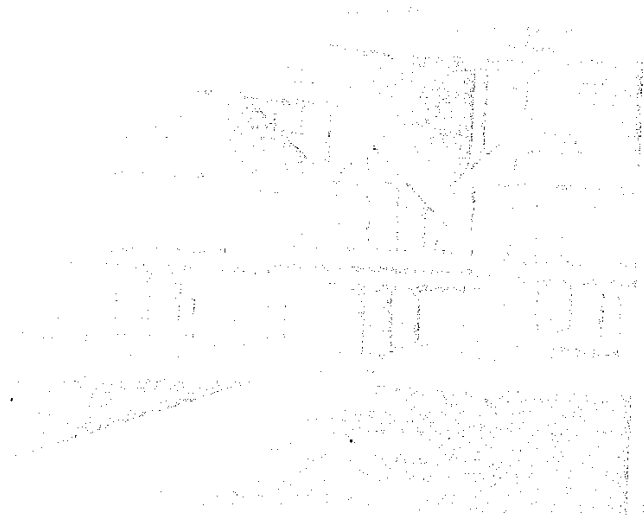


Scarborough Square Condominium Association

Governing Documents



SCARBOROUGH SQUARE CONDOMINIUM



Fifth Amendment to Master Deed

Approved: February 26, 2015

REC'D 11:00AM 02/26/15

CLERK OF CIRCUIT COURT
MACOMB COUNTY, MI
MARELLA SABAUGH, REGISTER OF DEEDS

**FIFTH AMENDMENT TO THE
MASTER DEED OF SCARBOROUGH SQUARE CONDOMINIUM**
(AMENDED AND RESTATED MASTER DEED)
(Act 59, Public Acts of 1978 as amended)
Macomb County Condominium Subdivision Plan No. 91

This Amended and Restated Master Deed is made on Feb. 26, 2015, by Scarborough Square Condominium Association, a Michigan Non-Profit Corporation, hereinafter referred to as "Association," whose office is located care of Vision Property Management Group, LLC, P.O. Box 180904, Utica, Michigan, 48318, represented by David Winegar, President of Scarborough Square Condominium Association, who is fully empowered and qualified to act on behalf of the Association, in pursuance of the provisions of the Michigan Condominium Act (being Act 59 of the Public Acts of 1978, as amended), hereinafter referred to as the "Act."

WHEREAS, Scarborough Square Condominium, was established pursuant to the Master Deed thereof recorded in Liber 2522, Pages 592 through 650, and as amended by the 1st Amendment recorded in Liber 2578, Page 966 through 978, the 2nd Amendment recorded in Liber 2731, Pages 14 through 35, the 3rd Amendment recorded in Liber 3242, Page 610 through 611, and the 4th Amendment recorded in Liber 9663, Pages 249 through 251, Macomb County Records, and known as Macomb County Condominium Subdivision Plan No. 91, as amended.

WHEREAS, the Association desires by recording this Amended and Restated Master Deed, together with the Restated Condominium Bylaws attached hereto as Exhibit A and together with the Condominium Subdivision Plan attached to the original Master Deed as Exhibit B and as amended (both of which are hereby incorporated by reference and made a part of), to reaffirm the establishment of the real property described below, together with all of the improvements now located upon such real property and the appurtenances thereto, as a residential Condominium Complex under the provisions of the Condominium Act of Michigan. This Amended and Restated Master Deed is based upon the consent of at least sixty-six and two-thirds (66-2/3rds) percent of the Co-owners and mortgagees of Units in the Condominium.

NOW THEREFORE, the Association does, upon the recording hereof, reaffirm the establishment of Scarborough Square Condominium as a Condominium under the Condominium Act and does declare that Scarborough Square Condominium (hereinafter referred to as the "Condominium," "Complex" or the "Condominium Complex"), shall, after such establishment, be held, conveyed, hypothecated, encumbered, leased, rented, occupied, improved, or in any other manner utilized, subject to the provisions of the Act, and to the covenants, conditions, restrictions, uses, limitations, and affirmative obligations set forth in this Amended and Restated Master Deed, Exhibit A hereto and Exhibit B as attached to the original Master Deed and as amended, all of which shall be deemed to run with the real property described below and shall be a burden and a benefit to the

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Association, its successors, and assigns, and any persons acquiring or owning an interest in such real property, their grantees, successors, heirs, executors, administrators and assigns. This Amended and Restated Master Deed and Condominium Bylaws shall replace and supersede the original Master Deed and Condominium Bylaws of Scarborough Square Condominium, as previously amended. Articles IV, V and IX of the Master Deed are amended. In furtherance of the establishment of the Condominium Complex, it is provided as follows:

ARTICLE I

TITLE AND NATURE

The Condominium Project is known as Scarborough Square Condominium, Macomb County Condominium Subdivision Plan No. 91. The architectural plans for the Project were drafted by Robert Shanayda. The Condominium Project is established in accordance with the Act. The buildings and units contained in the Condominium, including the number, boundaries, dimensions, area and volume of each unit therein are set forth completely in the Condominium Subdivision Plan attached as Exhibit "B" hereto. Each building contains individual units for residential purposes and each unit is capable of individual utilization on account of having its own entrance and exit to a common element of the Condominium Project. Each co-owner in the Condominium Project shall have an exclusive right to his 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 Amended and Restated Master Deed is particularly described as follows:

A parcel of land being a part of the S. W. 1/4 of Section 12, T. 1 N., R. 12 E. City of Warren, Macomb County, Michigan, being more particularly described as follows:

Commencing at the S. W. corner of said Section 12, thence N. 88 degrees 17 minutes 20 seconds E. along the South line of Section 12 and centerline of 12 Mile Road, 639.90 feet; thence N. 00 degrees 44 minutes 15 seconds West 60.01 feet to the North line of 12 Mile Road and point of beginning of property herein described; thence N. 00 degrees 44 minutes 15 seconds W. along the East line of Warren Plaza Subdivision No. 1 as recorded in Liber 46, Pages 3 and 4 Macomb County Records, 815.00 feet; thence N. 89 degrees 15 minutes 45 seconds East 160.00 feet; thence South 00 degrees 44 minutes 15 seconds East 140.00 feet; thence N. 89 degrees 15 minutes 45 seconds East 125.00 feet; thence S. 00 degrees 44 minutes 15 seconds East 450.00 feet; thence N. 89 degrees 15 minutes 45 seconds East 18.00 feet; thence S. 00 degrees 44 minutes 15 seconds East 219.85 feet to a point in the North line of 12 Mile Road; thence S. 88

degrees 17 minutes 20 seconds West along the North line of 12 Mile Road, 303.06 feet to the point of beginning.

Also:

Commencing at the S. W. corner of said Section 12, thence N. 88° 17' 20" E. along the South line of Section 12 and centerline of 12-Mile Rd., 639.90 feet; thence N. 00° 44' 15" W. along the East line of Warren Plaza Subdivision No. 1, as recorded in Liber 46, Pages 3 and 4 of Macomb County Records a distance of 875.00 feet and the point of beginning of property herein described; thence N. 00° 44' 15" W. 394.58 feet to the S. W. corner of Bonneville Subdivision No. 1 as recorded in Liber 52, Page 22 of Macomb County Records; thence N. 87° 38' 30" E. along the South line of said Bonneville Subdivision No. 1, a distance of 410.16 feet; thence S. 00° 44' 15" E. 346.18 feet; thence S. 89° 15' 45" W. 15.00 feet; thence S. 00° 44' 15" E. 220.00 feet; thence S. 89° 15' 45" W. 110.00 feet; thence N. 00° 44' 15" W. 20.00 feet; thence S. 89° 15' 45" W. 125.00 feet; thence N. 00° 44' 15" W. 140.00 feet; thence S. 89° 15' 45" W. 160.00 feet to the point of beginning.

ARTICLE III

DEFINITIONS

Certain terms are utilized not only in this Amended and Restated Master Deed and Exhibits "A" hereto and "B" attached to the original Master Deed and as amended, 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 Scarborough Square 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 Scarborough Square 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 the non-profit corporation organized under Michigan law of which all Co-owners shall be members which corporation shall administer, operate, manage and maintain the Condominium. Any action required of or permitted to the Association shall be exercisable by its Board of Directors unless specifically reserved to its members by the Condominium Documents or the laws of the State of Michigan.

(c) "Master Deed" means this Restated and Amended Master Deed and any amendments thereof which shall describe Scarborough Square Condominium as a completed Condominium Project and reflects all Units and Common Elements therein and which shall express percentages of value pertinent to each Unit as finally readjusted for voting purposes only.

(d) "Condominium Bylaws" means Exhibit A hereto, being the Bylaws setting forth the substantive rights and obligations of the Co-owners and required by Section 54 of the Act to be recorded as part of the Master Deed.

(e) "Condominium Unit" or "Unit" each means the enclosed space constituting a single complete residential Unit in Scarborough Square Condominium as such space may be described on Exhibit "B".

(f) "Condominium Documents" wherever used means and includes this Amended and Restated Master Deed and Exhibit "A" hereto and Exhibit "B" attached to the original Master Deed and as amended, the Articles of Incorporation, and the Rules and Regulations, if any, of the Association.

(g) "Condominium Project", "Condominium" or "Project" each mean Scarborough Square Condominium as an approved Condominium Project established in conformity with the provisions of the Act.

(h) "Condominium Subdivision Plan" means Exhibit "B" attached to the original Master Deed and as amended.

(i) "Co-owner" means a person, firm, corporation, partnership, association, trust or other legal entity or any combination thereof who or which owns one or more Units in the Condominium Project. The term "owner", wherever used, shall be synonymous with the term "Co-owner".

(j) "Condominium Premises" means and includes the land and the buildings, all improvements and structures thereof, and all easements, rights and appurtenances belonging to Scarborough Square Condominium as described above.

(k) "Common Elements" where used without modification, shall mean both the General and Limited Common Elements described in Article IV hereof.

(l) 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 original Master Deed and as amended, and the respective responsibilities for maintenance, decoration, repair or replacement thereof are as follows:

A. The General Common Elements are:

1. The land described in Article II hereof, including driveways, roads, sidewalks and parking spaces.
2. The electrical wiring network throughout the project (not including that portion owned by the utility company) up to the point of the breaker panel in each Unit.
3. The gas line network throughout the project (not including that portion owned by the utility company) up to the downstream point of connection with the gas line tee servicing each Unit, or if there is a shutoff valve, downstream from the shutoff valve.
4. The telephone, cable, audio, video, optical cable or other communication wiring network throughout the project (not including that portion owned by the utility, cable or providing company) up to the point of first entry into a Unit.
5. The fresh water plumbing network throughout the project including that contained within unit walls, up to the point of downstream portion of the individual fresh water shutoff valve to each Unit.
6. The sanitary sewer system throughout the project, including that contained within Unit walls up to the point of the first exit from a wall or floor of a Unit and in the case of a commode, does not include the seal ring.
7. The storm drainage system, including the sump pumps throughout the Project.
8. Foundations, supporting columns, unit perimeter walls (excluding windows, interior and exterior doors, doorwalls, screens, screen doors and storm doors therein), garage doors, roofs, ceilings, floor construction between unit levels and chimneys.
9. 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. The Limited Common Elements are:

1. Each garage and drive is limited in use to the Co-owner of the Unit to which it is appurtenant as designated on the site plan of Exhibit "B" attached to the original Master Deed.

2. Each patio and deck is limited in use to the Co-owner of the Unit to which they are appurtenant as designated on the site plan of Exhibit "B" attached to the original Master Deed.
 3. Each balcony is limited in use to the Co-owner of the Unit which opens onto such balcony as shown on the site plan of Exhibit "B" attached to the original Master Deed.
 4. Each car parking space is limited in use to the Co-owner of the Unit to which it is appurtenant as designated with the corresponding number on the site Plan of Exhibit "B" attached to the original Master Deed.
 5. Each individual furnace, air conditioner system and compressor, including condensate lines and pans, and water heater in each Unit shall be limited to the owner of the Unit which is served by such items.
 6. Each carport is limited in use to the Co-owner of the Unit to which it is assigned.
 7. The interior surfaces of Unit perimeter walls, the windows, doors door walls, screens, screen doors, storm doors, as well as the garage door opener and the garage door hardware, ceilings and floors contained within a Unit shall be subject to the exclusive use and enjoyment of the co-owner of such Unit.
- C. The respective responsibilities for maintenance, repair and replacement of all general and limited common elements are as follows:
1. The cost of maintenance, repair and replacement of each patio and deck described in Article IV, B(2) above, including the grading, slope and elevation thereof shall be borne by the Co-owner to which such deck and patio is appurtenant.
 2. The cost of maintenance, repair and replacement of those limited common elements described in Article IV, B(5) and (7) above, including painting, wallpaper, paneling, carpeting, tile, wood or other floor or wall covering shall be borne by the Co-owner of each Unit to which such limited common elements are appurtenant, regardless of the cause necessitating such costs, and notwithstanding any other provision contained in the Condominium Documents or the Association's insurance policy.
 3. The cost of maintenance, repair and replacement of the windows, interior and exterior doors, garage door related springs, garage door openers, door walls, screens, screen doors and storm doors in each unit shall be borne by the co-owner of that unit. The Board of Directors shall regulate the appearance of those items.

4. The cost of maintenance, repair and replacement of the garage door and all other general and limited common elements other than those specified in this Section C. shall be borne by the Association.
5. In the event the Co-owner fails to properly maintain, repair and replace those items over which the Co-owner has responsibility under this Section, the Association may, after notice to the Co-owner, contract for said maintenance, repair and replacement (excluding mere decorating) and assess the cost thereof to the Co-owner, which cost shall be collectible in the same manner as condominium assessments pursuant to Article II of the Condominium Bylaws.

No Co-owner shall use his 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 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 Scarborough Square Condominium as surveyed by Robert Shanayda and attached to the original Master Deed, as Exhibit "B", and as amended. Each unit shall include: (1) With respect to each Unit basement, all that space contained within the unpainted surfaces of the basement floor and walls and the uncovered underside of the first floor joists, and (2) with respect to the upper floors of Units, all that space contained within the interior finished unpainted walls and ceilings and from the finished subfloor all as shown on the floor plans and sections in Exhibit "B" attached to the original Master Deed and delineated by heavy outlines.

B. The percentage of value assigned to each Unit is set forth in subparagraph C below. The percentage of value assigned to each Unit is set forth below. The value of such co-owner's vote at meetings of the Association of co-owners shall be equal. The total value of the project is 100. The percentage of value allocated to each Unit may be changed only with the unanimous consent of all of the co-owners expressed in an amendment to this Master Deed, duly approved and recorded except as provided in Article VII.

C. Set forth below are:

- (a) Each Unit number as it appears on the Condominium Subdivision Plan.
- (b) The percentage of value assigned to each Unit.
- (c) Each respective co-owner by unit shall pay the proceeds of administration.

Those co-owners with parking pads will pay \$160.00 monthly.
 Those co-owners with carports or one car garages will pay \$170.00 monthly.
 Those co-owners with two car garages will pay \$180.00 monthly.

Any future increase in association dues will be added per dollar using the payment structure as outlined above.

<u>Unit Number</u>	<u>Percentage of Value Assigned</u>	<u>Unit Number</u>	<u>Percentage of Value Assigned</u>
1	.93341	18	.80914
2	1.03336	19	.80914
3	.83015	20	.80914
4	.80914	21	.83015
5	.83015	22	.80914
6	.80914	23	1.03336
7	1.03336	24	.93341
8	.93341	25	.87016
9	.80914	26	1.03336
10	.83015	27	.83015
11	.80914	28	.80914
12	1.03336	29	.83015
13	.93341	30	.80914
14	.93341	31	1.03336
15	1.03336	32	.87016
16	.80914	33	.87016
17	.83015	34	1.03336

<u>Unit Number</u>	<u>Percentage of Value Assigned</u>	<u>Unit Number</u>	<u>Percentage of Value Assigned</u>
35	.80914	70	1.32303
36	.83015	71	1.44537
37	.80914	72	1.23605
38	.61289	74	1.12237
39	.80914	76	1.44537
40	.83015	77	1.32303
41	.80914	78	1.31958
42	.83015	79	1.44192
43	.80914	80	1.24649
44	1.03336	82	1.12577
45	.87016	84	1.44192
46	.87016	85	1.31958
47	1.03336	86	1.19393
48	.83015	87	1.19933

49	.80914	88	1.14798
50	.83015	89	1.02564
51	.80914	90	1.19393
52	1.03336	91	1.19933
53	.87016	92	1.14798
54	.87016	93	1.02564
55	1.03336	94	1.02564
56	.83015	95	1.14798
57	.80914	96	1.19933
58	.83015	97	1.19393
59	.80914	98	1.19393
60	1.03336	99	1.19933
61	.87016	100	1.14798
62	1.31958	101	1.02564
63	1.44192	102	1.19393
64	1.24649	103	1.19933
66	1.12578	104	1.14798
68	1.44192	105	1.02564
69	1.31958		

ARTICLE VI

EASEMENTS

In the event any portion of a Unit or Common Element encroaches upon another Unit or Common Element due to shifting, settling, or moving of the building or due to survey errors, 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 interior wall which supports a Common Element.

