to such Unit shall be deemed satisfied; provided, however, that the failure of a purchaser to request such statement at least five (5) days prior to the closing of the purchase of such Unit shall render any unpaid assessments together with interest, costs, and attorneys' fees incurred in the collection thereof, and the lien securing same fully enforceable against such purchaser and the Unit itself, to the extent provided by the Act. Under the Act, unpaid assessments constitute a lien upon the Unit and the proceeds of sale thereof prior to all claims except tax liens on the Condominium Unit in favor of any state or federal taxing authority and first mortgages of record. The Association may charge such reasonable amounts for preparation of such a statement as it may from time to time determine.

ARTICLE III

ARBITRATION

Section 1. Scope and Election. Disputes, claims or grievances arising out of or relating to the interpretation or the application of the Condominium Documents, or any disputes, claims or grievances arising among or between Co-owners, or between a Co-owner or Co-owners and the Association shall, upon the election and written consent of both of the parties to any such disputes, claims or grievances, and written notice to the Association, if applicable, be submitted to arbitration and the parties thereto shall accept the arbitrators' decision as final and binding; provided that no question affecting the claim of title of any person to any fee or life estate in real estate is involved. The Commercial Arbitration Rules of the American Arbitration Association as amended and in effect from time to time hereafter shall be applicable to any such arbitration. Any agreement to arbitrate pursuant to the provisions of this Article III, Section 1 shall include an agreement between the parties that the judgment of any United States Court or Circuit Court of the State of Michigan may be rendered upon any award rendered pursuant to such arbitration.

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

Section 3. Election of Remedies. Election by the parties to submit such disputes, claims or grievances to arbitration shall preclude them from litigating such disputes, claims or grievances in the Courts.

ARTICLE IV

INSURANCE

Section 1. Extent of Coverage. The Association shall carry fire and extended coverage, vandalism and malicious mischief and liability insurance, and workmen's compensation insurance, if applicable, pertinent to the ownership, use and maintenance of the Common Elements and certain other portions of the Condominium Project as set forth below, and such insurance, other than title insurance, shall be carried and administered in accordance with the following provisions:

(a) **Responsibilities of Co-owners and Association.** All such insurance shall be purchased by the Association for the benefit of the Association, and the Co-owners and their mortgagees, as their interests may appear, and provisions shall be made for the issuance of certificates of mortgagee endorsements to the mortgagees of Co-owners. Each Co-owner shall obtain insurance coverage at his or her own expense upon his or her Unit. It shall be each Co-owner's responsibility to determine by personal investigation or from his or her own insurance advisors the nature and extent of insurance coverage adequate to his or her needs and thereafter to obtain insurance coverage for his or her personal property and any additional fixtures, equipment and trim (as referred to in subsection (b) below) located within his or her Unit or elsewhere on the Condominium and for his or her personal liability for

occurrences within his or her Unit or upon Limited Common Elements appurtenant to his or her Unit, and also for alternative living expense in event of a casualty, and the Association shall have absolutely no responsibility for obtaining such coverages. The Association, as to all policies which it obtains, and all Co-owners, as to all policies which they obtain, shall use their best efforts to see that all property and liability insurance carried by the Association or any Co-owner shall contain appropriate provisions whereby the insurer waives its right to subrogation as to any claims against any Co-owner or the Association. Such waiver of the right to subrogation shall not be deemed to exclude a Co-owner from any responsibility for costs incurred and not covered on account of the Association's insurance deductible.

(b) **Insurance of Common Elements and Fixtures.** All Common Elements of the Condominium Project for which the Association has been assigned the duty to maintain, repair and replace pursuant to Article IV of the Master Deed, as amended, shall be insured against fire and other perils covered by a standard extended coverage endorsement, in an amount equal to the current insurable replacement value, excluding foundation and excavation costs, as determined annually by the Association in consultation with the Association's insurance carrier and/or its representatives in light of commonly employed methods for the reasonable determination of replacement costs. Such coverage shall be effected upon an agreed-amount basis for the entire Condominium Project with appropriate inflation riders in order that no co-insurance provisions shall be invoked by the insurance carrier in a manner that will cause loss payments to be reduced below the actual amount of any loss (except in the unlikely event of total project destruction if the insurance proceeds failed, for some reason, to be equal to the total costs of replacement). The Association may elect to carry a deductible on its policy of insurance in an amount reasonably consistent with prevailing practices in local condominium communities. All information in the Association's records regarding insurance coverage shall be made available to all Co-owners upon request and reasonable notice during normal business hours so that Co-owners shall be enabled to judge the adequacy of coverage. The Association shall notify all Co-owners of the nature and extent of all changes in coverage. It shall be each Co-owner's responsibility to obtain insurance coverage for the interior of the Unit (everything including drywall, window, floor and wall coverings), personal property located within a Unit or elsewhere in the Condominium, fixtures, equipment and trim within or serving a Unit, as well as for improvements and betterments to the Unit. Such coverage shall also include interior walls within any Unit. It shall be each Co-owner's responsibility to determine the necessity for and to obtain insurance coverage for all fixtures, equipment, trim and other items or attachments within the Unit or any Limited Common Elements appurtenant for which the Co-owner has the responsibility for maintenance, repair and replacement per Article IV, C of the Master Deed, as amended, whether installed originally by the Developer or subsequently by the Co-owner and the Association shall have no responsibility whatsoever for obtaining such coverage unless agreed to specifically and separately between the Association and the Co-owner in writing.

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

(d) **Proceeds of Insurance Policies.** Proceeds of all insurance policies owned by the Association shall be received by the Association, held in a separate account and distributed to the Association, and the Co-owners and their mortgagees, as their interests may appear; provided, however, whenever repair or reconstruction of the Condominium shall be required as provided in Article IV of these Bylaws, the proceeds of any insurance received by the Association as a result of any loss requiring repair or reconstruction shall be applied for such repair or reconstruction.

(e) **Determination of Primary Carrier.** It is understood that there may be overlapping coverage between Co-owners' policies and those of the Association as required to be carried pursuant to this Article. In situations where both coverage/policies are applicable to given loss, the provisions of this subsection shall control in determining the primary carrier. In cases of property damage to the Unit and its contents, Limited Common Element or other element of property for which the Co-Owner is assigned responsibility for maintenance, repair and replacement pursuant to the provisions of Article IV of the Master Deed, as amended, (including improvements and betterments) or incidental or consequential damages to any other unit resulting from an item, element or occurrence for which Co-Owner is assigned responsibility in Article IV of the Master Deed, as amended, the Co-Owner's policy/carrier shall be deemed to be primary carrier. In cases of property damage to the General Common Elements or Limited Common Elements for which the Association is assigned responsibility for maintenance, repair and replacement pursuant to the provisions of Article IV of the Master Deed, as amended, the Association's policy/carrier shall be deemed to be the primary carrier. In cases of liability for personal injury or otherwise, for occurrence in/on the Unit or in/upon a Limited Common Element for which Co-Owner is assigned responsibility for maintenance, repair and replacement pursuant to the provisions of Article IV of the Master Deed, as amended, (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 Unit or in/upon a Limited Common Element for which Association is assigned responsibility for maintenance, repair and replacement pursuant to provisions of Article IV of the Master Deed, as amended, (including improvements and betterments), the Association's policy/carrier shall be deemed to be the primary carrier. In all cases, if the Association policy/carrier contributes to payment of loss, the Association's liability to the Co-owner shall be limited to the amount of 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 purposes of covering losses where 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 of subrogation against the Association or its carrier.

Section 2. Authority of Association to Settle Insurance Claims. Each Co-owner, by ownership of a Unit in the Condominium Project, shall be deemed to appoint the Association as his or her true and lawful attorney-in-fact to act in connection with all matters concerning the maintenance of fire and extended coverage, vandalism and malicious mischief, liability insurance and workmen's compensation insurance, if applicable, pertinent to the Condominium Project, his or her 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 the 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-owner and respective mortgagees, as their interests may appear (subject always to the Condominium Documents), to execute releases of liability and to execute all documents and to do all things on behalf of such Co-owner and the Condominium as shall be necessary or convenient to the accomplishment of the foregoing.