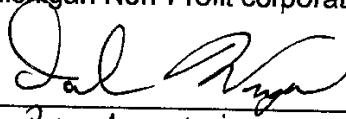
ARTICLE VII

AMENDMENT

This Master Deed and the Condominium Subdivision Plan (Exhibit B to said Master Deed) may be amended with the consent of sixty-six and two-thirds (66-2/3%) percent of all the Co-owners in good standing, except as may otherwise be required by the Act. When required by the Act, the consent of sixty-six and two-thirds (66-2/3%) percent of all mortgagees, with one vote for each mortgage held, shall also be obtained.

IN WITNESS WHEREOF, the Association has caused this Amended and Restated Master Deed to be executed the day and year first above written.

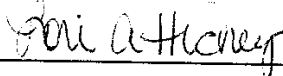
SCARBOROUGH SQUARE
CONDOMINIUM ASSOCIATION,
a Michigan Non-Profit corporation



By: David Winegar
Its: President

STATE OF MICHIGAN)
) ss
COUNTY OF Macomb)

On this 26th day of February, 2015, the foregoing Fifth Amendment to the Master Deed was acknowledged before me by David Winegar, President of SCARBOROUGH SQUARE CONDOMINIUM ASSOCIATION, a Michigan Non-Profit Corporation, on behalf of and by authority of the Corporation.



Notary Public, Macomb County, MI
Acting in Macomb County
My Commission Expires: July 31, 2019

Drafted by/Return to:
Wayne G. Wegner, Esq.
23201 Jefferson Avenue
St. Clair Shores, MI 48080

LORIA HICKEY
NOTARY PUBLIC, STATE OF MI
COUNTY OF MACOMB
MY COMMISSION EXPIRES Jul 31, 2019
ACTING IN COUNTY OF Macomb

**EXHIBIT A
AMENDED AND RESTATED CONDOMINIUM BYLAWS**

SCARBOROUGH SQUARE CONDOMINIUM

ARTICLE I

ASSOCIATION OF CO-OWNERS

Section 1. Scarborough Square Condominium, a residential Condominium Project located in the City of Warren, Macomb County, Michigan, shall be administered by an association of Co-owners which shall be a non-profit corporation, hereinafter called the "Association", organized under the applicable laws of the State of Michigan, and responsible for the management, maintenance, operation and administration of the Common Elements, easements and affairs of the Condominium Project in accordance with the Master Deed, these Bylaws, the Articles of Incorporation, and duly adopted Rules and Regulations of the Association, and the laws of the State of Michigan. All Co-owners in the Condominium Project and all persons using or entering upon or acquiring any interest in any Unit therein or the Common Elements thereof shall be subject to the provisions and terms set forth in the aforesaid Condominium Documents.

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

- a. Each co-owner shall be a member of the Association and no other person or entity shall be entitled to membership. Each Co-owner shall become a member of the Association by the recording with the Register of Deeds, Macomb County, Michigan, of a deed or land contract establishing record title to a Unit in the Condominium Project in the name of such Co-owner and upon request deliver to the Association a copy of such instrument.
- b. The share of a co-owner in the funds and assets of the Association cannot be assigned, pledged or transferred in any manner except as an appurtenance to his 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 account or other asset of the Association.
- c. Except as limited in these Bylaws, only a co-owner shall be entitled to vote and shall be entitled to one vote for each Unit owned.
- d. No Co-owner shall be entitled to vote at any meeting of the Association until he has presented evidence of ownership of a Unit in the Condominium Project to the Association, and in good standing (i.e. current in all assessments and charges and not in violation of any provisions of the Condominium documents). The vote of each Co-owner may only be cast by the individual representative designated by such Co-owner in the notice required in subparagraph "e" below or by a proxy given by such individual representative.

e. Each co-owner shall file a written notice with the Association designating the individual representative who shall vote at meetings of the Association and receive all notices and other communications from the Association on behalf of such co-owner. Such notice shall state the name and address of the individual representative designated, the number or numbers of the Unit or Units owned by the co-owner, and the name and address of each person, firm, corporation, partnership, association, trust or other entity who is the co-owner. Such notice shall be signed and dated by all of the co-owners of the Unit. The individual representative designated may be changed by the co-owner at any time by filing a new notice in the manner herein provided.

f. There shall be an annual meeting of the members of the Association. Other meetings may be provided for in these Bylaws. Notice of time, place and subject matter of all meetings as provided in these Bylaws, shall be given to each Co-owner by mailing the same to each individual representative designated by the respective Co-owners.

g. The presence in person, by proxy, written vote, telephone or other electronic means of participation of twenty-five (25%) 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 required herein to require a greater quorum. The written or electronic vote of any person furnished at or prior to any duly called meeting at which meeting said person is not otherwise present in person or by proxy shall be counted in determining the presence of a quorum with respect to the question upon which the vote is cast.

h. Votes may be cast in person, by proxy, by written or electronic ballot signed or sent by the designated voting representative not present at a given meeting in person or by proxy. Proxies, written votes, and electronic votes must be filed with the Secretary of the Association or its managing agent at or before the appointed time of each meeting of the members of the Association. Cumulative voting shall not be permitted.

i. A majority, except where otherwise provided herein, shall consist of more than fifty (50%) percent of those qualified to vote and present in person, by proxy, by written or electronic vote at a given meeting of the members of the Association.

j. Any action which may be taken at a meeting of the members (except for the election or removal of directors) may be taken without a meeting by written ballot of the members. Such solicitations may be made only by the Board of Directors and shall specify (a) the number of responses needed to meet the quorum requirements; (b) the percentage of approvals necessary to approve the action; and (c) the time by which ballots must be received in order to be counted. The form of written ballot shall afford an opportunity to specify a choice between approval and disapproval of each matter and shall provide that, where the member specifies a choice, the vote shall be cast in accordance therewith. Approval by written ballot shall be constituted by receipt, within the time period specified in the solicitation, of (i) a number of ballots which equals or exceeds the quorum which would be required if the action were taken at a meeting; and (ii) a number of approvals which equals or exceeds the number of votes which would be required for approval if the action were taken at a meeting at which the total number of votes cast was the same as the total number of ballots cast. The results of the balloting under this Section shall be reported to the Co-owners within 21 days after the expiration of the time

period specified in the solicitation, and the ballots received shall be retained and secured by the Secretary of the Association for at least 60 days after the time period specified in the solicitation.

Section 3. The Association shall keep detailed books of account showing all expenditures and receipts of administration which shall specify the maintenance and repair expenses of the Common Elements and any other expenses incurred by or on behalf of the Association and the Co-owners. Such accounts shall be open for inspection by the Co-owners during reasonable working hours and income, expense and position statements shall be prepared at least annually by qualified independent accountants and available for viewing to each Co-owner, either by e-mail or electronic transmission. The cost of such professional accounting assistance shall be an expense of administration.

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

a. The Board of Directors shall have all powers and duties necessary for the administration of the affairs of the Association and may do all acts and things 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 or which may be set forth in the Association Bylaws, the Board of Directors shall be responsible specifically for the following:

- (1) Management and administration of the affairs of and maintenance of the Condominium Project and the Common Elements thereof.
- (2) To collect assessments from the members of the Association and to use the proceeds thereof for the purposes of the Association.
- (3) To carry insurance and collect and allocate the proceeds thereof.
- (4) To rebuild improvements after casualty.
- (5) To contract for and employ persons, firms, corporations or other agents to assist in the management, operation, maintenance and administration of the Condominium Project.
- (6) To approve or disapprove proposed purchasers or lessees of any Unit in the manner specified in these Condominium Bylaws.
- (7) To acquire, maintain and improve, and to buy, operate, manage, sell, convey, assign, mortgage or lease any real or personal property (including any Unit in the Condominium and easements, rights-of-way and licenses) on behalf of the Association in furtherance of any of the purposes of the Association, including (but without limitation) the lease or purchase of any Unit in the Condominium for use by a resident manager, or the purchase of a Unit on foreclosure of the

Association's lien and the payment of any underlying mortgage required to preserve the interest of the Association, so long as said action does not require a special assessment of the Co-owners and reserves for capital projects are not used.

(8) To borrow money and issue evidences of indebtedness in furtherance of any and all of the purposes of the business of the Association, and to secure the same by mortgage, pledge, or other lien, on property owned by the Association; provided, however, that any such action shall also be approved by affirmative vote of fifty (50%) percent of all of the members of the Association in number and in value, unless such action is to obtain a letter of credit and/or appeal bond for litigation in an amount not exceeding \$100,000.00.

(9) To make Rules and Regulations in accordance with Article VI, Section 11 of these Bylaws.

(10) 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.

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

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

ARTICLE II

ASSESSMENTS

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

Section 2. All costs incurred by the Association in satisfaction of any liability arising within, caused by or in connection with the Common Elements or the administration of the Condominium shall be expenses of administration within the meaning of Section 69 of the Public Act, as amended, and all sums received as proceeds of, or pursuant to, any policy of insurance carried by the Association securing the interests of the Co-owners against liabilities or losses arising within, caused by, or connected with the Common Elements or the administration of the Condominium shall be receipts of administration.

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

a. The Board of Directors of the Association shall establish an annual budget in advance for each fiscal year and such budget shall project all expenses for the forthcoming year which may be required for the proper operation, management, and maintenance of the Condominium Project, including a reasonable allowance for contingencies and reserves. An adequate reserve fund for maintenance, repairs and replacement of those Common Elements that must be replaced on a periodic basis must be established in the budget and must be funded by regular monthly payments rather than by special 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. The Association of Co-owners should carefully analyze the Condominium Project to determine if a greater amount should be set aside, or if additional reserve funds should be established for other purposes. 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 delivery of a copy of the budget to each co-owner shall not affect the liability of any co-owner for any existing or future assessments. Should the Board of Directors, at any time determine, in the sole discretion of the Board of Directors; (1) that the assessments levied are or may prove to be insufficient to pay the costs of operation and management of the Condominium; (2) to provide replacements of existing common elements, (3) to provide additions to the common elements not exceeding \$2,500.00 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 assessment or assessments as it shall deem to be necessary. The discretionary authority of the Board of Directors to levy assessments pursuant to this sub-section shall rest solely with the Board of Directors for the benefit of the Association and the members thereof, and shall not be enforceable by any creditors of the Association or the members thereof.

b. Special assessments, in addition to those required in a. above may be made by the Board of Directors from time to time and approved by the Co-owners as hereinafter provided to meet other needs or requirements of the Association, including, but not limited to (1) assessments for additions to the Common Elements of a cost exceeding \$2,500.00 per year, (2) assessments for the purchase or lease of a Unit in the Condominium Project pursuant to Article VI, Section 13, (3) assessments to purchase a Unit upon foreclosure of the lien for assessments described in Section 6 hereof, (4) assessments to purchase a Unit for use as a resident manager's Unit; or (5) assessments for any other appropriate purpose not elsewhere herein described. Special assessments referred to in this sub-paragraph b. (but not including those assessments referred to in subparagraph 3. a. above which shall be levied in the sole discretion of the Board of Directors) shall not be levied without the prior approval of more than fifty (50%) percent of all co-owners in value and in number. The discretionary authority of the Board of Directors to levy assessments pursuant to this sub-section shall rest solely with the Board of Directors for the benefit of the Association and the members thereof, and shall not be enforceable by any creditors of the Association or the members thereof.

Section 4. All assessments levied against the co-owners to cover expenses of administration shall be apportioned equally to each Unit except any unusual expenses of administration, such as gas expenses, as may be determined in the sole discretion of the Board of Directors, which benefit less than all of the Condominium Units in the Condominium may be specially assessed against the Condominium Unit or Condominium Units so benefitted and may be allocated in the proportion which the percentages

of value of the benefitted Condominium Unit bears to the total percentages of all Condominium Units so specially benefitted. Assessments shall be due and payable at such times as the Association shall determine, commencing with acceptance of a deed to a Unit or with acquisition of fee simple title to a Unit by any other means. The payment of an assessment shall be in default if such assessment, or any part thereof, is not paid to the Association in full on or before the due date for such payment. The due date for default shall be the first of the month. However, the payment shall be considered late if paid after the 2nd day of the month. There shall be a penalty of twenty-five (\$25.00) dollars added to any payment for assessments received after the 10th day of the month and an additional penalty of twenty-five (\$25.00) dollars for each month the assessment is overdue. The amount of the penalty may be changed from time to time by the Board of Directors, pursuant to duly adopted Rules and Regulations. These penalties shall be in addition to interest of seven (7%) percent per annum until paid in full. Each Co-owner (whether one or more persons) shall be, and remain personally liable for the payment of all assessments pertinent to his Unit which may be levied while such co-owner is the owner thereof. All payments received from Co-owners shall be applied first against late charges, costs of collection, court costs and attorneys' fees, and thereafter against assessments in their order of greatest delinquency.

Section 5. No Co-owner may exempt himself from liability for his contribution toward the expenses of administration by waiver of the use or enjoyment of any of the common elements or by the abandonment of his Unit. A Co-owner may not assert in an answer or set off to a complaint brought by the Association for non-payment of assessments the fact that the Association, or its agent, has not provided the services or management to a Co-owner(s).

Section 6. (a) Remedies. In addition to any other remedies available to the Association, the Association may enforce collection of delinquent assessments by a suit at law for a money judgment or by foreclosure of the statutory lien that secures payment of assessments. In the event of a default by any Co-owner in the payment of any installment of the annual or any additional or special assessment levied against his Unit, the Association shall have the right to declare all unpaid installments of the annual or any additional or special assessment for the pertinent fiscal year immediately due and payable. The Association also may discontinue the furnishing of 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 complex and shall not be entitled to vote at any meeting of the Association, sign any petition for any purpose, or be a candidate or serve on the Board of Directors 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 his 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 persons claiming under him. The Association may also assess fines for late payment or non-payment of assessments in accordance with the provisions of Article XVII, Section 1 of these Bylaws. All of these remedies shall be cumulative and not alternative.

(b) Foreclosure Proceedings. Each Co-owner, and every other person who from time to time has any interest in the Condominium complex, shall be deemed to have granted to the Association the unqualified right to elect to foreclose the lien securing payment of assessments either by judicial action or by advertisement. The provisions of Michigan law pertaining to foreclosure of

mortgages by judicial action and by advertisement, as the same may be amended from time to time, are incorporated herein by reference for the purposes of establishing the alternative procedures to be followed in lien foreclosure actions and the rights and obligations of the parties to such actions; except the priority of the Association's lien is determined by the Act. Further, each Co-owner and every other person who from time to time has any interest in the Condominium complex, shall be deemed to have authorized and empowered the Association to sell or to cause to be sold the Unit with respect to which the assessment(s) is or are delinquent and to receive, hold and distribute the proceeds of such sale in accordance with the priorities established by applicable law.

Each Co-owner of a Unit in the Condominium complex acknowledges that, at the time of acquiring title to such unit, he was notified of the provisions of this subparagraph and that he voluntarily, intelligently and knowingly waived notice of any proceedings brought by the Association to foreclose by advertisement the lien for non-payment of assessments and a hearing on the same prior to the sale of the subject Unit.

(c) Notice of Action. Notwithstanding the foregoing, neither a judicial foreclosure action nor a suit at law for a money judgment shall be commenced, nor shall any notice of foreclosure by advertisement be published, until the expiration of ten (10) days after mailing, by first class mail, postage prepaid, addressed to the delinquent Co-owner(s) at his or their last known address, of a written notice that one (1) or more installments of the annual assessment levied against the pertinent Unit is or are delinquent and that the Association may invoke any of its remedies hereunder if the default is not cured within ten (10) days after the date of mailing. Such written notice shall be accompanied by a written affidavit of an authorized representative of the Association that sets forth (i) the affiant's capacity to make the affidavit, (ii) the statutory and other authority for the lien, (iii) the amount outstanding (exclusive of interest, costs, attorney fees and future assessments), (iv) the legal description of the subject Unit(s), and (v) the names of the Co-owner(s) of record. Such affidavit shall be recorded in the office of the Register of Deeds in Macomb County, Michigan, prior to commencement of any foreclosure proceeding, but it need not have been recorded as of the date of mailing as aforesaid. 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 delinquent Co-owner and shall inform him that he may request a judicial hearing by bringing suit against the Association.

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

(e) A construction lien or claim arising under Michigan law shall be subject to the following limitations:

(i) Except as otherwise provided in this section, a construction lien or claim arising for work performed upon a Unit or upon a limited common element may attach only to the Unit upon which the work was performed.

(ii) A construction lien or claim arising for work authorized by the Association may attach to each Unit only to the proportionate extent that the Co-owner of the Unit is required to contribute to the expenses of administration as provided by the Condominium Documents.

(iii) A construction lien or claim may not arise or attach to a Unit for work performed on the common elements not contracted by the Association.

Section 7. Pursuant to the provisions of the Act, as amended, the purchaser of any Unit may request a statement of the Association as to the outstanding amount of any unpaid Association assessments thereon, whether regular or special, 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 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 periods 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. Unpaid assessments constitute a lien upon the Unit and the proceeds of sale thereof prior to all claims except real property taxes and first mortgages of record. The Association may charge a reasonable fee for the preparation of such a statement, which fee shall be established by rules and regulations.