ARTICLE V

RECONSTRUCTION OR REPAIR IN THE EVENT OF A CASUALTY

Section 1. Determination to Reconstruct or Repair. If any part of the Condominium premises shall be damaged, the determination of whether or not it shall be constructed or repaired shall be made in the following manner:

(a) **Partial Damage.** If the damaged property is a Common Element or a Unit, the property shall be rebuilt or repaired if any Unit in the Condominium is tenantable, unless it is determined by an affirmative vote of eighty (80) percent of the Co-owners in the Condominium that the Condominium shall be terminated.

(b) **Total Destruction.** If the Condominium is so damaged that no Unit is tenantable, the damaged property shall not be rebuilt and the Condominium shall be terminated unless eighty (80) percent or more of the Co-owners agree to reconstruction by vote or in writing within ninety (90) days after the destruction.

Section 2. Repair in Accordance with Plans and Specifications. 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. Co-owner Responsibility for Repair. Each Co-owner shall be responsible for the reconstruction, repair, maintenance, replacement and decoration of the interior of the Co-owner's Unit, including all finished flooring and floor coverings, all interior walls, wall coverings, interior trim and, including, without limitation the following items:

(a) All appliances within the Unit and supporting hardware, including, but not limited to, the water heater, humidifier, air cleaner, water softener, water filter, garage door opener, internal unit plumbing, sump pumps, dishwasher, refrigerator, stove, oven, microwave, vent fans, garbage disposal, furnace and heating equipment, air conditioning unit and pad, air ducts, smoke detectors, washer and dryer, natural gas meter and gas lines within a Unit and other items servicing a Unit that are not General Common Elements, whether or not they are within the Unit they service.

(b) All doors, including storm doors, and all interior doors and related hardware within the individual Unit. Windows including glass, screens and window frames.

(c) All electrical fixtures and appliances within the individual Unit, including, but not limited to, electric meter and wiring within the Unit including doorbell systems, lighting fixtures, switches, outlets, antenna outlets and circuit breakers.

(d) All plumbing fixtures including water meter and pipes within units, toilets, tubs, shower pans, shower stalls, shower enclosures, tub and shower caulking, faucets, shut-off valves, rings, seals and washers.

(e) All cabinets and shelves, counters, sinks and related hardware, and tile and wood, either floor or wall.

(f) All improvements and decorations including, but not limited to, paint, wallpaper, paneling, carpeting, linoleum and trim.

(g) Individual Unit drain lines located within the Unit perimeter walls (foundation); however, in the event a drain line services more than one Unit, then in that event, the Association will be responsible for its reconstruction, repair, maintenance and replacement.

(h) All other items not specifically enumerated above which may be located within the individual Unit's perimeter walls.

In the event that damage to interior walls within a Co-owner's Unit, or to pipes, wire, conduits, ducts or other Common Elements therein, or to any fixtures, equipment and trim which are standard items within a Unit is covered by insurance held by the Association, then the reconstruction or repair shall be the responsibility of the Association in accordance with Section 4 of this Article V provided however that the portion of the expense incurred but not recovered by virtue of any insurance deductible shall be the Co-owner's obligation. If any other interior portion of a Unit is covered by insurance held by the Association for the benefit of the Co-owner, the Co-owner shall be entitled to receive the proceeds of insurance relative thereto and if there is a mortgage endorsement, the proceeds shall be payable to the Co-owner and the mortgagee jointly. In the event damage to a Co-owner's Unit is covered by insurance held by the Association for the benefit of the Co-owner, the Co-owner shall begin reconstruction or repair of the damage upon receipt of the insurance proceeds from the Association. In the event of substantial damage to or destruction of any Unit or any part of the Common Elements, the Association promptly shall so notify each institutional holder of a first mortgage lien on any of the Units in the Condominium.

Section 4. Association Responsibility for Repair. The Association shall be responsible for reconstruction, repair and maintenance of the Common Elements as provided in the Master Deed. Immediately after a casualty causing damage to property for which the Association has the responsibility of maintenance, repair or reconstruction, the Association shall obtain reliable and detailed estimates of the cost to place 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 the Co-

owners who are responsible for the costs of reconstruction or repair of the damaged property (as provided in the Master Deed) in sufficient amounts to provide funds to pay the estimated or actual costs of repair. This Article shall not be construed to require replacement of mature trees or vegetation with equivalent trees or vegetation.

Section 5. Timely Reconstruction and Repair. The Association or Co-owner responsible for the reconstruction, repair and/or maintenance shall proceed with and complete reconstruction, repair, maintenance or replacement of the damaged property without delay.

Section 6. Eminent Domain. Section 133 of the Act and the following provisions shall control upon any taking by eminent domain.

(a) **Taking of Entire Unit.** In the event of any taking of an entire Unit by eminent domain, the award for such taking shall be paid to the Co-owner of such Unit and the mortgagee thereof, as their interests may appear. After acceptance of such award by the owner and his/her mortgagee, they shall be divested of all interest in the Condominium. In the event that any condemnation award shall become payable to any Co-owner whose Unit is not wholly taken by eminent domain, then such award shall be paid by the condemning authority to the Co-owner and his/her mortgagee, as their interests may appear.

(b) **Taking of Common Elements.** If there is any taking of any portion of the Condominium other than any Unit, the condemnation proceeds relative to such taking shall be paid to the Co-owners and their mortgagees in proportion to their respective interests in the Common Elements and the affirmative vote of more than fifty (50%) percent of all of the Co-owners in number and in value shall determine whether to rebuild, repair or replace the portion so taken or to take such other action as they deem appropriate.

(c) **Continuation of Condominium After Taking.** In the event the Condominium continues after taking by eminent domain, then the remaining portion of the Condominium shall be resurveyed and the Master Deed amended accordingly, and, if any Unit shall have been taken, then Article V of the Master Deed shall also be amended to reflect such taking and to proportionately readjust the percentages of value of the remaining Co-owners based upon the continuing value of the Condominium of one hundred (100%) percent. A Condominium Unit partially taken shall receive a reallocated percentage of value based pro rata on the percentage taken. Such amendment may be effected by an officer of the Association duly authorized by the Board of Directors without the necessity of execution or specific approval thereof by any Co-owner, but only with the prior written notice to all holders of first mortgage liens on individual Units in the Condominium.

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

Section 7. Mortgages Held By FHLMC; Other Institutional Holders. In the event any mortgage in the Condominium is held by the Federal Home Loan Mortgage Corporation ("FHLMC") then, upon request therefor by FHLMC, the Association shall give it written notice at such address as it may, from time to time,

direct of any loss to or taking of the Common Elements of the Condominium if the loss or taking exceeds \$10,000.00 in amount or if damage to a Condominium Unit covered by a mortgage purchased in whole or in part by FHLMC exceeds \$10,000.00. The Association shall provide such other reasonable notice as may be required, from time to time, by other institutional holders of mortgages upon Units.

Section 8. Priority of Mortgagee Interests. 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. Residential Use. No Unit shall be used for any commercial, manufacturing, industrial or business purposes that create any nuisances or liability exposures, such as, but not limited to, customer/client/patient visits, noise, traffic or parking congestion, odors, vibrations or anything else that might detract from the peaceful and residential character of Bridgetown. Subject to the foregoing and all other applicable restrictions, home offices are not necessarily forbidden. Timesharing and interval ownership are prohibited. The maximum number of occupants shall be as may be restricted by the ordinances of the City of Chelsea.

Section 2. Leasing and Rental.

(a) **Notice Requirement; Minimum Allowable Terms.** A Co-owner desiring to rent or lease a Condominium Unit, shall disclose that fact in writing at least twenty-one (21) days before leasing the Condominium Unit and shall supply the Association with a copy of the exact lease form for its review for its compliance with the Condominium Documents. No such lease shall be for a term of less than one (1) year without the prior written approval of the Board of Directors. Only entire units may be rented or leased. All leases shall prominently recite that the tenant is acknowledging receipt of all Condominium Documents and agrees to comply with same. No Condominium Unit shall be occupied as a rental unit except via written lease which has been approved in writing by the Board of Directors in advance of the tenant's occupancy.

(b) **Mandatory Initial Residency Requirement; Cap On Allowable Rentals.** No Co-owner shall be permitted to rent or lease a Unit until they have continuously resided in such Unit for at least one (1) year, except that this restriction shall not be applicable to the interests of the Federal Housing Association (FHA) or any other lender or underwriter affected by FHA Mortgage Regulations. No Unit may be rented if the resulting number of units being rented at that time would exceed 3 units in the Condominium.

(c) **Compliance with Leasing Requirements.** The Board of Directors shall not approve any proposed rental or lease if:

- (i) The Lessor failed to provide the Board of Directors with an exact copy of the proposed lease at least twenty-one (21) calendar days in advance of the commencement date of the lease; and/or
- (ii) The proposed lease fails to prominently state that all occupants of the unit shall comply with all provisions of the condominium documents (Master Deed, Condominium Bylaws and Rules & Regulations).

(d) **Grandfathering Provision for Leasing Requirements.** Any Co-owner whose unit was subject to a Board approved rental or leasing agreement at the time that these Bylaws are adopted shall be exempt from application of the provisions of Article VI, Section 2 (b) to that unit for as long as that Co-owner maintains ownership of the unit. The exemption for that unit shall expire upon the first sale or transfer of the unit.

(e) **Rental Unit Defined.** A unit shall be deemed to be a "rental unit" for purposes of these restrictions if there is no owner of public record in occupancy.

(f) **Board's Authority to Allow Temporary Leasing.** If the proposed rental would result in more than 3 units being rental units, the Board of Directors may approve the temporary leasing or rental of the proposed condominium unit for a period of time not to exceed one year if one of the following circumstances is documented in a written request submitted to the Board of Directors:

- (i.) the Co-owner needs to relocate because of a job transfer more than fifty miles from the current job location;
- (ii.) the Co-owner has died and the Co-owner's personal representative or trustee desires to lease or rent the unit during the administration of the estate or trust of the deceased Co-owner;
- (iii.) the Co-owner has been called to active duty in the armed forces of the United States;
- (iv.) the Co-owner has been transferred to an extended care medical facility; or
- (v.) other objectively verifiable hardships related to the health of the Co-owner.

(g) **Violation of Condominium Documents by Tenants or Non-Co-owner Occupants.** If the Association determines that the tenant or non-Co-owner occupant has failed to comply with the conditions of the Condominium Documents, the Association shall take the following action:

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

- (iii) If after fifteen (15) days the Association believes that the alleged breach is not cured or may be repeated, it may institute on its own behalf an action for eviction against the tenant or non-Co-owner occupant and simultaneously for money damages in the same action against the Co-owner and tenant or non-Co-owner occupant for breach of the conditions of the Condominium Documents. The relief set forth in this subsection may be by summary proceedings. The Association may hold both the tenant or non-Co-owner occupant and the Co-owner liable for any damages caused by the Co-owner or tenant or non-Co-owner occupant in connection with the Condominium Unit or the Condominium and for actual legal fees incurred by the Association in connection with legal proceedings hereunder.

(h) **Arrearage in Condominium Assessments.** When a Co-owner is in arrears to the Association for assessments, the Association may give written notice of the arrearage to a tenant occupying a Co-owner's Condominium Unit under a lease or rental agreement and the tenant, after receiving the notice, shall deduct from rental payments due the Co-owner the arrearage and future assessments as they fall due and pay them to the Association. The deductions shall not be a breach of the rental agreement or lease by the tenant. The form of lease used by any Co-owner shall explicitly contain the foregoing provisions. Pursuant to the Michigan Condominium Act, if the tenant, after being notified, fails or refuses to remit rent otherwise due the Co-owner to the Association of Co-owners, then the Association of Co-owners may do the following:

- (i) issue a statutory notice to quit for nonpayment of rent to the tenant and shall have the right to enforce that notice by summary proceeding.
- (ii) initiate proceedings pursuant to MCL 559.212(4)(b).

Section 3. Alterations and Modifications of Units and Common Elements. No Co-owner shall make alterations in exterior appearance or make structural modifications to the Co-owner's Unit (including interior walls through or in which there exist easements for support or utilities) or make changes in any of the Common Elements, Limited or General, without the advance express written approval of the Board of Directors (which approval shall be in recordable form), including, but not by way of limitation, exterior painting or the erection of antennas, lights, aerials, awnings, doors, shutters, newspaper holders, mailboxes, basketball backboards or other exterior attachments or modifications, nor shall any Co-owner damage or make modifications or attachments to walls between Units which in any way impair sound conditioning. Over the air reception devices including but not limited to satellite dish antennas shall not be attached or installed upon any General Common Element roof; such devices shall not be attached or installed upon any other General Common Element without the advance written permission of the Board of Directors. Over the air reception devices such as satellite dish antennas may be installed within Units or Limited Common Elements in accordance with the rules and regulations of the Federal Communications Commission and the rules and regulations and policies of the Association. No attachment, appliance or other item may be installed which is designed to kill or repel insects or other animals by light or humanly audible sound.

The foregoing is subject to the applicable provisions of the United States Fair Housing Act and the Michigan Condominium Act governing improvements or modifications if the purpose of the improvement or modification is to facilitate access to or movement within the Unit for persons with disabilities under the circumstances provided for in the Act at MCL 559.147 a, as amended from time to time.

The Co-owner shall be responsible for all costs of installation of all modifications or improvements. The Co-owner shall be responsible for the insurance, maintenance and repair of any such modification or improvement. In the event that the Co-owner fails to maintain and/or repair said modification or improvement to the satisfaction of the Association, the Association may undertake to maintain and/or repair same and assess the Co-owner the costs thereof and collect same from the Co-owner in the same manner as provided for the collection of assessments in Article II hereof. The Co-owner shall indemnify and hold the Association harmless from and against any and all costs, damages, and liabilities incurred in regard to said modification and/or improvement.

No Co-owner shall in any way restrict access to any plumbing, water line, water line valves, water meter, sprinkler system valves 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, including, but not limited to, patios and finished basements of any nature that restrict such access and will have no responsibility for repairing 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.

Section 4. Activities. No unlawful or nuisance activity shall be carried on in any Unit or upon the Common Elements, Limited or General, nor shall anything be done which may be or become an annoyance or a nuisance to the Co-owners of the Condominium. No unreasonably noisy activity shall be carried on in or on the Common Elements or in any Unit at any time. No Co-owner shall do or permit anything to be done or keep or permit to be kept in the Co-owner's Unit or on the Common Elements anything that will increase the rate of insurance on the Condominium without the written approval of the Association, and each Co-owner shall pay to the Association the increased cost of insurance premiums resulting from any such activity or the maintenance of any such condition even if approved. Activities which are deemed offensive and are expressly prohibited include, but are not limited to, the following: the use of fireworks, firearms, air rifles, pellet guns, b-b guns, bows and arrows, or other similar dangerous weapons, projectiles or devices.

Section 5. Pets/Animals. No animal, except up to two (2) dogs or up to two (2) cats, or one of each shall be kept or be brought on to the Condominium Premises by any person unless specifically approved in writing by the Board of Directors or otherwise allowed for persons with disabilities pursuant to the United States Fair Housing Act or applicable Michigan law. No animal may be kept or bred for any commercial purpose. 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 may be permitted to run loose at any time upon the Common Elements and all animals shall at all times be leashed and attended by some responsible person while on the Common Elements, Limited or General. The Board of Directors may, in its discretion, designate certain portions of the General Common Elements of the Project wherein such animals may be walked and/or exercised. Nothing herein contained shall be construed to require the Board of Directors to so designate a portion of the General Common Elements for the walking and/or exercising of animals.

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 (including costs and attorney fees) which the Association may sustain as a result of the presence of such animal on the premises, whether or not the Board has given its permission therefor, and the Association may assess and collect from the responsible Co-owner such losses and/or damages in the manner

provided in Article II hereof. The Board of Directors is authorized to enact Rules and Regulations restricting reptiles or certain breeds of animals from being kept on the condominium premises.

Each Co-owner shall be responsible for the immediate collection and disposition of all fecal matter deposited by any pet maintained by such Co-owner. No animal which can be heard on any frequent or continuing basis shall be kept in any Unit or on the Common Elements. 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 Bylaws in the event that the Association determines such assessment necessary to defray the maintenance cost to the Association of accommodating animals within the Condominium. The Association shall have the right to require that any pets be registered with it and may adopt such additional reasonable rules and regulations with respect to animals as it may deem proper.

The Association may also assess fines for such violation of the restrictions imposed by this Section or by any applicable rules and regulations of the Association. Small animals which are constantly caged such as small birds or fish shall not be subject to the foregoing restrictions.