ARTICLE III

ARBITRATION

Section 1. Disputes, claims or grievances arising out of or relating to the interpretation or the application of the Condominium Documents, or any disputes, claims or grievances arising among or between Co-owners and the Association shall, upon the election and written consent of the parties to any disputes, claims or grievances and written notice to the Association, be submitted to arbitration and the parties thereto shall accept the arbitrator's decision as final and binding. The Commercial Arbitration Rules of the American Arbitration Association as amended and in effect from time to time hereafter shall be applicable to any such arbitration.

Section 2. In the absence of the election and written consent of the parties under Section 1 above, neither a Co-owner nor the Association is prohibited from petitioning a court of competent jurisdiction to resolve any dispute, claim or grievance.

Section 3. The election by the parties to submit any dispute, claim or grievance to arbitration prohibits the parties from petitioning the courts regarding that dispute, claim or grievance.

ARTICLE IV

INSURANCE

Section 1. 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 of the Condominium project, and such insurance, other than title insurance, shall be carried and administered in accordance with the following provisions:

a. All such insurance shall be purchased by the Association for the benefit of the Association, and the co-owners and their mortgagees, as their interests may appear, and provision shall be made for the issuance of certificates of mortgagee endorsements to the mortgagees of co-owners. Each co-owners shall obtain and Maintain adequate H06 insurance coverage or comparable at his own expense upon his Units and personal property and upon the Co-owner's personal liability as required by the Condominium Documents. Such insurance shall provide a minimum of \$50,000.00 in dwelling damage coverage, in addition to any betterment or improvement coverage. This minimum amount may be adjusted by the Board of Directors to allow for inflation adjustments. The Co-owner shall annually provide proof of that insurance to the Association, and the Co-owner shall endeavor to require that such insurance name the Association as an additional insured. Notwithstanding anything contained in the Condominium Documents or the Association's insurance policy to the contrary, the Co-owner's insurance shall be primarily responsible for all loss or damage to the fullest extent of its coverage. It shall be each co-owner's responsibility to determine by personal investigation or from the Co-owner's own insurance advisor the nature and extent of insurance coverage adequate to the Co-owners need and thereafter obtain insurance coverage for his personal property located within his Unit or elsewhere on the Condominium and for his personal liability for occurrences within his Unit or upon limited common elements appurtenant to his unit, and also for alternative living expense in event of any circumstance, and the Association shall have absolutely no responsibility for obtaining such coverage. The Association and all co-owners shall use their best efforts to see that all property and liability insurance carried by the Association or any co-owner shall contain appropriate provisions whereby the insurer waives its right of subrogation as to any claims against any co-owner or the Association.

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

cost to the Association attributable thereto shall be assessed to and borne solely by said Co-owner and collected as part of the assessments against said Co-owner under Article II hereof.

c. All premiums for insurance purchased by the Association pursuant to these Bylaws shall be expenses of administration.

d. Proceeds of all insurance policies owned by the Association shall be received by the Association, held in a separate account and distributed to the Association, and the Co-owners and their mortgagees as their interests may appear; provided, however, whenever repair or reconstruction of the Condominium shall be required as provided in Article V 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.

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

ARTICLE V

RECONSTRUCTION OR REPAIR

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

a. If the damaged property is a common element or a Unit, the property shall be rebuilt or repaired if any Unit in the Condominium is tenantable, unless it is determined that the Condominium shall be terminated.

b. If the Condominium is so damaged that no Unit is tenantable, the damaged property shall not be rebuilt unless seventy-five (75%) percent or more of the Co-owners in value and in number agree to reconstruction by vote or in writing within ninety (90) days after the destruction.

Section 2. Any such reconstruction or repair shall be substantially in accordance with the 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.

Regardless of anything contained in the Condominium Documents to the contrary, the Association shall not be obligated to make any improvements or betterments to a Unit including but not limited to wallpaper, finish paint, carpeting and finished basements, nor shall the Association be obligated to replace mature trees and landscaping with comparable sizes.

Section 3. If the damage is only to a part of a Unit which is the responsibility of a Co-owner to maintain and repair, it shall be the responsibility of the Co-owner to repair such damage in accordance with Section 4 hereof. In all other cases, the responsibility for reconstruction and repair shall be that of the Association.

Section 4. Regardless of the cause or nature of any damage or deterioration, each Co-owner shall be responsible for and perform promptly the reconstruction, repair and maintenance of the interior of his Unit, including, but not limited to, floor coverings, painting and decorating, air conditioning compressor, condensate lines and pipes, telephone, lamps, doors, sanitary installations, water faucets, water tanks, wall coverings, window shades, draperies, interior walls (but not any common elements therein), interior trim, furniture, electrical, plumbing, water and gas systems within any Unit, heating systems, ceiling vents, light fixtures and all appliances, whether free-standing or built-in. In the event damage to the interior walls within a co-owner's unit or to pipes, wires, conduits, ducts or other common elements therein is covered by insurance held by the Association and not covered by insurance carried by the Co-owner, then the reconstruction or repair shall be the responsibility of the Association in accordance with Section 5. If any other interior portion of a unit is covered by insurance held by the Association for the benefit of the co-owner, the co-owner shall be entitled to receive the proceeds of insurance relative thereto and if there is a mortgagee endorsement, the proceeds shall be payable to the co-owner and the mortgagee jointly.

Section 5. The Association shall be responsible for the reconstruction, repair and maintenance of the common elements. Immediately after a casualty causing damage to property for which the Association has the responsibility of maintenance, repair and reconstruction, the Association shall obtain reliable and detailed estimates of the cost to replace the damaged property in a condition as good as that existing before the damage. If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction or repair required to be performed by the Association, or if at any time during such reconstruction or repair, or upon completion of such reconstruction or repair, the funds for the payment of the costs thereof are insufficient, assessments shall be made against all co-owners for the cost of reconstruction or repair of the damaged property in sufficient amounts to provide funds to pay the estimated or actual cost of repair.

Section 6. The following provisions shall control upon any taking by eminent domain:

a. In the event of any taking of an entire Unit by eminent domain, the Co-owner of such Unit shall be entitled to receive the award for such taking and after acceptance thereof, he and his mortgagee shall be divested of all interest in the Condominium project. 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 Association on behalf of such Co-owner. If only a part of a Unit is taken, the Association shall rebuild the same as is necessary

to make it habitable and remit the balance of the condemnation proceeds pertinent to such Unit to the owner thereof.

b. 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 Association and the affirmative vote of more than fifty (50%) percent of the Co-owners in number and in value shall determine whether to rebuild, repair or replace the portion so taken or to take such other action as they deem appropriate. If no such affirmative vote is obtained, such condemnation proceeds shall be remitted to the Co-owners in accordance with their respective percentages of value set forth in Article V of the Master Deed.

c. In the event the Condominium project continues after taking by eminent domain, then the remaining portion of the Condominium project shall be re-surveyed 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 100%. Such amendment may be effected by an officer of the Association duly authorized by the Board of Directors without the necessity of execution or specific approval thereof by any Co-owner.

ARTICLE VI

RESTRICTIONS

Section 1. No Unit in the Condominium shall be used for other than single-family residence purposes and the common elements shall be used only for purposes consistent with the use of single-family residences. No individual or entity may own more than ten (10%) percent of the Units in the Condominium. If Units are owned by an entity or individual with any common ownership, all such Units are deemed to be owned by the same Co-owner, and therefore are subject to this limitation. No more than two (2) persons per bedroom (as the Units were originally constructed) may occupy any Unit in the Condominium. No Co-owner shall carry on any commercial activities anywhere on the premises of the Condominium, except that Co-owners shall be allowed to have offices in their Unit so long as: (i) the existence or operation of the business activity is not apparent or detectable by sight, sound or smell from outside the Unit; (ii) the business activity conforms to all local regulatory and zoning requirements applicable to the Condominium or the Co-owners; (iii) the business activity does not involve persons coming onto the Condominium project who do not reside in the Condominium project or door-to-door solicitation of residents of the Condominium; (iv) the business activity is consistent with the residential character of the Condominium; and (v) does not constitute a nuisance or hazardous or offensive use, threaten security or safety of other residents of the Condominium or involve additional expenses to the Association, as may be determined in the Board's sole discretion.

Section 2. (a) A co-owner may lease his unit for the same purposes set forth in Section 1 of this ARTICLE VI; provided that written disclosure of such lease transaction is submitted to the Board of Directors of the Association in the same manner as specified in SECTION 15 of this ARTICLE VI. Provided however no more than fifteen (15%) percent of the Units may be occupied by only non-co-owners. Units that are occupied by someone other than a Co-owner or the Co-owner's

immediate family member may continue to be so occupied so long as those occupants who occupy the Unit as of the effective date of this amended section, remain occupants of the Unit. If a Unit is owned by a trust created by a Co-owner, that Co-owner shall still be considered the Co-owner of the Unit and not a non-co-owner occupant. No co-owner shall lease less than an entire Unit in the Condominium and no tenant or non-co-owner occupant shall be permitted to occupy unless under a written lease the initial term of which is at least one (1) year unless specifically approved in writing by the association. The term of all leases, occupancy agreements and occupancy arrangements shall incorporate, or be deemed to incorporate, all of the provisions of the Condominium documents and the lease or occupancy agreement shall so state.

(b) A co-owner desiring to rent or lease a Unit shall disclose that fact in writing to the Association at least ten (10) days before presenting a lease form to a potential lessee of the Unit and at the same time, shall supply the Association with a copy of the exact lease form for its review for its compliance with the Condominium documents. In all instances where a Unit is not occupied by a Co-owner, the following provisions shall apply:

(1) If the Association determines that the 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.

(ii) The Co-owner shall have fifteen (15) days after receipt of such notice to investigate and correct the alleged breach by the non-co-owner 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 behalf or derivatively by the Co-owners on behalf of the Association, 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 non-co-owner occupant for breach of the conditions of the Condominium Documents. The relief provided for in this subparagraph may be by summary proceeding. The Association may hold both the non-co-owner occupant and the Co-owner liable for any damages to the common elements caused by the Co-owner or non-co-owner occupant in connection with the Unit or the Condominium Complex.

(2) When a Co-owner is in arrears to the Association for assessments, the Association may give written notice of the arrearage to a non-co-owner occupying a Co-owner's Unit under a lease agreement and the non-co-owner occupant, after receiving the notice, shall deduct from leasing payments due the Co-owner the arrearage and future assessments as they fall due and pay them to the Association. Any such deductions shall not constitute a breach of the lease by the non-co-owner occupant. If the non-co-owner occupant after being notified, fails or refuses to remit leasing payments otherwise due the

Co-owner to the Association of Co-owners, then the Association may issue a statutory notice to quit for nonpayment of leasing payments to the non-co-owner occupant and shall have the right to enforce that notice by summary proceeding. It may also initiate eviction proceedings pursuant to subsection (3) above.

Section 3. a. No Co-owner shall make alterations in exterior appearance or make structural modifications to his 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 expressed written approval of the Board of Directors including (but not by way of limitation) exterior painting or the erection of antennas (except satellite dishes as allowed by rules and regulations in compliance with FCC regulations, as adopted by the Board of Directors), lights, aerials, awnings, doors, shutters or other exterior attachments or modifications, nor shall any Co-owner damage or make modifications or attachments to common element walls between Unit which in any way impairs sound conditioning provisions. In the event that a structure or modification previously approved by the Association requires to be rebuilt or reconstructed in a fashion other than as originally approved, prior written permission from the Board of Directors must first be obtained. No Co-owner shall in any way restrict access to any plumbing, water line, water line valves, water meter, sprinkler system valves or any other element that must be accessible to service the common elements or any element which affects an Association's responsibility in any way. It shall be permissible for Co-owners to cause to be installed television antennas in the attic areas above Units, and to install satellite dishes in their Units, or upon limited common elements assigned to them or other areas specifically authorized by the Board of Directors; providing, however, that any damage or expense to the common elements or to the Association resulting from such installation shall be borne by the Co-owner performing or authorizing such installation. Should access to any facilities of any sort be required, the Association may remove any coverings or attachments of any nature that restrict such access and will have no responsibility for repairing, replacing or reinstalling any materials, whether or not installation thereof has been approved hereunder, that are damaged in the course of gaining such access, nor shall the Association be responsible for monetary damages of any sort arising out of actions taken to gain necessary access. The Board of Directors may approve only such modifications as do not impair the soundness, safety, utility or appearance of the Condominium. The Association shall not be liable to any person or entity for mistake in judgment, negligence or non-feasance arising out of or in connection with the approval or disapproval or failure to approve any such plans or specifications for a modification. The Co-owner shall be responsible for the maintenance, repair and replacement of such modification or improvement. In the event that the Co-owner fails to do so, the Association may undertake such maintenance, repair and replacement and assess the Co-owner the cost thereof and collect the costs 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 any costs, damages, or liabilities incurred in regard to said modification and/or improvement and shall be obligated to execute a modification agreement, if requested by the Association, as a condition for approval of such modification or improvement.

b. A Co-owner may make improvements or modifications to the Co-owner's Unit, including improvements or modifications to common elements and to the route from the public way to the door of the Co-owner's Unit, at his or her expense, if the purpose of the improvement or modification is to facilitate access to or movement within the Unit for persons with disabilities who reside in or regularly

visit the Unit, or to alleviate conditions that could be hazardous to persons with disabilities. The improvement or modification shall not impair the structural integrity of a structure or otherwise lessen the support of a portion of the Condominium complex. The Co-owner is liable for the cost of repairing any damage to a common element caused by building or maintaining the improvement or modification, unless the damage could reasonably be expected in the normal course of building or maintaining the improvement or modification. The improvement or modification may be made notwithstanding prohibitions and restrictions in the Condominium Documents, but shall comply with all applicable state and local building code requirements and health and safety laws and ordinances and shall be made as closely as reasonably possible in conformity with the intent of applicable prohibitions and restrictions regarding safety and aesthetics of the proposed modification.

c. An improvement or modification allowed by this section that affects the exterior of the Unit shall not unreasonably prevent passage by other residents of the Condominium complex. A co-owner who has made exterior improvements or modifications allowed by this section above shall notify the Association in writing of the Co-owner's intention to convey or lease his or her Condominium Unit to another, at least thirty (30) days before the conveyance or lease. Not more than thirty (30) days after receiving a notice from a Co-owner under this subsection, the Association may require that the Co-owner remove the improvement or modification, at the Co-owner's expense. If the Co-owner fails to give timely notice of a conveyance or lease, the Association at any time may remove or require the Co-owner to remove the improvement or modification, at the Co-owner's expense. However, the Association may not remove or require the removal of an improvement or modification if a Co-owner conveys or leases his or her Condominium Unit to a person with disabilities who needs the same type of improvement or modification or has a person residing with him or her who requires the same type of improvement or modification, and resides with the person.

d. If a Co-owner makes an exterior improvement or modification allowed under this section, the Co-owner shall maintain liability insurance, underwritten by an insurer authorized to do business in this state naming the Association of Co-owners as an additional insured, in an amount adequate to compensate for personal injuries caused by the exterior improvement or modification, but the Co-owner is not liable for acts or omissions of the Association with respect to the exterior improvement or modification, and the Co-owner shall not be required to maintain liability insurance with respect to any common element. The Association is responsible for maintenance, repair and replacement of the improvement or modification only to the extent of the cost currently incurred by the Association for maintenance, replacement, and repair of the common elements covered or replaced by the improvement or modification. All cost of maintenance, repair and replacement of the improvement or modification exceeding that currently incurred by the Association for maintenance, repair and replacement of the common elements covered or replaced by the improvement or modification shall be assessed to and paid by the Co-owner or the Unit serviced by the improvement or modification.

e. Before an improvement or modification allowed by this section is made, the Co-owner shall submit plans and specifications for the improvements or modifications to the Association for review and approval. The Association shall determine whether the proposed improvement or modification substantially conforms to the requirements of this section, but shall not deny a proposed improvement or modification without good cause. If the Association denies a proposed improvement or modification, the Association shall list, in writing, the changes needed to make the proposed

improvement or modification conform to the requirements of this section, and shall deliver that list to the Co-owner. The Association shall approve or deny the proposed improvement or modification not later than sixty (60) days after the plans and specifications are submitted by the Co-owner proposing the improvement or modification to the Association. If the Association does not approve or deny submitted plans and specifications within the sixty (60) day period, the Co-owner may make the proposed improvement or modification without the approval of the Association. A Co-owner may bring an action against the Association and the Officers and Directors to compel those persons to comply with this section if the Co-owner disagrees with a denial by the Association of the Co-owner's proposed improvement or modification.

f. As used herein, "person with disability" means that term as defined in Section 2 of the State Construction Code Act of 1972, Act No. 230 of the Public Acts of 1972, being Section 125.1502 of the Michigan Compiled Laws.

Section 4. No immoral, improper, unlawful or offensive activity, including garage sales 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, nor shall any unreasonably noisy activity be carried on in any Unit or on the common elements. No Co-owner shall do or permit anything to be done or keep or permit to be kept in his Unit or on the common elements anything that will increase the rate of insurance on the Condominium and each Co-owner will pay to the Association the increased cost of insurance premiums resulting from any such activity or the maintenance of any such activity or condition.