Section 6. Aesthetics. The Common Elements, Limited or General, shall not be used for storage of supplies, materials, personal property or trash or refuse of any kind, except as provided in the rules and regulations and policies of the Association. No unsightly condition shall be maintained on any patio or porch. Trash receptacles shall be kept inside the Units or garages until dusk of the day preceding collection and shall be returned inside on the day of collection. Co-owners shall be responsible to clean up any garbage or trash which escapes their trash receptacles for any reason including but not limited to animals opening receptacles or removing items therefrom. The Common Elements shall not be used in any way for the drying, shaking or airing of clothing or other fabrics. In general, no activity shall be carried on nor condition maintained by any Co-owner either in the Co-owner's Unit or upon the Common Elements, which is detrimental to the appearance of the Condominium.

Section 7. Utilization of Common Elements. Sidewalks, 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 or other objects may be left unattended on or about the Common Elements except as provided in the rules and regulations and policies of the Association. Use of any recreational facilities or other amenities in the Condominium may be limited to such times and in such manner as the Association shall determine by duly adopted regulations; provided, however, that use of any amenities in the Condominium shall be limited to resident Co-owners who are members in good standing of the Association and to the tenants, land contract purchasers and/or other non-Co-owner occupants of Condominium Units in which the Co-owner does not reside and/or such guests as may be permitted by the rules and regulations made by the Association; provided, further, however, that the nonresident Co-owners of such Condominium Units are members in good standing of the Association.

Section 8. Vehicles. No mopeds, motorcycles, house trailers, recreational vehicles, or similar vehicles, such as club wagons, commercial vehicles, boat trailers, boats, camping vehicles, camping trailers, mobile homes, dune buggies, motor homes, all terrain vehicles, snowmobiles, snowmobile trailers or vehicles other than automobiles, sport utility vehicles and pickup trucks may be parked upon the premises of the Condominium, unless specifically approved by the Board of Directors or parked within the Co-owner's garage. Nothing herein contained shall be construed to require the Board to approve the parking of such vehicles as are described in the first sentence of this Section or to designate an area therefor. The Association shall not be

responsible for any damages, costs, or other liability arising from any failure to approve the parking of such vehicles or to designate an area therefor.

No co-owner or resident shall be permitted to keep more than three (3) vehicles without the advance written permission of the Board of Directors. Due to the limited availability of parking spaces in Bridgetown, residents' vehicles are first to be parked in each Unit's garage and second on each Unit's driveway with only one vehicle per Unit parked in the street at any time. Visitors may park on the street as may be reasonably necessary. Commercial vehicles and trucks shall not be parked in or about the Condominium (except as above provided) unless while making deliveries or pick-ups in the normal course of business. For purposes of this Section, the term "commercial vehicle" means any vehicle that has any one of the following characteristics: (a) more than two axles; (b) gross vehicle weight rating in excess of 10,000 pounds; or (c) visibly equipped with or carrying equipment or materials used in a business.

Non-operational vehicles, and vehicles with expired license plates shall not be parked or stored on the Condominium Premises without the written permission of the Board of Directors. Vehicles which detract from the appearance of the Condominium shall not be parked or stored on the Condominium Premises. Non-emergency maintenance or repair of motor vehicles shall not be permitted on the Condominium Premises unless specifically approved by the Board of Directors. The Association may assign General Common Element parking spaces for the use of the Co-owners of a particular Unit or Units in an equitable manner.

The Association may cause vehicles parked or stored in violation of this Section or of any applicable rules and regulations of the Association to be removed from the Condominium Premises and the cost of such removal may be assessed to, and collected from, the Co-owner of the Unit responsible for the presence of the vehicle in the manner provided in Article II hereof. Co-owners shall, if the Association shall require, register with the Association all vehicles maintained on the Condominium Premises. The Board of Directors may make reasonable rules and regulations governing the parking of vehicles in the Condominium consistent with the provisions hereof. If the Board of Directors deems it necessary to alleviate any parking shortage arising from residents having more than two vehicles, the Board shall have the authority to establish rules to regulate parking.

Section 9. Signs, Advertising. No signs shall be displayed which are visible from the exterior of a Unit or on the Common Elements at any time for any reason without advance written approval of the Board of Directors except that a co-owner may display one "For Sale" sign up to two (2) feet by three (3) feet in size adjacent to their Unit. All other signs including not limited to, "Open" signs, "Garage Sale" signs and political signs are prohibited unless approved in advance, in writing, by the Board of Directors. No advertising devices shall be displayed which are visible from the exterior of a Unit or on the Common Elements at any time without the advance written permission of the Board of Directors.

Section 10. Rules/Regulations. Reasonable rules and regulations consistent with the Act, the Master Deed and these Bylaws, concerning the use of the Condominium may be made and amended from time to time by the 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 (50%) percent of all Co-owners in number and in value.

Section 11. Right of Access of Association. The Association or its duly authorized agents shall have access to each Unit and any Limited Common Elements appurtenant thereto from time to time, during

reasonable working hours, upon notice to the Co-owner thereof, as may be necessary for the maintenance, repair or replacement of any of the Common Elements. The Association or its agents shall also have access to each Unit and any Limited Common Elements appurtenant thereto at all times without notice as may be necessary to make emergency repairs to prevent damage to the Common Elements or to another Unit and/or to protect the safety and/or welfare of the inhabitants of the Condominium.

It shall be the responsibility of each Co-owner to provide the Association means of access to the Co-owner's Unit and any Limited Common Elements appurtenant thereto during all periods of absence and in the event of the failure of such Co-owner to provide means of access, the Association may gain access in such manner as may be reasonable under the circumstances and shall not be liable to such Co-owner for any necessary damage to the Co-owner's Unit and any Limited Common Elements appurtenant thereto caused thereby or for repair or replacement of any doors or windows damaged in gaining such access. In the event that it is necessary for the Association to gain access to a Unit to make repairs to prevent damage to the Common Elements or to another Unit or to protect the safety and welfare of the inhabitants of the Condominium, the costs, expenses, damages, and/or attorney fees incurred by the Association in such undertaking shall be assessed to the responsible Co-owner and collected in the same manner as provided in Article II of these Bylaws, including all damages resulting from any Co-owner or their tenants, family, occupants, invitees or contractor's failure or delay in providing access to the Association. The Association shall have no liability for damages to Co-owner alterations, betterments, improvements or customizations resulting from the Association's efforts to gain access to any common element nor shall the Association be held liable for the expenses of the removal or replacements of any such obstructions.

Section 12. Landscaping. No Co-owner shall perform any landscaping or plant any trees, shrubs or flowers or place any ornamental materials upon the Common Elements unless approved by the Association in writing. Any such approved landscaping performed by the Co-owner and any such trees, shrubs, or flowers planted by the Co-owner shall be performed and/or planted, as the case may be, in a manner consistent with the landscaping in other portions of the Condominium Premises. The Co-owner shall be responsible for the maintenance of any such approved landscaping performed by a Co-owner and any such trees, shrubs, or flowers planted by the Co-owner. In the event that such Co-owner fails to adequately maintain such landscaping performed by the Co-owner and any such trees, shrubs, or flowers planted by the Co-owner to the satisfaction of the Association, the Association shall have the right to perform such maintenance and assess and collect from the Co-owner the cost thereof in the manner provided in Article II hereof. The Co-owner shall also be liable for any damages to the Common Elements arising from the performance of such landscaping or the planting of such trees, shrubs, or flowers, or the continued maintenance thereof. Fences, hedges and walls shall not be constructed or placed on the common elements.

Section 13. Co-owner Maintenance. Each Co-owner shall maintain his/her Unit and any Limited Common Elements appurtenant thereto for which he/she has maintenance responsibility in a safe, clean and sanitary condition. Each Co-owner shall have the following duties and shall be fully liable for any and all expenses or damages which may result from any failure to perform any of these duties:

- (a) maintain his/her Unit and any Limited Common Elements appurtenant thereto for which he/she has maintenance responsibility in a safe, clean and sanitary condition, including but not limited to caulking tubs and shower enclosures, grouting all tile work, replacing any leaking fixture and appliance.

(b) use due care to avoid damaging any of the Common Elements, other Units or their appurtenances, contents and improvements including, but not limited to, the telephone, water, plumbing, electrical or other utility conduits and systems and any other elements in any Unit which are appurtenant to or which may affect any other Unit.

(c) maintain heat inside his/her Unit so as to prevent pipes from freezing.

(d) winterize (close water valves, shut off ice-makers) his/her Unit during all periods of absence when freezing temperatures may reasonably be anticipated.

(e) cause his/her Unit to be timely monitored during all periods of absence to assure that all windows and doors are securely closed and locked, no water is escaping from any pipe or fixture or appliance and to assure that adequate heat is being maintained.

(f) promptly report to the Association any Common Element which has been damaged or which is otherwise in need of maintenance, repair or replacement and any other circumstances which if not promptly reported and attended to, could result in loss or damage to any Common Element or any Unit.

(g) adequately insure his/her Unit in accordance with Article IV.

Each Co-owner shall be responsible for damages or costs to the Association, or to other Co-owners, as the case may be, resulting from negligent damage to or misuse of any of the Common Elements by the Co-owner, or his/her family, guests, tenants, land contract purchasers, 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 full reimbursement to the Association is excluded by virtue of a deductible provision, in which case the responsible Co-owner shall bear the expense to the extent of the deductible amount). Any costs or damages to the Association or to other Co-owners, as the case may be, may be assessed to and collected from the responsible Co-owner in the manner provided in Article II hereof. The Co-owners shall have the responsibility to report to the Association any Common Element in or about their Unit which has been damaged or which is otherwise in need of maintenance, repair or replacement and any other circumstances which if not promptly reported and attended to, could result in loss or damage to any Common Element. All damages resulting from the failure of the Co-owner to report any of the foregoing items may be assessed to and collected from the responsible Co-owner in the manner provided in Article II hereof. Each Co-owner shall have these responsibilities and liabilities regardless of whether they occupy the Unit or the Unit is occupied by their tenant, guest, etc.

Section 14. Assessment of Costs of Enforcement. Any and all costs, damages, expenses and/or attorney fees incurred by the Association in enforcing any of the restrictions set forth in this Article VI and/or rules and regulations made by the Board of Directors of the Association under Article VI, Section 10 of these Bylaws, and any expenses incurred as a result of the conduct of less than all those entitled to occupy the Condominium Project, or by their licensees or invitees, may be assessed to and collected from the responsible Co-owner in the manner provided in Article II hereof.

ARTICLE VII

MORTGAGES

Section 1. Notice to Association. Any Co-owner who mortgages his/her Unit shall notify the Association of the name and address of the mortgagee. The Association may report any unpaid assessments due from the Co-owner of such Unit to the holder of any first mortgage covering such Unit upon request. The Association may also give to the holder of any first mortgage covering any Unit in the Condominium written notification of any other default in the performance of the obligations of the Co-owner of such Unit that is not cured within sixty (60) days.

Section 2. Insurance. Upon written request from a mortgagee of a Unit, the Association shall provide the name of each company insuring the Condominium against fire, perils covered by extended coverage, and vandalism and malicious mischief and the amounts of such coverage.

Section 3. Notification of Meetings. Upon 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 notification of every meeting of the members of the Association and to designate a representative to attend such meeting.

ARTICLE VIII

VOTING

Section 1. Vote. Except as limited in these Bylaws, each Co-owner shall be entitled to one (1) vote for each Unit owned by such Co-owner.

Section 2. Eligibility to Vote. No Co-owner shall be entitled to vote at any meeting of the Association until he/she has presented a deed or other evidence of ownership of a Unit in the Condominium to the Association. Land contract vendees shall be recognized as owners unless the vendor provides the Association with a copy of the land contract expressly reserving voting privileges to the vendor. The vote of each Co-owner may be cast only by the individual representative designated by such Co-owner in the notice required in Section 3 of this Article VIII below or by a proxy given by such individual representative. No Co-owner who is in default of a duty to pay any sum to the Association shall be entitled to vote until such default is cured.

Section 3. Designation of Voting Representative. Each Co-owner shall file a written notice with the Association designating the individual representative who shall vote at meetings of the Association and receive all notices and other communications from the Association on behalf of such Co-owner. Such notice shall state the name, address and telephone number of the individual representative designated, the number or numbers of the Condominium Unit or Units owned by the Co-owner, and the name, address and telephone number 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.

Section 4. Quorum. The presence in person or by proxy of thirty-five (35%) percent 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 provided herein to require a greater quorum. The written ballot 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 ballot is cast.

Section 5. Voting. Votes may be cast in person or by proxy or by a written ballot duly signed by the designated voting representative not present at a given meeting in person or by proxy. Proxies and any ballots must be filed with the Secretary of the Association, or such other person as the Association shall designate, at or before the appointed time of each meeting of the members of the Association and may be filed in person, by first class mail or email. Cumulative voting shall not be permitted. Participation by remote access at meetings of members of the Association is not permitted.

Section 6. Majority. A majority, except where otherwise provided herein, shall consist of more than fifty (50%) percent in value of those qualified to vote and present in person or by proxy (or written vote, if applicable) at a given meeting of the members of the Association. Whenever provided specifically herein, the requisite affirmative vote may be required to exceed the simple majority hereinabove set forth and may require a designated percentage in both number and value of all Co-owners.

ARTICLE IX

MEETINGS

Section 1. Location; Procedure. Meetings of the Association shall be held at such 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, the Condominium Bylaws, the Condominium Master Deed or the laws of the State of Michigan.

Section 2. Annual Meeting; Agenda. Annual Meetings of members of the corporation shall be held annually at such date, time and place as the Board of Directors shall direct. At such meetings, there shall be elected by ballot of the Co-owners a Board of Directors in accordance with the requirements of Article X of these Bylaws. The Co-owners may also transact at annual meetings such other business of the Corporation as may properly come before them. At the Annual Meeting of members, the order of business shall be as follows, unless otherwise determined by the Board of Directors:

- (a) Calling the meeting to order.
- (b) Proof of notice of the meeting.
- (c) Determination of Quorum.
- (d) Reading of minutes of the last previous Annual Meeting.
- (e) Reports from officers.

- (f) Reports from committees.
- (g) Election of directors.
- (h) Other business.

Section 3. Special Meetings. It shall be the duty of the President to call a special meeting of the Co-owners as directed by resolution of a majority 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. Membership Meeting Notices. 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) calendar days but not more than sixty (60) calendar days prior to such meeting. The sending 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 VIII, Section 3 of the Condominium Bylaws by first class mail or email, shall be deemed notice served. Any member may, by written waiver of notice signed by such member, waive such notice, and such waiver, when filed in the records of the Association shall be deemed due notice. Proxy and written ballot forms shall be distributed with the first notice of all business meetings.

Section 5. Quorum. The presence in person or by proxy of thirty-five (35%) percent 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 provided herein to require a greater quorum. The written ballot 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 ballot is cast.

Section 6. Adjournment for Want of Quorum. 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. At any such re-scheduled meeting, the quorum requirement shall be reduced to twenty percent (20%) of the Co-owners entitled to vote, except for voting on questions specifically provided herein to require a greater quorum.

Section 7. Appointment of Election Tellers. The Board of Directors shall appoint two (2) Co-owners who are not candidates or spouses or co-habitants of any candidates to serve as tellers of the ballots cast in every election. It shall be the duty of such tellers to oversee the counting and tallying of the ballots so as to assure that the ballots are fairly and accurately handled and counted.

ARTICLE X

BOARD OF DIRECTORS

Section 1. Eligibility; Compensation Prohibited. The affairs of the Association shall be governed by a Board of Directors all of whom must be members of the Association or the legal spouse of a member

except that officers, partners or trustees of members that are legal entities and not individual persons may be designated by such entities to serve as directors, if elected, of the corporation. All Directors must reside within the condominium on a full-time basis. Directors shall serve without compensation, whether by salary, stipend or otherwise except that they may be reimbursed for their out of pocket expenses incurred in the performance of their duties. No candidate for election or appointment to the Board of Directors shall be eligible if delinquent in the payment of any sum of money owed to the Association. Only one person per unit shall be eligible as a candidate notwithstanding the fact that the unit is jointly owned by two or more persons and/or entities. If a member is a partnership then only a partner thereof shall be qualified and eligible to serve as a director. If a member is a corporation, then only a shareholder or a director thereof shall be qualified and eligible to serve as a director. Any Co-owner landlord who is neither a partnership nor a corporation shall be qualified and eligible to serve as a director only in his or her individual capacity and the tenant or agent of such landlord shall not be qualified or eligible to serve as a director.

Section 2. Size, Terms of Office. The Board of Directors shall be composed of five (5) persons who shall manage the affairs of the corporation. Directors shall serve without compensation. Directors shall serve until their successors take office which shall be deemed to be at the time of their election. The term of office for each Director shall be two (2) years.