Section 5. No animal shall be kept in the Condominium or permitted on the Condominium premises other than domesticated cats, dogs, or birds. No more than one (1) dog or two (2) cats per Condominium Unit. No animal kept in or permitted on the Condominium premises shall exceed 25 lbs. in weight. Any pets kept in the condominium shall have such care and restraint not to be obnoxious on account of noise, odor or unsanitary conditions. No savage or dangerous animals shall be kept. No animal may be permitted to run loose upon the common elements and any animal shall at all times be licensed as required by the municipality, leashed and at all times attended by some responsible person while on the common elements. Any person who causes or permits an animal to be brought or kept on the Condominium property shall indemnify and hold harmless the Association for any loss, damage or liability which the Association may sustain as a result of the presence of such animal on the Condominium property, whether or not the Association has given its permission therefore. Deposits of fecal matter shall be made only in those areas specifically designated for such purpose by the Association, and must be immediately and properly disposed of by some person responsible for the animal. 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 may, without liability to the owner thereof, remove or cause to be removed any animal from the Condominium which it determines to be in violation of the restrictions imposed by this section. 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.

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

Section 7. Sidewalks, yards, landscaped areas, driveways, roads, parking areas, porches, hallways, stairs and lobbies shall not be obstructed in any way nor shall they be used for purposes other than for which they are reasonably and obviously intended. No bicycles, vehicles, chairs or benches may be left unattended on or about the common elements. Use of any recreational facilities in the Condominium by children may be limited to such times and in such manner as the Association shall determine by duly adopted regulations.

Section 8. No house trailers, commercial vehicles, boat trailers, boats, camping vehicles, camping trailers, snowmobiles, snowmobile trailers, mini-bikes, motorcycles, ATV's, or similar vehicles other than automobiles may be parked or stored upon the premises of the Condominium, unless parked in an area specifically designated therefore by the Association. Commercial vehicles (defined as vehicles or trucks weighing more than three tons or any vehicles or trucks with visible signage, tools, or other equipment typically used in trades or businesses, or any vehicle with any permanent or removable lettering on any surface of the vehicle that advertises, publicizes or in any way indicates that the vehicle is used by any entity whether for profit, non-profit, or not-for-profit) shall not be parked in or about the Condominium except as above provided) unless while making deliveries or pickups in the normal course of business. No inoperable, or non-functioning vehicles of any type, or vehicles that are not regularly used, whether properly licensed or not, can be brought or stored upon the Condominium premises except that inoperable or non-functioning vehicles intended to be used primarily as a method of personal transportation and for the personal use and enjoyment of a person may be stored in a garage. No more than three (3) vehicles per Unit may be parked, stored or kept upon the premises of the Condominium. No overnight street parking between the hours of 1 o'clock a.m. and 6 o'clock a.m. Those cars shall be parked only on the parking pad, driveway, garage or carports assigned to that Unit. Regularly used vehicles shall mean vehicles that are moved and used periodically during a calendar month. All vehicles parked on the Condominium premises must be currently licensed and insured. No major repairs shall be performed on any vehicle on the Condominium premises except such repairs of a Co-owners vehicle are permitted within the Co-owner's garage. Co-owners may make minor repairs to their own vehicles in their own driveways provided such repairs are completed in one eighteen (18) hour period. In the event that there arises a shortage of parking places, for Co-owner vehicles or vehicles belonging to the guests of Co-owners, the Board of Directors may allocate or assign parking spaces from time to time on an equitable basis. Co-owners shall, if the Board of Directors shall require, register with the Association all cars maintained on the Condominium premises.

Section 9. No Co-owner shall use, or permit the use by any occupant, agent, employee, invitee, guest or member of his family of any firearms, air rifles, pellet guns, B-B guns, bows and arrows

or other similar dangerous weapons, projectiles or devices anywhere on or about the Condominium premises.

Section 10. No signs or other advertising devices shall be displayed which are visible from the exterior of a Unit or on the Common Elements, including "For Sale" signs, "For Rent", "Open" signs and political signs, without the prior written permission from the Board of Directors. NO garage sales allowed at anytime. Estate sales must be pre-approved in writing by the Board of Directors.

Section 11. Reasonable rules and regulations consistent with the Act, the Master Deed and these Bylaws, concerning the use of the Common Elements and any Unit may be made and amended from time to time by any Board of Directors of the Association. All copies of 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 12. The Association or its duly authorized agent 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, 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 or to protect the safety 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 his Unit 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 his Unit 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, or the contents of same or limited common elements appurtenant to same which are under the control or in the possession of the Co-owner, 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.

Section 13. A Co-owner may sell his Unit or interest therein without approval of the Association, except that such transfer is subject to the following terms:

a. Ten (10) days prior to the closing date a Co-owner shall give written notice of such sale to the Association, and shall furnish the name and address of the purchaser and such other information as the Board of Directors shall require. The selling Co-owner shall provide the purchaser with the Condominium Documents. The giving of such notice shall constitute a warranty and a representation by such Co-owner to the Association that the Co-owner believes the proposed sale to be bona fide in all respects. The selling Co-owner shall inform the purchaser in writing of any approved additions and/or modifications that the selling Co-owner or prior Co-owners have made which have become the

Co-owner's responsibility for maintaining, but in any event, the purchaser shall be responsible for maintaining such additions or modifications regardless of whether or not the purchaser actually received said notification. The selling Co-owner shall be responsible to the Association for any damages suffered by it in exercise of its rights hereunder. The Association may charge the Co-owner a reasonable fee, as determined from time to time by the Board of Directors, to defray the administrative costs incurred in making the necessary changes to the Association records.

b. When a Co-owner is in arrears to the Association for assessments, the Board of Directors or its duly authorized agent may give written notice of the arrearage to a land contract purchaser or other person or agreement granting or conveying an interest, and the purchaser, or other person or entity having such interest after receiving the notice, shall deduct from payments due the Co-owner the arrearage and future assessments as they fall due and pay them to the Association. Such a deduction shall not constitute a breach of the contract with the Co-owner.

c. This section shall not apply to a public or a private sale pursuant to foreclosure of a first mortgage on any Unit, nor shall this section apply to a subsequent sale by the holder of a first mortgage who has acquired title to a Unit by purchaser at a sale pursuant to foreclosure of the first mortgage held by it on such Unit.

d. Upon the closing of the sale, the purchasing Co-owner shall forthwith furnish to the Board of Directors or their duly authorized agent a copy of the executed document(s) conveying title or an interest in a Unit. Failure to do so may result in administrative charges which shall be enforced and collected as assessments pursuant to Article II.

e. Upon the sale or conveyance of a Unit, all unpaid assessments against that Unit shall be paid out of the sale price or by the purchaser in preference over any other assessments or charges of whatever nature except the following:

- (i) Amounts due the state, or any subdivision thereof, or any municipality for taxes and special assessments due and unpaid on the Unit.
- (ii) Payments due under a first mortgage having priority thereto.

f. In all instances the Co-owner shall indemnify and hold the Association and its Board of Directors harmless as to any warranties (express or implied) relative to the condition of the Unit or the common elements (both general or limited) or the performance of the Association with regard to same.

Section 14. No unsightly condition shall be maintained upon any porch or terrace and only furniture and equipment consistent with ordinary porch or terrace use shall be permitted to remain there during seasons when porches and terraces are reasonably in use and no furniture or equipment of any kind shall be stored on porches or terraces during seasons when porches and terraces are not reasonably in use.

Section 15. Each co-owner shall maintain his Unit and any limited common elements appurtenant thereto for which he has maintenance responsibility in a safe, clean and sanitary condition.

Each co-owner shall also use due care to avoid damaging any of the common elements or other Units, including but not limited to the telephone, water, gas, plumbing, electrical or other utility conduits and systems and any other elements in any Unit which are appurtenant to or which may affect any other Unit. Each co-owner shall be responsible for damages or costs to the Association caused by him, or his family, guests, agents or invitees, or by items for which the Co-owner has maintenance responsibility, unless such damages or costs are covered by insurance carried by the Association, in which case there shall be no such responsibility (unless reimbursement to the Association is excluded by virtue of a deductible provision, in which case the responsible co-owner shall bear the expense to the extent of the deductible amount), provided however, that in the event such damage is covered by insurance carried by the Co-owner, the Co-owner's insurance shall bear the primary responsibility for that damage to the full extent of its coverage. Any costs or damages to the Association may be assessed to and collected from the responsible co-owner in the manner provided in Article II hereof.

ARTICLE VII

MORTGAGES

Section 1. Any Co-owner who mortgages his Unit shall notify the Association of the name and address of the mortgagee, and the Association shall maintain such information in a book entitled "Mortgages of Units." The Association may, at the written request of a mortgagee of any such Unit, report any unpaid assessments due from the Co-owner of such Unit.

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

ARTICLE VIII

MEETINGS

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

Section 2. The annual meetings of members of the Association shall be held on such time and place as shall be determined by the Board of Directors. At such meetings there shall be elected by ballot of the Co-owners a Board of Directors in accordance with the requirements of Article IX of these Bylaws. The Co-owners may also transact at annual meetings such other business of the Corporation as may properly come before them.

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

Section 4. It shall be the duty of the Secretary (or other Association officer in the Secretary's absence) to serve a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, upon each Co-owner of record, at least ten (10) days but no more than sixty (60) days prior to such meeting. The mailing, postage prepaid, or by any electronic method reasonably calculated to be received by the Co-owners, of a notice to the representative of each Co-owner at the address shown in the notice required to be filed with the Association by Article I, Section 2(e) of these Bylaws 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.

Section 5. If any meeting of owners cannot be held because a quorum is not in attendance, the 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.

ARTICLE IX

BOARD OF DIRECTORS

Section 1. The affairs of the Association shall be governed by a Board of Directors all of whom must be members current in their condominium assessments of the Association and not in violation of the Condominium restrictions. Directors shall serve without compensation. No more than one (1) co-owner per unit may serve on the Board at one time.

Section 2. The Board of Directors shall consist of five (5) directors. The term of office of each director shall be two (2) years, with three (3) directors being elected in one year, and two (2) directors elected the following year. The directors shall hold office until their successors have been elected and hold their first meeting.

Section 3. 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 a 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.

Section 4. 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 a majority of all of the Co-owners and a successor may then and there be elected to fill the 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 5. The first meeting of a newly elected Board of Directors shall be held within ten (10) days of election at such place as shall be fixed by the directors at the meeting at which such directors were elected, and no notice shall be necessary to the newly elected directors in order legally to constitute such meeting, providing a majority of the whole Board shall be present

Section 6. Regular meetings of the Board of Directors may be held at such time and places as shall be determined from time to time by a majority of the directors, but at least two such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each director personally, by mail, telephone or other electronic method reasonably calculated to be received by the director, at least ten (10) days prior to the date named for such meeting.

Section 7. Special meetings of the Board of Directors may be called by the President on three (3) days' notice to each director, given personally, by mail, telephone, email or other electronic method reasonably calculated to be received by the director, 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.

Section 8. 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 9. At all meetings of the Board of Directors, a majority of the directors shall constitute a quorum for the transaction of business, and the acts of the majority of the directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice. The joinder of a director in the action of a meeting by signing and concurring in the minutes thereof, shall constitute the presence of such Director for purposes of determining a quorum. A Director may participate in a meeting by conference telephone or similar communications equipment by which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this section constitutes presence at the meeting.

Section 10. The Board of Directors shall require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be expenses of administration.

Section 11. Although directors' meetings are not necessarily open to Co-owners, the Board generally intends them to be open. However, 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 for any reason, or in order to deal with confidential or privileged information, including but not limited to privileged communication between the Board of Directors and counsel for the Association, or any other matter to which a privileged against disclosure pertains under Michigan statute, common law, the Michigan Rules of Evidence, or the Michigan Court Rules.

Section 12. Any action permitted to be taken by the Board of Directors at a meeting of the Board shall be valid without a meeting if consented to in writing by the requisite majority of the Board of Directors. Further, the Board of Directors may be polled by telephone, email or other electronic means to obtain concurrence for decision, provided that such action is affirmed by the Board of Directors at its next regular meeting.

Section 13. A director may participate in a meeting by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this section constitutes presence at the meeting.

ARTICLE X

OFFICERS

Section 1. The principal officers of the Association shall be a President, who shall be a member of the Board of Directors, a Vice President, Secretary and a Treasurer. 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.

Section 2. 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. 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. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board of Directors. He shall have all of the general powers and duties which are usually vested in the office of the President of an association, including, but not limited to, the power to appoint committees from among the members of the Association from

time to time as he may in his discretion deem appropriate to assist in the conduct of the affairs of the Association.

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

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

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

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

ARTICLE XI

SEAL

Section 1. The Association may have a seal which may have inscribed thereon the name of the Association, the words "Corporate Seal," and "Michigan."

ARTICLE XII

FINANCE

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

Section 2. The funds of the Association shall be deposited in such bank as may be designated by the Directors and shall be withdrawn only upon the check or order of such officers, employees or agents as are designated by resolution of the Board of Directors from time to time.

ARTICLE XIII

INDEMNIFICATION OF OFFICERS AND DIRECTORS

Section 1. Every director and every officer of the Association shall be indemnified by the Association against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him in connection with any proceeding to which he may be a party, or in which he may become involved, by reason of his being or having been a director or officer of the Association, whether or not he is a director or officer at the time such expenses are incurred, except in such cases wherein the director or officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided that, in the event of any claim for reimbursement or indemnification hereunder based upon a settlement by the director or officer seeking such reimbursement or indemnification, the indemnification herein shall apply only if the Board of Directors (with the director seeking reimbursement abstaining) approves such settlement or reimbursement as being in the best interest of the Association. Written notice ten (10) days prior to payment must be given to co-owners of a decision to indemnify an officer or director. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such director or officer may be entitled.

ARTICLE XIV

AMENDMENTS

Section 1. Amendments to these 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 or more in number of the members or by instrument in writing signed by them.

Section 2. Upon any such amendment being proposed, a meeting for consideration of the same shall be duly called in accordance with the provisions of Article VIII of these Bylaws.

Section 3. These Bylaws may be amended by the Association at any regular annual meeting or a special meeting called for such purpose, by an affirmative vote of more than sixty (60%) percent of all Co-owners in number and in value.

Section 4. No consent of mortgagees shall be necessary unless required by the Michigan Condominium Act, in which event the approval of sixty-six and two-thirds (66-2/3%) percent of mortgagees shall be obtained with each mortgagee having one (1) vote for each mortgage held.

Section 5. Any amendment to these Bylaws shall become effective upon recording of such amendment in the office of the Register of Deeds in the County where the condominium is located.

Section 6. A copy of each amendment to these Bylaws shall be furnished to every member of the Association after adoption.

ARTICLE XV

COMPLIANCE

The Association of Co-owners and all present or future Co-owners, tenants, future tenants, or any other persons acquiring an interest in or using the facilities of the project in any manner are subject to and shall comply with the Act, as amended, and 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 Statute, the Statute shall govern.

ARTICLE XVI

REMEDIES FOR DEFAULT

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

a. Failure to comply with any of the terms or provisions of any of the Condominium Documents 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 any assessment) or any combination thereof; and which relief may be sought by the Association, or, if appropriate, by an aggrieved Co-owner or Co-owners.

b. In the event of a default of the Condominium Documents by a Co-owner, non-co-owner occupant or resident and/or guest, the Association shall be entitled to recover from the Co-owner, lessee, tenant, non-co-owner occupant or resident and/or guest the pre-litigation attorneys' fees and costs incurred by the attorney for the Association in obtaining their compliance with the Condominium Documents. In any proceeding arising because of an alleged default by any co-owner, non-co-owner occupant or resident and/or guest, the Association, if successful, shall be entitled to recover the costs of the proceeding and its actual attorneys' fees, (not limited to statutory fees), but in no event shall any co-owner be entitled to recover such attorneys' fees. The Association, if successful, shall also be entitled to recoup the costs and attorneys' fees incurred in defending any claim, counter-claim or other matter from the Co-owner, non-co-owner occupant or resident and/or guest, asserting the claim, counter-claim or other matter against the Association.

c. The violation of any of the provisions of the Condominium Documents shall also give the Association or its duly authorized agents the right, in addition to the rights set forth above, to enter upon the common elements, limited or general, or into any 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.

d. The violation of any of the provisions of the Condominium Documents by any Co-owner shall be grounds for assessment by the Association, acting through its duly constituted Board of Directors, of monetary fines for such violations. The amount of the fines shall be as determined from time to time by the Board of Directors. No fine may be assessed unless rules and regulations establishing such fine have first been duly adopted by the Board of Directors of the Association. Thereafter, fines may be assessed only upon reasonable notice to the offending Co-owner(s) and an opportunity for such Co-owner(s) to appear before the Board and offer evidence in defense of the alleged violation. All fines duly assessed shall be deemed assessments and may be collected in the same manner as provided in Article II of these Bylaws. No monetary fine shall be levied for the first violation. No fine shall exceed fifty (\$50.00) dollars for the second violation, one hundred (\$100.00) dollars for the third violation, or two hundred (\$200.00) dollars for any subsequent violation. In the case of a continuing violation of these Bylaws, a subsequent violation shall be deemed to have occurred if the violation continues beyond the reasonable time allotted by the Board of Directors as the period for correction of the prior violation. The Board of Directors shall have the authority to increase such fines, at its option, provided that at least thirty (30) days prior notice via mail or electronic mail is given to the Co-owners of any change in the amount of such fines.