Section 3. Powers, Duties. 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 as are not prohibited by the Condominium Documents or required thereby to be exercised and done by the Co-owners. In addition to the foregoing general duties imposed by these Bylaws, or any further duties which may be imposed by resolution of the members of the Association, the Board of Directors shall be responsible specifically for the following:

(a) Management and administration of the affairs of and maintenance of the condominium project and the common elements thereof.

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

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

(d) To rebuild improvements after casualty.

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

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

(g) To borrow money and issue evidences of indebtedness in furtherance of any 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 or assignment of the right to collect assessments; provided, however, that any such action shall also be approved by affirmative vote

of more than fifty (50%) percent in number and in value of all of the members of the Association entitled to vote and present in person, by proxy or by written ballot.

(h) To establish and maintain a reserve fund for the periodic maintenance, repair and replacement of the Common Elements as required by the Act.

(i) To make rules and regulations in accordance with Article VI, Section 10 of the Condominium Bylaws.

(j) 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.

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

(l) 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 above, 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.

Section 4. Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a Director by a vote of the members of the Association shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum. Each person so elected shall be a Director until a successor is elected at the next Annual Meeting of the Association. The Board shall consider past service to the Association as a factor in the selection of any of its appointees; no Co-owner shall be eligible for appointment if delinquent in the payment of any amount owed the Association. In the event that any director is absent, without having given prior notice of the absences to the Association, from three board meetings in a calendar year, computed from annual meeting to annual meeting, he or she will be deemed to have resigned.

Section 5. Recall. At any regular or special meeting of the Association duly called, any one or more of the Directors may be removed with or without cause by affirmative vote of at least fifty-one (51%) percent of the entire membership and a successor may then and there be elected to fill any vacancy thus created. Any Director whose removal has been proposed by the Co-owners shall be given an opportunity to be heard at the meeting.

Section 6. First Meetings of Boards. The first meeting of a newly elected Board of Directors shall be held within ten (10) calendar days of election at such place as shall be fixed by the Directors at the meeting at which such Directors were elected. No other notice shall be necessary to the newly elected Directors to constitute a duly called first meeting.

Section 7. Regular Board Meetings. Regular meetings of the Board of Directors may be held at such times and places as shall be determined from time to time by a majority of the Directors, but at least two such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each Director, personally, by mail, fax, telephone or email, at least ten (10) days prior to the date

named for such meeting. Directors may vote electronically (email or text) and if all Directors concur in doing so the vote shall have the same effect as if a meeting had been physically held. Directors may also participate in meetings via conference call or other means of remote communications by which all persons can communicate with each other and such participation shall count toward the achievement of quorum for much a meeting.

Section 8. Special Board Meetings. Special meetings of the Board of Directors may be called by the President on three (3) calendar days' notice to each Director, given personally, by mail, fax, telephone or email, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of one Director. Directors may vote electronically (email or text) and if all Directors concur in doing so the vote shall have the same effect as if a meeting had been physically held. Directors may also participate in meetings via conference call or other means of remote communications by which all persons can communicate with each other and such participation shall count toward the achievement of quorum for much a meeting

Section 9. Waiver of Notice. Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meetings of the Board shall be deemed a waiver of notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 10. Quorum. 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.

Section 11. Fidelity Bonds/Employee Dishonesty Insurance. The Board of Directors shall require that all directors, officers, agents and employees of the Association handling or responsible for Association funds and/or property shall be covered by adequate fidelity bonds and/or employees dishonesty insurance purchased by the Association. The premiums on such bonds and/or insurance shall be expenses of administration. Such bonds and/or insurance shall not be less than the estimated maximum of funds held by the Association at any time, including maximum expected reserve funds and in no event less than a sum equal to three month's aggregate assessments on all units plus reserve funds.

Section 12. Executive Sessions. The Board of Directors, in its discretion, may close a portion or all of any meeting of the Board of Directors to the members of the Association or may permit members of the Association to attend a portion or all of any meeting of the Board of Directors. Any member of the Association shall have the right to inspect, and make copies of, the minutes of the meetings of the Board of Directors; provided, however, that no member of the Association shall be entitled to review or copy any minutes which reference privileged communications between the Board of Directors and counsel for the Association, or any other matter to which a privilege against disclosure pertains under Michigan Statute, common law, the Michigan Rules of Evidence, or the Michigan Court Rules.

Section 13. Conflicts of Interest. In the event any director shall have any relationship with, or interest in, any person or entity with whom or which the Association may have any contractual dealings, such director shall have an affirmative duty to disclose such relationship or interest, in writing, to the Board of Directors at a Board meeting as soon as such contractual dealings are contemplated or initiated.

ARTICLE XI

OFFICERS

Section 1. Officers; Compensation Prohibited. The principal officers of the Association shall be a President, a Vice President, a Secretary and a Treasurer, all of whom shall be members of the Association and members of the Board of Directors. 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 and Vice President may be held by one person. Officers shall serve without compensation, whether by salary, stipend or otherwise except that they may be reimbursed for their out of pocket expenses incurred in the performance of their duties.

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

Section 3. Removal. Upon affirmative vote of a majority of the members of the Board of Directors, any officer may be removed either with or without cause, and his successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board called for such purpose.

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

Section 5. Vice President. The Vice President shall take the place of the President and perform his/her 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 so do on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him/her by the Board of Directors.

Section 6. Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of the meetings of the members of the Association; he/she shall have charge of the corporate seal and of such books and papers as the Board of Directors may direct; and he/she shall, in general, perform all duties incident to the office of the Secretary. The Secretary, or, in the absence or disability of the Secretary, the Treasurer, shall sign the minutes upon approval. Any Co-owner shall be entitled to obtain a copy of the approved and signed minutes except minutes of executive sessions of the Board; the Association shall have the right to require advance payment of the reasonable cost of providing requested copies of minutes.

Section 7. Treasurer. The Treasurer shall have responsibility for oversight of the Association funds and securities and for oversight of the keeping of full and accurate accounts of all receipts and

disbursements in books belonging to the Association. The Treasurer may delegate the responsibility for the administration of the Association's finances and books and records to the Association's professional managing agent. The Treasurer shall monitor the reserve funds of the Association and consult with the Board as necessary concerning such funds. All decisions concerning reserve funds shall be made by the Board. Reserve funds shall be used only for such purposes as are permitted under Michigan law. The Treasurer may appoint a Budget Committee comprised of one or more Co-owners and Directors selected at the discretion of the Treasurer which shall consult with the Treasurer and the Board as to all budget matters; the Board shall have the sole responsibility to approve the budget.

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

ARTICLE XII

FINANCE

Section 1. Records. The Association shall keep detailed books of account showing all expenditures and receipts of administration, and which shall specify the maintenance and repair expenses of the Common Elements and any other expenses incurred by or on behalf of the Association and the Co-owners. Such accounts and all other non-protected Association records shall be open for inspection by the Co-owners and their mortgagees during reasonable working hours. Co-owners or mortgagees seeking to inspect such accounts and records must give written notice describing with reasonable particularity the records sought to be inspected and the purpose for the inspection. The Board of Directors shall determine which records shall be protected based upon whether protection of certain records would: (1) impair the rights of privacy or free association of the members or (2) impair the lawful purposes of the Association. The Board of Directors shall prepare and distribute to each Co-owner at least once a year a financial statement, the contents of which shall be defined by the Board of Directors. The Board of Directors shall annually engage a qualified, independent certified public accountant to perform a review or audit of the books of account. Any institutional holder of a first mortgage lien on any Unit in the Condominium shall be entitled to receive a copy of such annual financial statement within ninety (90) days following the end of the Association's fiscal year upon written request therefor. The cost of any such review or audit and any other accounting expenses shall be expenses of administration.

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

Section 3. Depositories. The funds of the Association may be invested from time to time in accounts or deposit certificates of such banks or credit unions as are insured by an agency of the federal government and may also be invested in interest-bearing obligations of the United States Government or in such other depositories as may be adequately insured in the discretion of the Board of Directors. The funds of the Association shall be withdrawn only upon the check or order of such officers, employees or agents as are designated by resolution of the Board of Directors from time to time.

ARTICLE XIII

INDEMNIFICATION OF OFFICERS AND DIRECTORS

Section 1. Indemnification of Directors and Officers. The Association shall indemnify any person who was or is 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 he or she is or was a Director, Officer, non-director volunteer or employee of the Association or was serving at the request of the Association as a Director, Officer, non-director volunteer or employee, against expenses, including attorneys' fees, judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with the action, suit or proceeding, if the person acted in good faith and in a manner he or she 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 his or her 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 which he or she 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, had reasonable cause to believe that his or her conduct was unlawful. Provided, however, that, in the event of any claim for reimbursement or indemnification hereunder based upon settlement by the Director, Officer or other person seeking such reimbursement or indemnification, the indemnification provided for herein shall apply only if the Association approves such settlement and reimbursement or indemnification as being reasonable and the conduct of the party seeking indemnification has met the standards of conduct prescribed by Sections 561 and 562 of the Michigan Non-Profit Corporation Act. The foregoing right of reimbursement or indemnification shall be in addition to and not exclusive of other rights to which such Director, Officer or other person may be entitled. At least ten days prior to payment of any reimbursement or indemnification which it has approved, the Board of Directors shall notify all Co-owners thereof.

The Association shall indemnify any person who was or is party or is threatened to be made a party to a threatened, pending or completed action or suit in the right of the Association to procure a judgment in its favor by reason of the fact that he or she is or was a Director, Officer, non-director volunteer or employee of the Association, against expenses, including attorneys' fees and amounts paid in settlement actually and reasonably incurred by him or her in connection with the action or suit, if the person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Association or its members and was not guilty of willful and wanton misconduct or gross negligence. Indemnification shall not be made for a claim, issue or matter in which the person has been found to be liable to the Association except as provided in Section 564c of the Non-Profit Corporation Act.

Section 2. Directors' and Officers' Liability Insurance. Whether or not the Association would have the power to indemnify the persons under Sections 561 and 562 of the Nonprofit Corporation Act, the Association shall provide directors and officers liability insurance for every director and every officer of the Association for the same purposes provided above in Section 1 and in such amounts as may reasonably insure against potential liability arising out of the performance of their respective duties. No director or officer shall collect for the same expense or liability under Section 1 above and under this Section 2; however, to the extent that the liability insurance provided herein to a director or officer was not waived by such director or officer and

is inadequate to pay any expenses or liabilities otherwise properly indemnifiable under the terms hereof, a director or officer shall be reimbursed or indemnified only for such excess amounts under Section 1 hereof.

ARTICLE XIV

AMENDMENTS

Section 1. Non-Material Changes. The Condominium Documents may be amended by the Board of Directors without the consent of Co-owners or mortgagees if the amendment does not materially alter or change the rights of a Co-owner or mortgagee.

Section 2. Material Changes. Material Amendments to the Master Deed and Bylaws may be proposed by the Board of Directors of the Association acting upon the vote of the majority of the directors or by one-third (1/3) or more in number of the Co-owners or by an instrument in writing signed by them.

Section 3. Meeting. Upon any such amendment being proposed, a meeting for consideration of the same shall be duly called in accordance with the provisions of the Condominium Documents.

Section 4. Voting. The Master Deed and Bylaws may be amended by the Co-owners at any regular annual meeting or a special meeting called for such purpose by an affirmative vote of not less than sixty-six and two thirds (66 2/3%) percent of all Co-owners entitled to vote, in number and in value. Notwithstanding any provision of the Condominium Documents to the contrary, mortgagees are entitled to vote only on amendments which are material to their interests as defined in the Michigan Condominium Act as amended from time to time.

Section 5. When Effective. Any amendment to the Master Deed and Bylaws shall become effective upon recording of such amendment in the office of the Washtenaw County Register of Deeds.

Section 6. Binding. A copy of each amendment to the Master Deed and Bylaws shall be furnished to every member of the Association after adoption; provided, however, that any amendment to the Master Deed and Bylaws that is adopted in accordance with this Article shall be binding upon all persons who have an interest in the Condominium irrespective of whether such persons actually receive a copy of the amendment.

ARTICLE XV

COMPLIANCE

The Association of Co-owners and all present or future Co-owners, tenants, land contract purchasers, or any other persons acquiring an interest in or using the facilities of the Condominium in any manner are subject to and shall comply with the Act, as amended, and with the Condominium Documents, 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 XVI

DEFINITIONS

All terms used herein shall have the same meaning as set forth in the Master Deed to which these Bylaws are attached as an Exhibit or as set forth in the Act. Whenever any reference herein is made to one gender, the same shall include a reference to any and all genders where 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 XVII

REMEDIES FOR DEFAULT

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

(a) **Legal Action.** Failure to comply with any of the terms and provisions of the Condominium Documents or the Act, including any of the rules and regulations promulgated by the Board of Directors of the Association hereunder, shall be grounds for relief, which may include without intending to limit the same, an action to recover sums due for damages, injunctive relief, foreclosure of lien (if default in payment of assessment) or any combination thereof, and such relief may be sought by the Association or, if appropriate, by an aggrieved Co-owner or Co-owners.

(b) **Recovery of Costs.** In the event of a default of the Condominium Documents by a Co-owner and/or non-Co-owner resident or guest, the Association shall be entitled to recover from the Co-owner and/or non-Co-owner resident or guest, the pre-litigation costs and attorney fees incurred in obtaining their compliance with the Condominium Documents. In any proceeding arising because of an alleged default by any Co-owner, the Association, if successful, shall be entitled to recover the costs of the proceeding and such reasonable attorney fees, (not limited to statutory fees) as may be determined by the Court. In no event shall any Co-owner be entitled to recover such attorney fees. The Association, if successful, shall also be entitled to recoup the costs and attorney's fees incurred in defending any claim, counterclaim or other matter from the Co-owner asserting the claim, counterclaim or other matter.

(c) **Removal and Abatement.** The violation of any of the provisions of the Condominium Documents, including the rules and regulations promulgated by the Board of Directors of the Association hereunder, shall also give the Association, or its duly authorized agents, the right, in addition to the rights set forth above, to enter upon the Common Elements, Limited or General, or into any Unit, where reasonably necessary, and summarily remove and abate, at the expense of the Co-owner in violation, any structure, thing or condition existing or maintained contrary to the provisions of the Condominium Documents; provided, however, that judicial proceedings shall be instituted before items of construction are altered or demolished pursuant to this subsection. The Association shall have no liability to any Co-owner arising out of the exercise of its removal and abatement power authorized herein.

(d) **Assessment of Fines.** The violation of any of the provisions of the Condominium Documents, including any of the rules and regulations promulgated by the Board of Directors of the Association hereunder, by any Co-owner, in addition to the rights set forth above, shall be grounds for assessment by the Association of a monetary fine for such violation.

(i) **Procedures.** Upon any violation being alleged by the Association, a written notice shall be sent to the offending Co-owner describing the facts constituting the alleged violation, the specific restriction alleged to have been violated and the notice shall set forth the date (no less than seven (7) days from the date of the notice), time and place for a hearing before the Board of Directors, at which the Co-owner shall have the right to appear before the Board and offer evidence in defense of the alleged violation. The Board shall issue a written notice of its determination within ten (10) days after the hearing and, upon finding that a violation has occurred, the Board of Directors may levy a fine in accordance with the following subsection.

(ii) **Fine Schedule.** Upon a determination that a material violation of any of the provisions of the condominium documents has occurred the following fines may be levied:

1 st Violation	-	No fine shall be levied unless the Board determines that the nature of the violation is such as to be best deterred if a fine is imposed for a first violation.
2 nd Violation	-	\$25.00 fine
3 rd Violation	-	\$50.00 fine
4 th & Subsequent Violation	-	\$100.00 fine

(iii) **Periodicity of Fines.** The Board of Directors shall determine the periodicity for the levying of fines for recurring violations. The Board of Directors may determine that certain fines for recurring violations may be levied on a daily, weekly or monthly basis as may be appropriate to the particular conduct or condition involved.

Section 2. Non-Waiver of Right. The failure of the Association or of any Co-owner to enforce any right, provision, covenant or condition which may be granted by the Condominium Documents shall not constitute a waiver of the right of the Association or of any such Co-owner to enforce such right, provision, covenant or condition in the future.