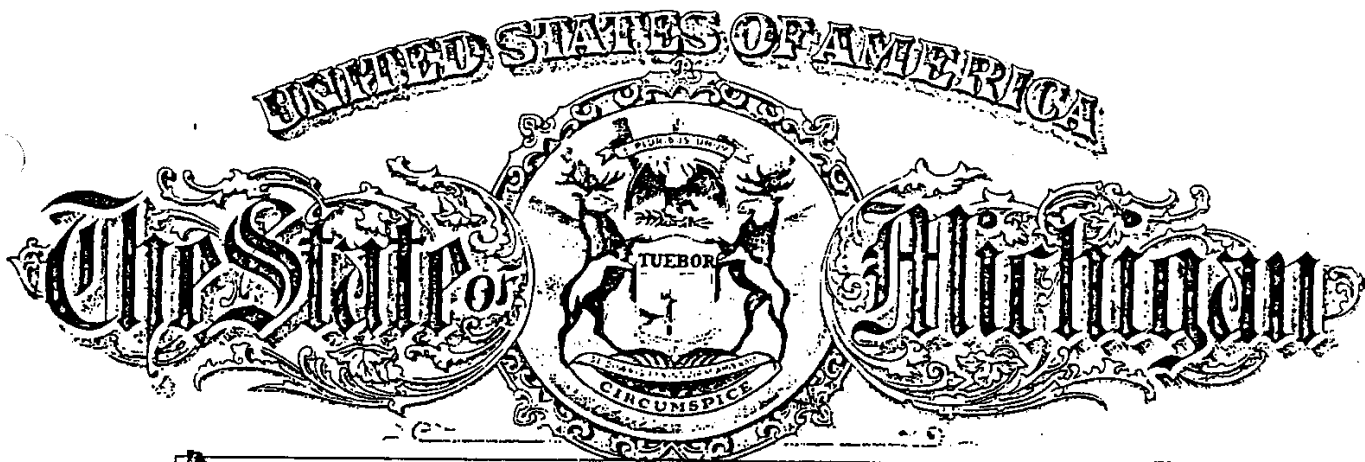
Section 2. The failure of the Association or of any Co-owner to enforce any right, provision, covenant or condition which may be granted by the Condominium Documents shall not constitute a waiver of the right of the Association or of any such Co-owner to enforce such right, provisions, covenant or condition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

Section 3. 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 XVII

SEVERABILITY

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



Michigan Department of Commerce

Lansing, Michigan

To All To Whom These Presents Shall Come:

I, Richard K. Heimbrecht, Director, Michigan Department of Commerce,
Do Hereby Certify That Articles of Incorporation of _____

SCARBOROUGH SQUARE CONDOMINIUM ASSOCIATION

were duly filed in this office on the _____ 18th day of _____ July, 19 74,
in conformity with Act 284, Public Acts of 1972, as amended, and Act 327, Public
Acts of 1931, as amended.

In testimony whereof, I have hereunto set my
hand and affixed the Seal of the Department,
in the City of Lansing, this _____ 18th day
of _____ July, 19 74.

Richard K. Heimbrecht
Director

- (g) To own, maintain and improve, and to buy, sell, convey, assign, mortgage, or lease (as Landlord or Tenant) any real and personal property, including, but not limited to, any apartment in the Condominium or any other real property, whether or not contiguous to the Condominium, for the purpose of providing benefit to the members of the corporation and in furtherance of any of the purposes of the corporation;
- (h) To borrow money and issue evidences of indebtedness in furtherance of any or all of the objects of its business; to secure the same by mortgage, pledge or other lien;
- (i) To enforce the provisions of the Master Deed and Bylaws of the Condominium and of these Articles of Incorporation and such Bylaws and Rules and Regulations of this Corporation as may hereafter be adopted;
- (j) To do anything required of or permitted to it as administrator of said Condominium by the Condominium Master Deed or Bylaws or by Act No. 229 of Public Acts of 1963, as from time to time amended;
- (k) In general, to enter into any kind of activity; to make and perform any contract and to exercise all powers necessary, incidental or convenient to the administration, management, maintenance, repair, replacement and operation of said Condominium and to the accomplishment of any of the purposes thereof.

ARTICLE III

Location of the first registered office is: 8100 Denwood, Sterling Heights, Michigan.

ARTICLE IX

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 (including the Developer) of an apartment in the Condominium shall be a member of the corporation, and no other person or entity shall be entitled to membership; except that the subscribers hereto shall be members of the corporation until such time as their membership shall terminate, as hereinafter provided.
- (b) Membership in the corporation (except with respect to any non-co-owner incorporators, who shall cease to be members upon the qualification for membership of any co-owner) shall be established by acquisition of fee simple title to an apartment in the Condominium and by recording with the Register of Deeds in the County where the Condominium is located, a deed or other instrument establishing a change of record title to such apartment and the furnishing of evidence of same satisfactory to the corporation (except that the Developer of the Condominium shall become a member immediately upon establishment of the Condominium) the new co-owner thereby becoming a member of the 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 apartment in the Condominium.

RECORDED
LIBER 2522, PAGE 592
2/20/2015 10:44:31 AM
MACOMB COUNTY, MI
SARIELLA BARBOUR, REGISTER OF DEEDS

**FIFTH AMENDMENT TO THE
MASTER DEED OF SCARBOROUGH SQUARE CONDOMINIUM**

**(AMENDED AND RESTATED MASTER DEED)
(Act 59, Public Acts of 1978 as amended)
Macomb County Condominium Subdivision Plan No. 91**

This Amended and Restated Master Deed is made on Feb. 26, 2015, by Scarborough Square Condominium Association, a Michigan Non-Profit Corporation, hereinafter referred to as "Association," whose office is located care of Vision Property Management Group, LLC, P.O. Box 180904, Utica, Michigan, 48318, represented by David Winegar, President of Scarborough Square Condominium Association, who is fully empowered and qualified to act on behalf of the Association, in pursuance of the provisions of the Michigan Condominium Act (being Act 59 of the Public Acts of 1978, as amended), hereinafter referred to as the "Act."

WHEREAS, Scarborough Square Condominium, was established pursuant to the Master Deed thereof recorded in Liber 2522, Pages 592 through 650, and as amended by the 1st Amendment recorded in Liber 2578, Page 966 through 978, the 2nd Amendment recorded in Liber 2731, Pages 14 through 35, the 3rd Amendment recorded in Liber 3242, Page 610 through 611, and the 4th Amendment recorded in Liber 9663, Pages 249 through 251, Macomb County Records, and known as Macomb County Condominium Subdivision Plan No. 91, as amended.

WHEREAS, the Association desires by recording this Amended and Restated Master Deed, together with the Restated Condominium Bylaws attached hereto as Exhibit A and together with the Condominium Subdivision Plan attached to the original Master Deed as Exhibit B and as amended (both of which are hereby incorporated by reference and made a part of), to reaffirm the establishment of the real property described below, together with all of the improvements now located upon such real property and the appurtenances thereto, as a residential Condominium Complex under the provisions of the Condominium Act of Michigan. This Amended and Restated Master Deed is based upon the consent of at least sixty-six and two-thirds (66-2/3rds) percent of the Co-owners and mortgagees of Units in the Condominium.

NOW THEREFORE, the Association does, upon the recording hereof, reaffirm the establishment of Scarborough Square Condominium as a Condominium under the Condominium Act and does declare that Scarborough Square Condominium (hereinafter referred to as the "Condominium," "Complex" or the "Condominium Complex"), shall, after such establishment, be held, conveyed, hypothecated, encumbered, leased, rented, occupied, improved, or in any other manner utilized, subject to the provisions of the Act, and to the covenants, conditions, restrictions, uses, limitations, and affirmative obligations set forth in this Amended and Restated Master Deed, Exhibit A hereto and Exhibit B as attached to the original Master Deed and as amended, all of which shall be deemed to run with the real property described below and shall be a burden and a benefit to the

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Association, its successors, and assigns, and any persons acquiring or owning an interest in such real property, their grantees, successors, heirs, executors, administrators and assigns. This Amended and Restated Master Deed and Condominium Bylaws shall replace and supersede the original Master Deed and Condominium Bylaws of Scarborough Square Condominium, as previously amended. Articles IV, V and IX of the Master Deed are amended. In furtherance of the establishment of the Condominium Complex, it is provided as follows:

ARTICLE I

TITLE AND NATURE

The Condominium Project is known as Scarborough Square Condominium, Macomb County Condominium Subdivision Plan No. 91. The architectural plans for the Project were drafted by Robert Shanayda. The Condominium Project is established in accordance with the Act. The buildings and units contained in the Condominium, including the number, boundaries, dimensions, area and volume of each unit therein are set forth completely in the Condominium Subdivision Plan attached as Exhibit "B" hereto. Each building contains individual units for residential purposes and each unit is capable of individual utilization on account of having its own entrance and exit to a common element of the Condominium Project. Each co-owner in the Condominium Project shall have an exclusive right to his 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 Amended and Restated Master Deed is particularly described as follows:

A parcel of land being a part of the S. W. 1/4 of Section 12, T. 1 N., R. 12 E. City of Warren, Macomb County, Michigan, being more particularly described as follows:

Commencing at the S. W. corner of said Section 12, thence N. 88 degrees 17 minutes 20 seconds E. along the South line of Section 12 and centerline of 12 Mile Road, 639.90 feet; thence N. 00 degrees 44 minutes 15 seconds West 60.01 feet to the North line of 12 Mile Road and point of beginning of property herein described; thence N. 00 degrees 44 minutes 15 seconds W. along the East line of Warren Plaza Subdivision No. 1 as recorded in Liber 46, Pages 3 and 4 Macomb County Records, 815.00 feet; thence N. 89 degrees 15 minutes 45 seconds East 160.00 feet; thence South 00 degrees 44 minutes 15 seconds East 140.00 feet; thence N. 89 degrees 15 minutes 45 seconds East 125.00 feet; thence S. 00 degrees 44 minutes 15 seconds East 450.00 feet; thence N. 89 degrees 15 minutes 45 seconds East 18.00 feet; thence S. 00 degrees 44 minutes 15 seconds East 219.85 feet to a point in the North line of 12 Mile Road; thence S. 88

degrees 17 minutes 20 seconds West along the North line of 12 Mile Road, 303.06 feet to the point of beginning.

Also:

Commencing at the S. W. corner of said Section 12, thence N. 88° 17' 20" E. along the South line of Section 12 and centerline of 12-Mile Rd., 639.90 feet; thence N. 00° 44' 15" W. along the East line of Warren Plaza Subdivision No. 1, as recorded in Liber 46, Pages 3 and 4 of Macomb County Records a distance of 875.00 feet and the point of beginning of property herein described; thence N. 00° 44' 15" W. 394.58 feet to the S. W. corner of Bonneville Subdivision No. 1 as recorded in Liber 52, Page 22 of Macomb County Records; thence N. 87° 38' 30" E. along the South line of said Bonneville Subdivision No. 1, a distance of 410.16 feet; thence S. 00° 44' 15" E. 346.18 feet; thence S. 89° 15' 45" W. 15.00 feet; thence S. 00° 44' 15" E. 220.00 feet; thence S. 89° 15' 45" W. 110.00 feet; thence N. 00° 44' 15" W. 20.00 feet; thence S. 89° 15' 45" W. 125.00 feet; thence N. 00° 44' 15" W. 140.00 feet; thence S. 89° 15' 45" W. 160.00 feet to the point of beginning.

ARTICLE III

DEFINITIONS

Certain terms are utilized not only in this Amended and Restated Master Deed and Exhibits "A" hereto and "B" attached to the original Master Deed and as amended, 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 Scarborough Square 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 Scarborough Square 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 the non-profit corporation organized under Michigan law of which all Co-owners shall be members which corporation shall administer, operate, manage and maintain the Condominium. Any action required of or permitted to the Association shall be exercisable by its Board of Directors unless specifically reserved to its members by the Condominium Documents or the laws of the State of Michigan.
- (c) "Master Deed" means this Restated and Amended Master Deed and any amendments thereof which shall describe Scarborough Square Condominium as a completed Condominium Project and reflects all Units and Common Elements therein and which shall express percentages of value pertinent to each Unit as finally readjusted for voting purposes only.

(d) "Condominium Bylaws" means Exhibit A hereto, being the Bylaws setting forth the substantive rights and obligations of the Co-owners and required by Section 54 of the Act to be recorded as part of the Master Deed.

(e) "Condominium Unit" or "Unit" each means the enclosed space constituting a single complete residential Unit in Scarborough Square Condominium as such space may be described on Exhibit "B".

(f) "Condominium Documents" wherever used means and includes this Amended and Restated Master Deed and Exhibit "A" hereto and Exhibit "B" attached to the original Master Deed and as amended, the Articles of Incorporation, and the Rules and Regulations, if any, of the Association.

(g) "Condominium Project", "Condominium" or "Project" each mean Scarborough Square Condominium as an approved Condominium Project established in conformity with the provisions of the Act.

(h) "Condominium Subdivision Plan" means Exhibit "B" attached to the original Master Deed and as amended.

(i) "Co-owner" means a person, firm, corporation, partnership, association, trust or other legal entity or any combination thereof who or which owns one or more Units in the Condominium Project. The term "owner", wherever used, shall be synonymous with the term "Co-owner".

(j) "Condominium Premises" means and includes the land and the buildings, all improvements and structures thereof, and all easements, rights and appurtenances belonging to Scarborough Square Condominium as described above.

(k) "Common Elements" where used without modification, shall mean both the General and Limited Common Elements described in Article IV hereof.

(l) 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 original Master Deed and as amended, and the respective responsibilities for maintenance, decoration, repair or replacement thereof are as follows:

A. The General Common Elements are:

1. The land described in Article II hereof, including driveways, roads, sidewalks and parking spaces.
2. The electrical wiring network throughout the project (not including that portion owned by the utility company) up to the point of the breaker panel in each Unit.
3. The gas line network throughout the project (not including that portion owned by the utility company) up to the downstream point of connection with the gas line tee servicing each Unit, or if there is a shutoff valve, downstream from the shutoff valve.
4. The telephone, cable, audio, video, optical cable or other communication wiring network throughout the project (not including that portion owned by the utility, cable or providing company) up to the point of first entry into a Unit.
5. The fresh water plumbing network throughout the project including that contained within unit walls, up to the point of downstream portion of the individual fresh water shutoff valve to each Unit.
6. The sanitary sewer system throughout the project, including that contained within Unit walls up to the point of the first exit from a wall or floor of a Unit and in the case of a commode, does not include the seal ring.
7. The storm drainage system, including the sump pumps throughout the Project.
8. Foundations, supporting columns, unit perimeter walls (excluding windows, interior and exterior doors, doorwalls, screens, screen doors and storm doors therein), garage doors, roofs, ceilings, floor construction between unit levels and chimneys.
9. 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. The Limited Common Elements are:

1. Each garage and drive is limited in use to the Co-owner of the Unit to which it is appurtenant as designated on the site plan of Exhibit "B" attached to the original Master Deed.

2. Each patio and deck is limited in use to the Co-owner of the Unit to which they are appurtenant as designated on the site plan of Exhibit "B" attached to the original Master Deed.
 3. Each balcony is limited in use to the Co-owner of the Unit which opens onto such balcony as shown on the site plan of Exhibit "B" attached to the original Master Deed.
 4. Each car parking space is limited in use to the Co-owner of the Unit to which it is appurtenant as designated with the corresponding number on the site Plan of Exhibit "B" attached to the original Master Deed.
 5. Each individual furnace, air conditioner system and compressor, including condensate lines and pans, and water heater in each Unit shall be limited to the owner of the Unit which is served by such items.
 6. Each carport is limited in use to the Co-owner of the Unit to which it is assigned.
 7. The interior surfaces of Unit perimeter walls, the windows, doors door walls, screens, screen doors, storm doors, as well as the garage door opener and the garage door hardware, ceilings and floors contained within a Unit shall be subject to the exclusive use and enjoyment of the co-owner of such Unit.
- C. The respective responsibilities for maintenance, repair and replacement of all general and limited common elements are as follows:
1. The cost of maintenance, repair and replacement of each patio and deck described in Article IV, B(2) above, including the grading, slope and elevation thereof shall be borne by the Co-owner to which such deck and patio is appurtenant.
 2. The cost of maintenance, repair and replacement of those limited common elements described in Article IV, B(5) and (7) above, including painting, wallpaper, paneling, carpeting, tile, wood or other floor or wall covering shall be borne by the Co-owner of each Unit to which such limited common elements are appurtenant, regardless of the cause necessitating such costs, and notwithstanding any other provision contained in the Condominium Documents or the Association's insurance policy.
 3. The cost of maintenance, repair and replacement of the windows, interior and exterior doors, garage door related springs, garage door openers, door walls, screens, screen doors and storm doors in each unit shall be borne by the co-owner of that unit. The Board of Directors shall regulate the appearance of those items.

4. The cost of maintenance, repair and replacement of the garage door and all other general and limited common elements other than those specified in this Section C. shall be borne by the Association.
5. In the event the Co-owner fails to properly maintain, repair and replace those items over which the Co-owner has responsibility under this Section, the Association may, after notice to the Co-owner, contract for said maintenance, repair and replacement (excluding mere decorating) and assess the cost thereof to the Co-owner, which cost shall be collectible in the same manner as condominium assessments pursuant to Article II of the Condominium Bylaws.