Section 3. Cumulative Rights, Remedies, and Privileges. All rights, remedies and privileges granted to the Association or any Co-owner or Co-owners pursuant to any terms, provisions, covenants or conditions of the 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 XVIII

SEVERABILITY

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

BRIDGETOWN CONDOMINIUM ASSOCIATION

RESTATED NON-PROFIT

ARTICLES OF INCORPORATION

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

The name of the corporation is: Bridgetown Condominium Association

The identification number assigned by the Bureau is: 800863009

Old ID #: 778216

All former names of the corporation are: none

The date of filing the original Articles of Incorporation was: 9/28/1987

The following Restated Non-Profit Articles of Incorporation, as amended, shall be the Articles of Incorporation for the Corporation.

ARTICLE I NAME OF CORPORATION

The name of the Corporation is Bridgetown Condominium Association (hereinafter referred to as the "corporation")

ARTICLE II PURPOSES

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

- (a) To manage and administer the affairs of and to maintain Bridgetown Condominiums, a condominium (hereinafter called the "Condominium");
- (b) To administer and operate the Condominium in such a manner as might be required by all applicable local, state and federal laws, including, but not limited to, the National Fair Housing Act (Title VIII of the Civil Rights Act of 1968, as amended), and the Michigan Civil Rights Act;
- (c) To levy and collect assessments against and from the members of the Corporation and to use the proceeds thereof for the purposes of the Corporation;

- (d) To carry insurance and to collect and allocate the proceeds thereof;
- (e) To rebuild improvements after casualty;
- (f) To contract for and employ persons, firms, or corporations to assist in management, operation, maintenance and administration of said Corporation;
- (g) To make and enforce reasonable regulations concerning the use and enjoyment of said Condominium;
- (h) To own, maintain and improve, and to buy, sell, convey, assign, mortgage, or lease (as landlord or tenant) any real and personal property, including, but not limited to, any Unit in the Condominium, for any purpose of providing benefit to the members of the Corporation and in furtherance of any of the purposes of the Corporation;
- (i) To borrow money and issue evidences of indebtedness in furtherance of any or all of the objects of its business; to secure by mortgage, pledge or other lien;
- (j) To enforce the provisions of the Master Deed and Bylaws of the Condominium and of these Articles of Incorporation, and such Bylaws and Rules and Regulations of this Corporation as may hereinafter be adopted;
- (k) To do anything required of or permitted to it as administrator of said Condominium by the Condominium Master Deed or Bylaws or by Act No. 59 of Public Act of 1978, as amended;
- (l) To sue in all courts and to defend against any actions or suits brought against the Corporation or its Directors and Officers by any member of the Corporation or by any third party, and to participate in any and all actions and proceedings whether judicial, administrative, arbitative, or otherwise; and
- (m) 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 ADDRESSES

The address of the registered office is: 220 Collingwood, Suite 230, Ann Arbor, MI 48103

The mailing address of the registered office, if different than above: Same address as above.

ARTICLE IV RESIDENT AGENT

The name of the resident agent of the Corporation is: Frank Gucker

**ARTICLE V
BASIS OF ORGANIZATION AND ASSETS**

The corporation is organized on a nonstock, membership basis.

If organized on a nonstock basis, the description and value of its real property assets are: None

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

Assessment of members

**ARTICLE VI
EXISTENCE**

The term of corporate existence is perpetual.

**ARTICLE VII
MEMBERSHIP AND VOTING**

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

- (a) Each Co-owner of a Unit in the Condominium shall be a member of the Corporation, and no other person or entity shall be entitled to membership.
- (b) Membership in the Corporation shall be established by acquisition of fee simple title or the interest of a land contract vendee as per MCL 559.106 (l) to a Unit in the Condominium and by recording with the Register of Deeds of Washtenaw County, Michigan, a deed or other instrument establishing a change of record title to such Unit and the furnishing of evidence of same satisfactory to the Corporation, the new Co-owner thereby becoming a member of the Corporation, and the membership of the prior Co-owner thereby being terminated.
- (c) The share of a member in the funds and assets of the Corporation cannot be assigned, pledged, encumbered or transferred in any manner except as an appurtenance to his Unit in the Condominium.
- (d) Voting by members shall be in accordance with the provisions of the Bylaws of this Corporation.

ARTICLE VIII
NONLIABILITY AND ASSUMPTION OF LIABILITY FOR
VOLUNTEER DIRECTORS AND VOLUNTEER OFFICERS

Section 1. Elimination of Personal Liability for Volunteer Officers and Volunteer Directors. To the extent permitted by law, a volunteer director or volunteer Officer of the Corporation shall not be personally liable to the Corporation or its members for monetary damages for any action taken or any failure to take any action as a Director or volunteer Officer, except liability for any of the following:

- (a) for any breach of an Officer's or Director's duty of loyalty to the Corporation or its members;
- (b) for acts or omissions not in good faith or which involve intentional misconduct, a knowing violation of the law, or which involve the intentional infliction of harm on the corporation, its shareholders, or members;
- (c) resulting from a violation of MCL 450.2551;
- (d) the amount of a financial benefit received by a director or volunteer officer to which he or she is not entitled;
- (e) for any act or omission that is grossly negligent;
- (f) an intentional criminal act;
- (g) a liability imposed under section MCL 450.2497 (a).

Nothing contained in this Section 1 will be construed to extend the periods for the bringing of an action under any existing statutes of limitation, nor as a waiver of any defense which may be asserted on behalf of any volunteer.

Section 2. Association's Assumption of Liability. The Corporation assumes liability for all acts or omissions of a volunteer Director, volunteer Officer or other volunteer occurring on or after the effective date of these Restated Articles if all of the following are met:

- (a) The volunteer was acting or reasonably believed he or she was acting within the scope of his or her authority.
- (b) The volunteer was acting in good faith.
- (c) The volunteer's conduct did not amount to gross negligence or willful and wanton misconduct.
- (d) The volunteer's conduct was not an intentional tort.
- (e) The volunteer's conduct was not a tort arising out of the ownership, maintenance, or use of a motor vehicle for which tort liability may be imposed as provided in Section 3135 of the insurance code of

1956, Act No. 218 of the Public Acts of 1956, being Section 500.3135 of the Michigan Compiled Laws.

Nothing contained in the Section 2 will be construed to extend the periods for the bringing of an action under any existing statutes of limitation, nor as a waiver of any defense which may be asserted on behalf of any volunteer.

To the extent permitted by law, no person or entity may bring or maintain a claim for monetary damages against a volunteer Director or Officer for any liability assumed by the Corporation for that Director or Officer under Section 2 above; any such claims must be brought and maintained against the Corporation.

Section 3. Amendments to Michigan Nonprofit Corporation Act. If the Michigan Nonprofit Corporation Act is amended to authorize corporate action further eliminating or limiting the personal liability of Officers or Directors, then the liability of the Officers and Directors of the Corporation shall be eliminated or limited to the fullest extent permitted by the Act, as so amended.

Section 4. Volunteer Liability in the Event of Amendment or Repeal of this Article. Any repeal, modification or adoption of any provision in these Articles of Incorporation inconsistent with this Article shall not adversely affect any right or protection of the volunteer Officers and Directors of the Corporation existing at the time of such repeal, modification or adoption.

Section 5. Definition of "Volunteer." For purposes of this Article, "volunteer Director" means a Director who does not receive anything of more than nominal value from the Corporation for serving as a Director other than reasonable per diem compensation and reimbursement for actual, reasonable and necessary expenses incurred by the Director in their capacity as a Director. For purposes of the Article, "non-Director volunteer" or "volunteer" means an individual, other than a volunteer Director, performing services for a nonprofit corporation at the request or appointment of the Board of Directors who does not receive compensation or any other type of consideration for the services other than reimbursement for reasonable and necessary expenses actually incurred.


ARTICLE IX AMENDMENTS TO ARTICLES OF INCORPORATION

These Restated Articles of Incorporation may be amended by the affirmative vote of a majority of the Members of the Corporation qualified, eligible and entitled to vote.

ARTICLE X ENFORCEABILITY

The invalidity or unenforceability of any provision of these Articles will not affect the validity or enforceability of the remaining provisions of these Restated Articles of Incorporation.

These amended and Restated Articles of Incorporation were adopted on October 1st, 2019 in accordance with the provisions of Section 642 of the Michigan Nonprofit Corporation Act, MCL 450.2642. These Amended and Restated Articles of Incorporation and were duly adopted by the vote of the members. The necessary votes were cast in favor of the Amended and Restated Articles of Incorporation.

By: 
Scott Edward Allen
Its: President