No Co-owner shall use his 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 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 Scarborough Square Condominium as surveyed by Robert Shanayda and attached to the original Master Deed, as Exhibit "B", and as amended. Each unit shall include: (1) With respect to each Unit basement, all that space contained within the unpainted surfaces of the basement floor and walls and the uncovered underside of the first floor joists, and (2) with respect to the upper floors of Units, all that space contained within the interior finished unpainted walls and ceilings and from the finished subfloor all as shown on the floor plans and sections in Exhibit "B" attached to the original Master Deed and delineated by heavy outlines.

B. The percentage of value assigned to each Unit is set forth in subparagraph C below. The percentage of value assigned to each Unit is set forth below. The value of such co-owner's vote at meetings of the Association of co-owners shall be equal. The total value of the project is 100. The percentage of value allocated to each Unit may be changed only with the unanimous consent of all of the co-owners expressed in an amendment to this Master Deed, duly approved and recorded except as provided in Article VII.

C. Set forth below are:

- (a) Each Unit number as it appears on the Condominium Subdivision Plan.
- (b) The percentage of value assigned to each Unit.
- (c) Each respective co-owner by unit shall pay the proceeds of administration.

Those co-owners with parking pads will pay \$160.00 monthly.
 Those co-owners with carports or one car garages will pay \$170.00 monthly.
 Those co-owners with two car garages will pay \$180.00 monthly.

Any future increase in association dues will be added per dollar using the payment structure as outlined above.

<u>Unit Number</u>	<u>Percentage of Value Assigned</u>	<u>Unit Number</u>	<u>Percentage of Value Assigned</u>
1	.93341	18	.80914
2	1.03336	19	.80914
3	.83015	20	.80914
4	.80914	21	.83015
5	.83015	22	.80914
6	.80914	23	1.03336
7	1.03336	24	.93341
8	.93341	25	.87016
9	.80914	26	1.03336
10	.83015	27	.83015
11	.80914	28	.80914
12	1.03336	29	.83015
13	.93341	30	.80914
14	.93341	31	1.03336
15	1.03336	32	.87016
16	.80914	33	.87016
17	.83015	34	1.03336

<u>Unit Number</u>	<u>Percentage of Value Assigned</u>	<u>Unit Number</u>	<u>Percentage of Value Assigned</u>
35	.80914	70	1.32303
36	.83015	71	1.44537
37	.80914	72	1.23605
38	.61289	74	1.12237
39	.80914	76	1.44537
40	.83015	77	1.32303
41	.80914	78	1.31958
42	.83015	79	1.44192
43	.80914	80	1.24649
44	1.03336	82	1.12577
45	.87016	84	1.44192
46	.87016	85	1.31958
47	1.03336	86	1.19393
48	.83015	87	1.19933

49	.80914	88	1.14798
50	.83015	89	1.02564
51	.80914	90	1.19393
52	1.03336	91	1.19933
53	.87016	92	1.14798
54	.87016	93	1.02564
55	1.03336	94	1.02564
56	.83015	95	1.14798
57	.80914	96	1.19933
58	.83015	97	1.19393
59	.80914	98	1.19393
60	1.03336	99	1.19933
61	.87016	100	1.14798
62	1.31958	101	1.02564
63	1.44192	102	1.19393
64	1.24649	103	1.19933
66	1.12578	104	1.14798
68	1.44192	105	1.02564
69	1.31958		

ARTICLE VI

EASEMENTS

In the event any portion of a Unit or Common Element encroaches upon another Unit or Common Element due to shifting, settling, or moving of the building or due to survey errors, 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 interior wall which supports a Common Element.

ARTICLE VII

AMENDMENT

This Master Deed and the Condominium Subdivision Plan (Exhibit B to said Master Deed) may be amended with the consent of sixty-six and two-thirds (66-2/3%) percent of all the Co-owners in good standing, except as may otherwise be required by the Act. When required by the Act, the consent of sixty-six and two-thirds (66-2/3%) percent of all mortgagees, with one vote for each mortgage held, shall also be obtained.

**EXHIBIT A
AMENDED AND RESTATED CONDOMINIUM BYLAWS**

SCARBOROUGH SQUARE CONDOMINIUM

ARTICLE I

ASSOCIATION OF CO-OWNERS

Section 1. Scarborough Square Condominium, a residential Condominium Project located in the City of Warren, Macomb County, Michigan, shall be administered by an association of Co-owners which shall be a non-profit corporation, hereinafter called the "Association", organized under the applicable laws of the State of Michigan, and responsible for the management, maintenance, operation and administration of the Common Elements, easements and affairs of the Condominium Project in accordance with the Master Deed, these Bylaws, the Articles of Incorporation, and duly adopted Rules and Regulations of the Association, and the laws of the State of Michigan. All Co-owners in the Condominium Project and all persons using or entering upon or acquiring any interest in any Unit therein or the Common Elements thereof shall be subject to the provisions and terms set forth in the aforesaid Condominium Documents.

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

- a. Each co-owner shall be a member of the Association and no other person or entity shall be entitled to membership. Each Co-owner shall become a member of the Association by the recording with the Register of Deeds, Macomb County, Michigan, of a deed or land contract establishing record title to a Unit in the Condominium Project in the name of such Co-owner and upon request deliver to the Association a copy of such instrument.
- b. The share of a co-owner in the funds and assets of the Association cannot be assigned, pledged or transferred in any manner except as an appurtenance to his 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 account or other asset of the Association.
- c. Except as limited in these Bylaws, only a co-owner shall be entitled to vote and shall be entitled to one vote for each Unit owned.
- d. No Co-owner shall be entitled to vote at any meeting of the Association until he has presented evidence of ownership of a Unit in the Condominium Project to the Association, and in good standing (i.e. current in all assessments and charges and not in violation of any provisions of the Condominium documents). The vote of each Co-owner may only be cast by the individual representative designated by such Co-owner in the notice required in subparagraph "e" below or by a proxy given by such individual representative.

e. Each co-owner shall file a written notice with the Association designating the individual representative who shall vote at meetings of the Association and receive all notices and other communications from the Association on behalf of such co-owner. Such notice shall state the name and address of the individual representative designated, the number or numbers of the Unit or Units owned by the co-owner, and the name and address of each person, firm, corporation, partnership, association, trust or other entity who is the co-owner. Such notice shall be signed and dated by all of the co-owners of the Unit. The individual representative designated may be changed by the co-owner at any time by filing a new notice in the manner herein provided.

f. There shall be an annual meeting of the members of the Association. Other meetings may be provided for in these Bylaws. Notice of time, place and subject matter of all meetings as provided in these Bylaws, shall be given to each Co-owner by mailing the same to each individual representative designated by the respective Co-owners.

g. The presence in person, by proxy, written vote, telephone or other electronic means of participation of twenty-five (25%) 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 required herein to require a greater quorum. The written or electronic vote of any person furnished at or prior to any duly called meeting at which meeting said person is not otherwise present in person or by proxy shall be counted in determining the presence of a quorum with respect to the question upon which the vote is cast.

h. Votes may be cast in person, by proxy, by written or electronic ballot signed or sent by the designated voting representative not present at a given meeting in person or by proxy. Proxies, written votes, and electronic votes must be filed with the Secretary of the Association or its managing agent at or before the appointed time of each meeting of the members of the Association. Cumulative voting shall not be permitted.

i. A majority, except where otherwise provided herein, shall consist of more than fifty (50%) percent of those qualified to vote and present in person, by proxy, by written or electronic vote at a given meeting of the members of the Association.

j. Any action which may be taken at a meeting of the members (except for the election or removal of directors) may be taken without a meeting by written ballot of the members. Such solicitations may be made only by the Board of Directors and shall specify (a) the number of responses needed to meet the quorum requirements; (b) the percentage of approvals necessary to approve the action; and (c) the time by which ballots must be received in order to be counted. The form of written ballot shall afford an opportunity to specify a choice between approval and disapproval of each matter and shall provide that, where the member specifies a choice, the vote shall be cast in accordance therewith. Approval by written ballot shall be constituted by receipt, within the time period specified in the solicitation, of (i) a number of ballots which equals or exceeds the quorum which would be required if the action were taken at a meeting; and (ii) a number of approvals which equals or exceeds the number of votes which would be required for approval if the action were taken at a meeting at which the total number of votes cast was the same as the total number of ballots cast. The results of the balloting under this Section shall be reported to the Co-owners within 21 days after the expiration of the time

period specified in the solicitation, and the ballots received shall be retained and secured by the Secretary of the Association for at least 60 days after the time period specified in the solicitation.

Section 3. The Association shall keep detailed books of account showing all expenditures and receipts of administration which shall specify the maintenance and repair expenses of the Common Elements and any other expenses incurred by or on behalf of the Association and the Co-owners. Such accounts shall be open for inspection by the Co-owners during reasonable working hours and income, expense and position statements shall be prepared at least annually by qualified independent accountants and available for viewing to each Co-owner, either by e-mail or electronic transmission. The cost of such professional accounting assistance shall be an expense of administration.

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

a. The Board of Directors shall have all powers and duties necessary for the administration of the affairs of the Association and may do all acts and things 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 or which may be set forth in the Association Bylaws, the Board of Directors shall be responsible specifically for the following:

- (1) Management and administration of the affairs of and maintenance of the Condominium Project and the Common Elements thereof.
- (2) To collect assessments from the members of the Association and to use the proceeds thereof for the purposes of the Association.
- (3) To carry insurance and collect and allocate the proceeds thereof.
- (4) To rebuild improvements after casualty.
- (5) To contract for and employ persons, firms, corporations or other agents to assist in the management, operation, maintenance and administration of the Condominium Project.
- (6) To approve or disapprove proposed purchasers or lessees of any Unit in the manner specified in these Condominium Bylaws.
- (7) To acquire, maintain and improve, and to buy, operate, manage, sell, convey, assign, mortgage or lease any real or personal property (including any Unit in the Condominium and easements, rights-of-way and licenses) on behalf of the Association in furtherance of any of the purposes of the Association, including (but without limitation) the lease or purchase of any Unit in the Condominium for use by a resident manager, or the purchase of a Unit on foreclosure of the

Association's lien and the payment of any underlying mortgage required to preserve the interest of the Association, so long as said action does not require a special assessment of the Co-owners and reserves for capital projects are not used.

(8) To borrow money and issue evidences of indebtedness in furtherance of any and all of the purposes of the business of the Association, and to secure the same by mortgage, pledge, or other lien, on property owned by the Association; provided, however, that any such action shall also be approved by affirmative vote of fifty (50%) percent of all of the members of the Association in number and in value, unless such action is to obtain a letter of credit and/or appeal bond for litigation in an amount not exceeding \$100,000.00.

(9) To make Rules and Regulations in accordance with Article VI, Section 11 of these Bylaws.

(10) 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.

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

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

ARTICLE II

ASSESSMENTS

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

Section 2. All costs incurred by the Association in satisfaction of any liability arising within, caused by or in connection with the Common Elements or the administration of the Condominium shall be expenses of administration within the meaning of Section 69 of the Public Act, as amended, and all sums received as proceeds of, or pursuant to, any policy of insurance carried by the Association securing the interests of the Co-owners against liabilities or losses arising within, caused by, or connected with the Common Elements or the administration of the Condominium shall be receipts of administration.

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

a. The Board of Directors of the Association shall establish an annual budget in advance for each fiscal year and such budget shall project all expenses for the forthcoming year which may be required for the proper operation, management, and maintenance of the Condominium Project, including a reasonable allowance for contingencies and reserves. An adequate reserve fund for maintenance, repairs and replacement of those Common Elements that must be replaced on a periodic basis must be established in the budget and must be funded by regular monthly payments rather than by special 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. The Association of Co-owners should carefully analyze the Condominium Project to determine if a greater amount should be set aside, or if additional reserve funds should be established for other purposes. 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 delivery of a copy of the budget to each co-owner shall not affect the liability of any co-owner for any existing or future assessments. Should the Board of Directors, at any time determine, in the sole discretion of the Board of Directors; (1) that the assessments levied are or may prove to be insufficient to pay the costs of operation and management of the Condominium; (2) to provide replacements of existing common elements, (3) to provide additions to the common elements not exceeding \$2,500.00 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 assessment or assessments as it shall deem to be necessary. The discretionary authority of the Board of Directors to levy assessments pursuant to this sub-section shall rest solely with the Board of Directors for the benefit of the Association and the members thereof, and shall not be enforceable by any creditors of the Association or the members thereof.

b. Special assessments, in addition to those required in a. above may be made by the Board of Directors from time to time and approved by the Co-owners as hereinafter provided to meet other needs or requirements of the Association, including, but not limited to (1) assessments for additions to the Common Elements of a cost exceeding \$2,500.00 per year, (2) assessments for the purchase or lease of a Unit in the Condominium Project pursuant to Article VI, Section 13, (3) assessments to purchase a Unit upon foreclosure of the lien for assessments described in Section 6 hereof, (4) assessments to purchase a Unit for use as a resident manager's Unit; or (5) assessments for any other appropriate purpose not elsewhere herein described. Special assessments referred to in this sub-paragraph b. (but not including those assessments referred to in subparagraph 3. a. above which shall be levied in the sole discretion of the Board of Directors) shall not be levied without the prior approval of more than fifty (50%) percent of all co-owners in value and in number. The discretionary authority of the Board of Directors to levy assessments pursuant to this sub-section shall rest solely with the Board of Directors for the benefit of the Association and the members thereof, and shall not be enforceable by any creditors of the Association or the members thereof.

Section 4. All assessments levied against the co-owners to cover expenses of administration shall be apportioned equally to each Unit except any unusual expenses of administration, such as gas expenses, as may be determined in the sole discretion of the Board of Directors, which benefit less than all of the Condominium Units in the Condominium may be specially assessed against the Condominium Unit or Condominium Units so benefitted and may be allocated in the proportion which the percentages

of value of the benefitted Condominium Unit bears to the total percentages of all Condominium Units so specially benefitted. Assessments shall be due and payable at such times as the Association shall determine, commencing with acceptance of a deed to a Unit or with acquisition of fee simple title to a Unit by any other means. The payment of an assessment shall be in default if such assessment, or any part thereof, is not paid to the Association in full on or before the due date for such payment. The due date for default shall be the first of the month. However, the payment shall be considered late if paid after the 2nd day of the month. There shall be a penalty of twenty-five (\$25.00) dollars added to any payment for assessments received after the 10th day of the month and an additional penalty of twenty-five (\$25.00) dollars for each month the assessment is overdue. The amount of the penalty may be changed from time to time by the Board of Directors, pursuant to duly adopted Rules and Regulations. These penalties shall be in addition to interest of seven (7%) percent per annum until paid in full. Each Co-owner (whether one or more persons) shall be, and remain personally liable for the payment of all assessments pertinent to his Unit which may be levied while such co-owner is the owner thereof. All payments received from Co-owners shall be applied first against late charges, costs of collection, court costs and attorneys' fees, and thereafter against assessments in their order of greatest delinquency.

Section 5. No Co-owner may exempt himself from liability for his contribution toward the expenses of administration by waiver of the use or enjoyment of any of the common elements or by the abandonment of his Unit. A Co-owner may not assert in an answer or set off to a complaint brought by the Association for non-payment of assessments the fact that the Association, or its agent, has not provided the services or management to a Co-owner(s).

Section 6. (a) Remedies. In addition to any other remedies available to the Association, the Association may enforce collection of delinquent assessments by a suit at law for a money judgment or by foreclosure of the statutory lien that secures payment of assessments. In the event of a default by any Co-owner in the payment of any installment of the annual or any additional or special assessment levied against his Unit, the Association shall have the right to declare all unpaid installments of the annual or any additional or special assessment for the pertinent fiscal year immediately due and payable. The Association also may discontinue the furnishing of 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 complex and shall not be entitled to vote at any meeting of the Association, sign any petition for any purpose, or be a candidate or serve on the Board of Directors 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 his 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 persons claiming under him. The Association may also assess fines for late payment or non-payment of assessments in accordance with the provisions of Article XVII, Section 1 of these Bylaws. All of these remedies shall be cumulative and not alternative.

(b) Foreclosure Proceedings. Each Co-owner, and every other person who from time to time has any interest in the Condominium complex, shall be deemed to have granted to the Association the unqualified right to elect to foreclose the lien securing payment of assessments either by judicial action or by advertisement. The provisions of Michigan law pertaining to foreclosure of

mortgages by judicial action and by advertisement, as the same may be amended from time to time, are incorporated herein by reference for the purposes of establishing the alternative procedures to be followed in lien foreclosure actions and the rights and obligations of the parties to such actions; except the priority of the Association's lien is determined by the Act. Further, each Co-owner and every other person who from time to time has any interest in the Condominium complex, shall be deemed to have authorized and empowered the Association to sell or to cause to be sold the Unit with respect to which the assessment(s) is or are delinquent and to receive, hold and distribute the proceeds of such sale in accordance with the priorities established by applicable law.

Each Co-owner of a Unit in the Condominium complex acknowledges that, at the time of acquiring title to such unit, he was notified of the provisions of this subparagraph and that he voluntarily, intelligently and knowingly waived notice of any proceedings brought by the Association to foreclose by advertisement the lien for non-payment of assessments and a hearing on the same prior to the sale of the subject Unit.

(c) Notice of Action. Notwithstanding the foregoing, neither a judicial foreclosure action nor a suit at law for a money judgment shall be commenced, nor shall any notice of foreclosure by advertisement be published, until the expiration of ten (10) days after mailing, by first class mail, postage prepaid, addressed to the delinquent Co-owner(s) at his or their last known address, of a written notice that one (1) or more installments of the annual assessment levied against the pertinent Unit is or are delinquent and that the Association may invoke any of its remedies hereunder if the default is not cured within ten (10) days after the date of mailing. Such written notice shall be accompanied by a written affidavit of an authorized representative of the Association that sets forth (i) the affiant's capacity to make the affidavit, (ii) the statutory and other authority for the lien, (iii) the amount outstanding (exclusive of interest, costs, attorney fees and future assessments), (iv) the legal description of the subject Unit(s), and (v) the names of the Co-owner(s) of record. Such affidavit shall be recorded in the office of the Register of Deeds in Macomb County, Michigan, prior to commencement of any foreclosure proceeding, but it need not have been recorded as of the date of mailing as aforesaid. 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 delinquent Co-owner and shall inform him that he may request a judicial hearing by bringing suit against the Association.

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

(e) A construction lien or claim arising under Michigan law shall be subject to the following limitations:

(i) Except as otherwise provided in this section, a construction lien or claim arising for work performed upon a Unit or upon a limited common element may attach only to the Unit upon which the work was performed.

(ii) A construction lien or claim arising for work authorized by the Association may attach to each Unit only to the proportionate extent that the Co-owner of the Unit is required to contribute to the expenses of administration as provided by the Condominium Documents.

(iii) A construction lien or claim may not arise or attach to a Unit for work performed on the common elements not contracted by the Association.

Section 7. Pursuant to the provisions of the Act, as amended, the purchaser of any Unit may request a statement of the Association as to the outstanding amount of any unpaid Association assessments thereon, whether regular or special, 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 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 periods 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. Unpaid assessments constitute a lien upon the Unit and the proceeds of sale thereof prior to all claims except real property taxes and first mortgages of record. The Association may charge a reasonable fee for the preparation of such a statement, which fee shall be established by rules and regulations.

ARTICLE III

ARBITRATION

Section 1. Disputes, claims or grievances arising out of or relating to the interpretation or the application of the Condominium Documents, or any disputes, claims or grievances arising among or between Co-owners and the Association shall, upon the election and written consent of the parties to any disputes, claims or grievances and written notice to the Association, be submitted to arbitration and the parties thereto shall accept the arbitrator's decision as final and binding. The Commercial Arbitration Rules of the American Arbitration Association as amended and in effect from time to time hereafter shall be applicable to any such arbitration.

Section 2. In the absence of the election and written consent of the parties under Section 1 above, neither a Co-owner nor the Association is prohibited from petitioning a court of competent jurisdiction to resolve any dispute, claim or grievance.

Section 3. The election by the parties to submit any dispute, claim or grievance to arbitration prohibits the parties from petitioning the courts regarding that dispute, claim or grievance.

ARTICLE IV

INSURANCE

Section 1. 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 of the Condominium project, and such insurance, other than title insurance, shall be carried and administered in accordance with the following provisions:

a. All such insurance shall be purchased by the Association for the benefit of the Association, and the co-owners and their mortgagees, as their interests may appear, and provision shall be made for the issuance of certificates of mortgagee endorsements to the mortgagees of co-owners. Each co-owners shall obtain and Maintain adequate HO6 insurance coverage or comparable at his own expense upon his Units and personal property and upon the Co-owner's personal liability as required by the Condominium Documents. Such insurance shall provide a minimum of \$50,000.00 in dwelling damage coverage, in addition to any betterment or improvement coverage. This minimum amount may be adjusted by the Board of Directors to allow for inflation adjustments. The Co-owner shall annually provide proof of that insurance to the Association, and the Co-owner shall endeavor to require that such insurance name the Association as an additional insured. Notwithstanding anything contained in the Condominium Documents or the Association's insurance policy to the contrary, the Co-owner's insurance shall be primarily responsible for all loss or damage to the fullest extent of its coverage. It shall be each co-owner's responsibility to determine by personal investigation or from the Co-owner's own insurance advisor the nature and extent of insurance coverage adequate to the Co-owners need and thereafter obtain insurance coverage for his personal property located within his Unit or elsewhere on the Condominium and for his personal liability for occurrences within his Unit or upon limited common elements appurtenant to his unit, and also for alternative living expense in event of any circumstance, and the Association shall have absolutely no responsibility for obtaining such coverage. The Association and all co-owners shall use their best efforts to see that all property and liability insurance carried by the Association or any co-owner shall contain appropriate provisions whereby the insurer waives its right of subrogation as to any claims against any co-owner or the Association.

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

cost to the Association attributable thereto shall be assessed to and borne solely by said Co-owner and collected as part of the assessments against said Co-owner under Article II hereof.

c. All premiums for insurance purchased by the Association pursuant to these Bylaws shall be expenses of administration.

d. Proceeds of all insurance policies owned by the Association shall be received by the Association, held in a separate account and distributed to the Association, and the Co-owners and their mortgagees as their interests may appear; provided, however, whenever repair or reconstruction of the Condominium shall be required as provided in Article V 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.

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

ARTICLE V

RECONSTRUCTION OR REPAIR

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

a. If the damaged property is a common element or a Unit, the property shall be rebuilt or repaired if any Unit in the Condominium is tenantable, unless it is determined that the Condominium shall be terminated.

b. If the Condominium is so damaged that no Unit is tenantable, the damaged property shall not be rebuilt unless seventy-five (75%) percent or more of the Co-owners in value and in number agree to reconstruction by vote or in writing within ninety (90) days after the destruction.

Section 2. Any such reconstruction or repair shall be substantially in accordance with the 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.

Regardless of anything contained in the Condominium Documents to the contrary, the Association shall not be obligated to make any improvements or betterments to a Unit including but not limited to wallpaper, finish paint, carpeting and finished basements, nor shall the Association be obligated to replace mature trees and landscaping with comparable sizes.

Section 3. If the damage is only to a part of a Unit which is the responsibility of a Co-owner to maintain and repair, it shall be the responsibility of the Co-owner to repair such damage in accordance with Section 4 hereof. In all other cases, the responsibility for reconstruction and repair shall be that of the Association.

Section 4. Regardless of the cause or nature of any damage or deterioration, each Co-owner shall be responsible for and perform promptly the reconstruction, repair and maintenance of the interior of his Unit, including, but not limited to, floor coverings, painting and decorating, air conditioning compressor, condensate lines and pipes, telephone, lamps, doors, sanitary installations, water faucets, water tanks, wall coverings, window shades, draperies, interior walls (but not any common elements therein), interior trim, furniture, electrical, plumbing, water and gas systems within any Unit, heating systems, ceiling vents, light fixtures and all appliances, whether free-standing or built-in. In the event damage to the interior walls within a co-owner's unit or to pipes, wires, conduits, ducts or other common elements therein is covered by insurance held by the Association and not covered by insurance carried by the Co-owner, then the reconstruction or repair shall be the responsibility of the Association in accordance with Section 5. If any other interior portion of a unit is covered by insurance held by the Association for the benefit of the co-owner, the co-owner shall be entitled to receive the proceeds of insurance relative thereto and if there is a mortgagee endorsement, the proceeds shall be payable to the co-owner and the mortgagee jointly.

Section 5. The Association shall be responsible for the reconstruction, repair and maintenance of the common elements. Immediately after a casualty causing damage to property for which the Association has the responsibility of maintenance, repair and reconstruction, the Association shall obtain reliable and detailed estimates of the cost to replace the damaged property in a condition as good as that existing before the damage. If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction or repair required to be performed by the Association, or if at any time during such reconstruction or repair, or upon completion of such reconstruction or repair, the funds for the payment of the costs thereof are insufficient, assessments shall be made against all co-owners for the cost of reconstruction or repair of the damaged property in sufficient amounts to provide funds to pay the estimated or actual cost of repair.

Section 6. The following provisions shall control upon any taking by eminent domain:

a. In the event of any taking of an entire Unit by eminent domain, the Co-owner of such Unit shall be entitled to receive the award for such taking and after acceptance thereof, he and his mortgagee shall be divested of all interest in the Condominium project. 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 Association on behalf of such Co-owner. If only a part of a Unit is taken, the Association shall rebuild the same as is necessary

to make it habitable and remit the balance of the condemnation proceeds pertinent to such Unit to the owner thereof.

b. 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 Association and the affirmative vote of more than fifty (50%) percent of the Co-owners in number and in value shall determine whether to rebuild, repair or replace the portion so taken or to take such other action as they deem appropriate. If no such affirmative vote is obtained, such condemnation proceeds shall be remitted to the Co-owners in accordance with their respective percentages of value set forth in Article V of the Master Deed.

c. In the event the Condominium project continues after taking by eminent domain, then the remaining portion of the Condominium project shall be re-surveyed 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 100%. Such amendment may be effected by an officer of the Association duly authorized by the Board of Directors without the necessity of execution or specific approval thereof by any Co-owner.

ARTICLE VI

RESTRICTIONS

Section 1. No Unit in the Condominium shall be used for other than single-family residence purposes and the common elements shall be used only for purposes consistent with the use of single-family residences. No individual or entity may own more than ten (10%) percent of the Units in the Condominium. If Units are owned by an entity or individual with any common ownership, all such Units are deemed to be owned by the same Co-owner, and therefore are subject to this limitation. No more than two (2) persons per bedroom (as the Units were originally constructed) may occupy any Unit in the Condominium. No Co-owner shall carry on any commercial activities anywhere on the premises of the Condominium, except that Co-owners shall be allowed to have offices in their Unit so long as: (i) the existence or operation of the business activity is not apparent or detectable by sight, sound or smell from outside the Unit; (ii) the business activity conforms to all local regulatory and zoning requirements applicable to the Condominium or the Co-owners; (iii) the business activity does not involve persons coming onto the Condominium project who do not reside in the Condominium project or door-to-door solicitation of residents of the Condominium; (iv) the business activity is consistent with the residential character of the Condominium; and (v) does not constitute a nuisance or hazardous or offensive use, threaten security or safety of other residents of the Condominium or involve additional expenses to the Association, as may be determined in the Board's sole discretion.

Section 2. (a) A co-owner may lease his unit for the same purposes set forth in Section 1 of this ARTICLE VI; provided that written disclosure of such lease transaction is submitted to the Board of Directors of the Association in the same manner as specified in SECTION 15 of this ARTICLE VI. Provided however no more than fifteen (15%) percent of the Units may be occupied by only non-co-owners. Units that are occupied by someone other than a Co-owner or the Co-owner's

immediate family member may continue to be so occupied so long as those occupants who occupy the Unit as of the effective date of this amended section, remain occupants of the Unit. If a Unit is owned by a trust created by a Co-owner, that Co-owner shall still be considered the Co-owner of the Unit and not a non-co-owner occupant. No co-owner shall lease less than an entire Unit in the Condominium and no tenant or non-co-owner occupant shall be permitted to occupy unless under a written lease the initial term of which is at least one (1) year unless specifically approved in writing by the association. The term of all leases, occupancy agreements and occupancy arrangements shall incorporate, or be deemed to incorporate, all of the provisions of the Condominium documents and the lease or occupancy agreement shall so state.

(b) A co-owner desiring to rent or lease a Unit shall disclose that fact in writing to the Association at least ten (10) days before presenting a lease form to a potential lessee of the Unit and at the same time, shall supply the Association with a copy of the exact lease form for its review for its compliance with the Condominium documents. In all instances where a Unit is not occupied by a Co-owner, the following provisions shall apply:

(1) If the Association determines that the 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.

(ii) The Co-owner shall have fifteen (15) days after receipt of such notice to investigate and correct the alleged breach by the non-co-owner 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 behalf or derivatively by the Co-owners on behalf of the Association, 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 non-co-owner occupant for breach of the conditions of the Condominium Documents. The relief provided for in this subparagraph may be by summary proceeding. The Association may hold both the non-co-owner occupant and the Co-owner liable for any damages to the common elements caused by the Co-owner or non-co-owner occupant in connection with the Unit or the Condominium Complex.

(2) When a Co-owner is in arrears to the Association for assessments, the Association may give written notice of the arrearage to a non-co-owner occupying a Co-owner's Unit under a lease agreement and the non-co-owner occupant, after receiving the notice, shall deduct from leasing payments due the Co-owner the arrearage and future assessments as they fall due and pay them to the Association. Any such deductions shall not constitute a breach of the lease by the non-co-owner occupant. If the non-co-owner occupant after being notified, fails or refuses to remit leasing payments otherwise due the

Co-owner to the Association of Co-owners, then the Association may issue a statutory notice to quit for nonpayment of leasing payments to the non-co-owner occupant and shall have the right to enforce that notice by summary proceeding. It may also initiate eviction proceedings pursuant to subsection (3) above.

Section 3. a. No Co-owner shall make alterations in exterior appearance or make structural modifications to his 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 expressed written approval of the Board of Directors including (but not by way of limitation) exterior painting or the erection of antennas (except satellite dishes as allowed by rules and regulations in compliance with FCC regulations, as adopted by the Board of Directors), lights, aeriels, awnings, doors, shutters or other exterior attachments or modifications, nor shall any Co-owner damage or make modifications or attachments to common element walls between Unit which in any way impairs sound conditioning provisions. In the event that a structure or modification previously approved by the Association requires to be rebuilt or reconstructed in a fashion other than as originally approved, prior written permission from the Board of Directors must first be obtained. No Co-owner shall in any way restrict access to any plumbing, water line, water line valves, water meter, sprinkler system valves or any other element that must be accessible to service the common elements or any element which affects an Association's responsibility in any way. It shall be permissible for Co-owners to cause to be installed television antennas in the attic areas above Units, and to install satellite dishes in their Units, or upon limited common elements assigned to them or other areas specifically authorized by the Board of Directors; providing, however, that any damage or expense to the common elements or to the Association resulting from such installation shall be borne by the Co-owner performing or authorizing such installation. Should access to any facilities of any sort be required, the Association may remove any coverings or attachments of any nature that restrict such access and will have no responsibility for repairing, replacing or reinstalling any materials, whether or not installation thereof has been approved hereunder, that are damaged in the course of gaining such access, nor shall the Association be responsible for monetary damages of any sort arising out of actions taken to gain necessary access. The Board of Directors may approve only such modifications as do not impair the soundness, safety, utility or appearance of the Condominium. The Association shall not be liable to any person or entity for mistake in judgment, negligence or non-feasance arising out of or in connection with the approval or disapproval or failure to approve any such plans or specifications for a modification. The Co-owner shall be responsible for the maintenance, repair and replacement of such modification or improvement. In the event that the Co-owner fails to do so, the Association may undertake such maintenance, repair and replacement and assess the Co-owner the cost thereof and collect the costs 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 any costs, damages, or liabilities incurred in regard to said modification and/or improvement and shall be obligated to execute a modification agreement, if requested by the Association, as a condition for approval of such modification or improvement.

b. A Co-owner may make improvements or modifications to the Co-owner's Unit, including improvements or modifications to common elements and to the route from the public way to the door of the Co-owner's Unit, at his or her expense, if the purpose of the improvement or modification is to facilitate access to or movement within the Unit for persons with disabilities who reside in or regularly

visit the Unit, or to alleviate conditions that could be hazardous to persons with disabilities. The improvement or modification shall not impair the structural integrity of a structure or otherwise lessen the support of a portion of the Condominium complex. The Co-owner is liable for the cost of repairing any damage to a common element caused by building or maintaining the improvement or modification, unless the damage could reasonably be expected in the normal course of building or maintaining the improvement or modification. The improvement or modification may be made notwithstanding prohibitions and restrictions in the Condominium Documents, but shall comply with all applicable state and local building code requirements and health and safety laws and ordinances and shall be made as closely as reasonably possible in conformity with the intent of applicable prohibitions and restrictions regarding safety and aesthetics of the proposed modification.

c. An improvement or modification allowed by this section that affects the exterior of the Unit shall not unreasonably prevent passage by other residents of the Condominium complex. A co-owner who has made exterior improvements or modifications allowed by this section above shall notify the Association in writing of the Co-owner's intention to convey or lease his or her Condominium Unit to another, at least thirty (30) days before the conveyance or lease. Not more than thirty (30) days after receiving a notice from a Co-owner under this subsection, the Association may require that the Co-owner remove the improvement or modification, at the Co-owner's expense. If the Co-owner fails to give timely notice of a conveyance or lease, the Association at any time may remove or require the Co-owner to remove the improvement or modification, at the Co-owner's expense. However, the Association may not remove or require the removal of an improvement or modification if a Co-owner conveys or leases his or her Condominium Unit to a person with disabilities who needs the same type of improvement or modification or has a person residing with him or her who requires the same type of improvement or modification, and resides with the person.

d. If a Co-owner makes an exterior improvement or modification allowed under this section, the Co-owner shall maintain liability insurance, underwritten by an insurer authorized to do business in this state naming the Association of Co-owners as an additional insured, in an amount adequate to compensate for personal injuries caused by the exterior improvement or modification, but the Co-owner is not liable for acts or omissions of the Association with respect to the exterior improvement or modification, and the Co-owner shall not be required to maintain liability insurance with respect to any common element. The Association is responsible for maintenance, repair and replacement of the improvement or modification only to the extent of the cost currently incurred by the Association for maintenance, replacement, and repair of the common elements covered or replaced by the improvement or modification. All cost of maintenance, repair and replacement of the improvement or modification exceeding that currently incurred by the Association for maintenance, repair and replacement of the common elements covered or replaced by the improvement or modification shall be assessed to and paid by the Co-owner or the Unit serviced by the improvement or modification.

e. Before an improvement or modification allowed by this section is made, the Co-owner shall submit plans and specifications for the improvements or modifications to the Association for review and approval. The Association shall determine whether the proposed improvement or modification substantially conforms to the requirements of this section, but shall not deny a proposed improvement or modification without good cause. If the Association denies a proposed improvement or modification, the Association shall list, in writing, the changes needed to make the proposed

improvement or modification conform to the requirements of this section, and shall deliver that list to the Co-owner. The Association shall approve or deny the proposed improvement or modification not later than sixty (60) days after the plans and specifications are submitted by the Co-owner proposing the improvement or modification to the Association. If the Association does not approve or deny submitted plans and specifications within the sixty (60) day period, the Co-owner may make the proposed improvement or modification without the approval of the Association. A Co-owner may bring an action against the Association and the Officers and Directors to compel those persons to comply with this section if the Co-owner disagrees with a denial by the Association of the Co-owner's proposed improvement or modification.

f. As used herein, "person with disability" means that term as defined in Section 2 of the State Construction Code Act of 1972, Act No. 230 of the Public Acts of 1972, being Section 125.1502 of the Michigan Compiled Laws.

Section 4. No immoral, improper, unlawful or offensive activity, including garage sales 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, nor shall any unreasonably noisy activity be carried on in any Unit or on the common elements. No Co-owner shall do or permit anything to be done or keep or permit to be kept in his Unit or on the common elements anything that will increase the rate of insurance on the Condominium and each Co-owner will pay to the Association the increased cost of insurance premiums resulting from any such activity or the maintenance of any such activity or condition.

Section 5. No animal shall be kept in the Condominium or permitted on the Condominium premises other than domesticated cats, dogs, or birds. No more than one (1) dog or two (2) cats per Condominium Unit. No animal kept in or permitted on the Condominium premises shall exceed 25 lbs. in weight. Any pets kept in the condominium shall have such care and restraint not to be obnoxious on account of noise, odor or unsanitary conditions. No savage or dangerous animals shall be kept. No animal may be permitted to run loose upon the common elements and any animal shall at all times be licensed as required by the municipality, leashed and at all times attended by some responsible person while on the common elements. Any person who causes or permits an animal to be brought or kept on the Condominium property shall indemnify and hold harmless the Association for any loss, damage or liability which the Association may sustain as a result of the presence of such animal on the Condominium property, whether or not the Association has given its permission therefore. Deposits of fecal matter shall be made only in those areas specifically designated for such purpose by the Association, and must be immediately and properly disposed of by some person responsible for the animal. 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 may, without liability to the owner thereof, remove or cause to be removed any animal from the Condominium which it determines to be in violation of the restrictions imposed by this section. 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.

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

Section 7. Sidewalks, yards, landscaped areas, driveways, roads, parking areas, porches, hallways, stairs and lobbies shall not be obstructed in any way nor shall they be used for purposes other than for which they are reasonably and obviously intended. No bicycles, vehicles, chairs or benches may be left unattended on or about the common elements. Use of any recreational facilities in the Condominium by children may be limited to such times and in such manner as the Association shall determine by duly adopted regulations.

Section 8. No house trailers, commercial vehicles, boat trailers, boats, camping vehicles, camping trailers, snowmobiles, snowmobile trailers, mini-bikes, motorcycles, ATV's, or similar vehicles other than automobiles may be parked or stored upon the premises of the Condominium, unless parked in an area specifically designated therefore by the Association. Commercial vehicles (defined as vehicles or trucks weighing more than three tons or any vehicles or trucks with visible signage, tools, or other equipment typically used in trades or businesses, or any vehicle with any permanent or removable lettering on any surface of the vehicle that advertises, publicizes or in any way indicates that the vehicle is used by any entity whether for profit, non-profit, or not-for-profit) shall not be parked in or about the Condominium except as above provided) unless while making deliveries or pickups in the normal course of business. No inoperable, or non-functioning vehicles of any type, or vehicles that are not regularly used, whether properly licensed or not, can be brought or stored upon the Condominium premises except that inoperable or non-functioning vehicles intended to be used primarily as a method of personal transportation and for the personal use and enjoyment of a person may be stored in a garage. No more than three (3) vehicles per Unit may be parked, stored or kept upon the premises of the Condominium. No overnight street parking between the hours of 1 o'clock a.m. and 6 o'clock a.m. Those cars shall be parked only on the parking pad, driveway, garage or carports assigned to that Unit. Regularly used vehicles shall mean vehicles that are moved and used periodically during a calendar month. All vehicles parked on the Condominium premises must be currently licensed and insured. No major repairs shall be performed on any vehicle on the Condominium premises except such repairs of a Co-owners vehicle are permitted within the Co-owner's garage. Co-owners may make minor repairs to their own vehicles in their own driveways provided such repairs are completed in one eighteen (18) hour period. In the event that there arises a shortage of parking places, for Co-owner vehicles or vehicles belonging to the guests of Co-owners, the Board of Directors may allocate or assign parking spaces from time to time on an equitable basis. Co-owners shall, if the Board of Directors shall require, register with the Association all cars maintained on the Condominium premises.

Section 9. No Co-owner shall use, or permit the use by any occupant, agent, employee, invitee, guest or member of his family of any firearms, air rifles, pellet guns, B-B guns, bows and arrows

or other similar dangerous weapons, projectiles or devices anywhere on or about the Condominium premises.

Section 10. No signs or other advertising devices shall be displayed which are visible from the exterior of a Unit or on the Common Elements, including "For Sale" signs, "For Rent", "Open" signs and political signs, without the prior written permission from the Board of Directors. NO garage sales allowed at anytime. Estate sales must be pre-approved in writing by the Board of Directors.

Section 11. Reasonable rules and regulations consistent with the Act, the Master Deed and these Bylaws, concerning the use of the Common Elements and any Unit may be made and amended from time to time by any Board of Directors of the Association. All copies of 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 12. The Association or its duly authorized agent 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, 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 or to protect the safety 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 his Unit 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 his Unit 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, or the contents of same or limited common elements appurtenant to same which are under the control or in the possession of the Co-owner, 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.

Section 13. A Co-owner may sell his Unit or interest therein without approval of the Association, except that such transfer is subject to the following terms:

a. Ten (10) days prior to the closing date a Co-owner shall give written notice of such sale to the Association, and shall furnish the name and address of the purchaser and such other information as the Board of Directors shall require. The selling Co-owner shall provide the purchaser with the Condominium Documents. The giving of such notice shall constitute a warranty and a representation by such Co-owner to the Association that the Co-owner believes the proposed sale to be bona fide in all respects. The selling Co-owner shall inform the purchaser in writing of any approved additions and/or modifications that the selling Co-owner or prior Co-owners have made which have become the

Co-owner's responsibility for maintaining, but in any event, the purchaser shall be responsible for maintaining such additions or modifications regardless of whether or not the purchaser actually received said notification. The selling Co-owner shall be responsible to the Association for any damages suffered by it in exercise of its rights hereunder. The Association may charge the Co-owner a reasonable fee, as determined from time to time by the Board of Directors, to defray the administrative costs incurred in making the necessary changes to the Association records.

b. When a Co-owner is in arrears to the Association for assessments, the Board of Directors or its duly authorized agent may give written notice of the arrearage to a land contract purchaser or other person or agreement granting or conveying an interest, and the purchaser, or other person or entity having such interest after receiving the notice, shall deduct from payments due the Co-owner the arrearage and future assessments as they fall due and pay them to the Association. Such a deduction shall not constitute a breach of the contract with the Co-owner.

c. This section shall not apply to a public or a private sale pursuant to foreclosure of a first mortgage on any Unit, nor shall this section apply to a subsequent sale by the holder of a first mortgage who has acquired title to a Unit by purchaser at a sale pursuant to foreclosure of the first mortgage held by it on such Unit.

d. Upon the closing of the sale, the purchasing Co-owner shall forthwith furnish to the Board of Directors or their duly authorized agent a copy of the executed document(s) conveying title or an interest in a Unit. Failure to do so may result in administrative charges which shall be enforced and collected as assessments pursuant to Article II.

e. Upon the sale or conveyance of a Unit, all unpaid assessments against that Unit shall be paid out of the sale price or by the purchaser in preference over any other assessments or charges of whatever nature except the following:

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

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

f. In all instances the Co-owner shall indemnify and hold the Association and its Board of Directors harmless as to any warranties (express or implied) relative to the condition of the Unit or the common elements (both general or limited) or the performance of the Association with regard to same.

Section 14. No unsightly condition shall be maintained upon any porch or terrace and only furniture and equipment consistent with ordinary porch or terrace use shall be permitted to remain there during seasons when porches and terraces are reasonably in use and no furniture or equipment of any kind shall be stored on porches or terraces during seasons when porches and terraces are not reasonably in use.

Section 15. Each co-owner shall maintain his Unit and any limited common elements appurtenant thereto for which he has maintenance responsibility in a safe, clean and sanitary condition.

Each co-owner shall also use due care to avoid damaging any of the common elements or other Units, including but not limited to the telephone, water, gas, plumbing, electrical or other utility conduits and systems and any other elements in any Unit which are appurtenant to or which may affect any other Unit. Each co-owner shall be responsible for damages or costs to the Association caused by him, or his family, guests, agents or invitees, or by items for which the Co-owner has maintenance responsibility, unless such damages or costs are covered by insurance carried by the Association, in which case there shall be no such responsibility (unless reimbursement to the Association is excluded by virtue of a deductible provision, in which case the responsible co-owner shall bear the expense to the extent of the deductible amount), provided however, that in the event such damage is covered by insurance carried by the Co-owner, the Co-owner's insurance shall bear the primary responsibility for that damage to the full extent of its coverage. Any costs or damages to the Association may be assessed to and collected from the responsible co-owner in the manner provided in Article II hereof.

ARTICLE VII

MORTGAGES

Section 1. Any Co-owner who mortgages his Unit shall notify the Association of the name and address of the mortgagee, and the Association shall maintain such information in a book entitled "Mortgages of Units." The Association may, at the written request of a mortgagee of any such Unit, report any unpaid assessments due from the Co-owner of such Unit.

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

ARTICLE VIII

MEETINGS

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

Section 2. The annual meetings of members of the Association shall be held on such time and place as shall be determined by the Board of Directors. At such meetings there shall be elected by ballot of the Co-owners a Board of Directors in accordance with the requirements of Article IX of these Bylaws. The Co-owners may also transact at annual meetings such other business of the Corporation as may properly come before them.

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

Section 4. It shall be the duty of the Secretary (or other Association officer in the Secretary's absence) to serve a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, upon each Co-owner of record, at least ten (10) days but no more than sixty (60) days prior to such meeting. The mailing, postage prepaid, or by any electronic method reasonably calculated to be received by the Co-owners, of a notice to the representative of each Co-owner at the address shown in the notice required to be filed with the Association by Article I, Section 2(e) of these Bylaws 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.

Section 5. If any meeting of owners cannot be held because a quorum is not in attendance, the 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.

ARTICLE IX

BOARD OF DIRECTORS

Section 1. The affairs of the Association shall be governed by a Board of Directors all of whom must be members current in their condominium assessments of the Association and not in violation of the Condominium restrictions. Directors shall serve without compensation. No more than one (1) co-owner per unit may serve on the Board at one time.

Section 2. The Board of Directors shall consist of five (5) directors. The term of office of each director shall be two (2) years, with three (3) directors being elected in one year, and two (2) directors elected the following year. The directors shall hold office until their successors have been elected and hold their first meeting.

Section 3. 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 a 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.

Section 4. 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 a majority of all of the Co-owners and a successor may then and there be elected to fill the 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 5. The first meeting of a newly elected Board of Directors shall be held within ten (10) days of election at such place as shall be fixed by the directors at the meeting at which such directors were elected, and no notice shall be necessary to the newly elected directors in order legally to constitute such meeting, providing a majority of the whole Board shall be present

Section 6. Regular meetings of the Board of Directors may be held at such time and places as shall be determined from time to time by a majority of the directors, but at least two such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each director personally, by mail, telephone or other electronic method reasonably calculated to be received by the director, at least ten (10) days prior to the date named for such meeting.

Section 7. Special meetings of the Board of Directors may be called by the President on three (3) days' notice to each director, given personally, by mail, telephone, email or other electronic method reasonably calculated to be received by the director, 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.

Section 8. 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 9. At all meetings of the Board of Directors, a majority of the directors shall constitute a quorum for the transaction of business, and the acts of the majority of the directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice. The joinder of a director in the action of a meeting by signing and concurring in the minutes thereof, shall constitute the presence of such Director for purposes of determining a quorum. A Director may participate in a meeting by conference telephone or similar communications equipment by which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this section constitutes presence at the meeting.

Section 10. The Board of Directors shall require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be expenses of administration.

Section 11. Although directors' meetings are not necessarily open to Co-owners, the Board generally intends them to be open. However, 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 for any reason, or in order to deal with confidential or privileged information, including but not limited to privileged communication 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 12. Any action permitted to be taken by the Board of Directors at a meeting of the Board shall be valid without a meeting if consented to in writing by the requisite majority of the Board of Directors. Further, the Board of Directors may be polled by telephone, email or other electronic means to obtain concurrence for decision, provided that such action is affirmed by the Board of Directors at its next regular meeting.

Section 13. A director may participate in a meeting by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this section constitutes presence at the meeting.

ARTICLE X

OFFICERS

Section 1. The principal officers of the Association shall be a President, who shall be a member of the Board of Directors, a Vice President, Secretary and a Treasurer. 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.

Section 2. 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. 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. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board of Directors. He shall have all of the general powers and duties which are usually vested in the office of the President of an association, including, but not limited to, the power to appoint committees from among the members of the Association from

time to time as he may in his discretion deem appropriate to assist in the conduct of the affairs of the Association.

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

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

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

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

ARTICLE XI

SEAL

Section 1. The Association may have a seal which may have inscribed thereon the name of the Association, the words "Corporate Seal," and "Michigan."

ARTICLE XII

FINANCE

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

Section 2. The funds of the Association shall be deposited in such bank as may be designated by the Directors and shall be withdrawn only upon the check or order of such officers, employees or agents as are designated by resolution of the Board of Directors from time to time.

ARTICLE XIII

INDEMNIFICATION OF OFFICERS AND DIRECTORS

Section 1. Every director and every officer of the Association shall be indemnified by the Association against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him in connection with any proceeding to which he may be a party, or in which he may become involved, by reason of his being or having been a director or officer of the Association, whether or not he is a director or officer at the time such expenses are incurred, except in such cases wherein the director or officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided that, in the event of any claim for reimbursement or indemnification hereunder based upon a settlement by the director or officer seeking such reimbursement or indemnification, the indemnification herein shall apply only if the Board of Directors (with the director seeking reimbursement abstaining) approves such settlement or reimbursement as being in the best interest of the Association. Written notice ten (10) days prior to payment must be given to co-owners of a decision to indemnify an officer or director. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such director or officer may be entitled.

ARTICLE XIV

AMENDMENTS

Section 1. Amendments to these 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 or more in number of the members or by instrument in writing signed by them.

Section 2. Upon any such amendment being proposed, a meeting for consideration of the same shall be duly called in accordance with the provisions of Article VIII of these Bylaws.

Section 3. These Bylaws may be amended by the Association at any regular annual meeting or a special meeting called for such purpose, by an affirmative vote of more than sixty (60%) percent of all Co-owners in number and in value.

Section 4. No consent of mortgagees shall be necessary unless required by the Michigan Condominium Act, in which event the approval of sixty-six and two-thirds (66-2/3%) percent of mortgagees shall be obtained with each mortgagee having one (1) vote for each mortgage held.

Section 5. Any amendment to these Bylaws shall become effective upon recording of such amendment in the office of the Register of Deeds in the County where the condominium is located.

Section 6. A copy of each amendment to these Bylaws shall be furnished to every member of the Association after adoption.

ARTICLE XV

COMPLIANCE

The Association of Co-owners and all present or future Co-owners, tenants, future tenants, or any other persons acquiring an interest in or using the facilities of the project in any manner are subject to and shall comply with the Act, as amended, and 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 Statute, the Statute shall govern.

ARTICLE XVI

REMEDIES FOR DEFAULT

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

a. Failure to comply with any of the terms or provisions of any of the Condominium Documents 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 any assessment) or any combination thereof; and which relief may be sought by the Association, or, if appropriate, by an aggrieved Co-owner or Co-owners.

b. In the event of a default of the Condominium Documents by a Co-owner, non-co-owner occupant or resident and/or guest, the Association shall be entitled to recover from the Co-owner, lessee, tenant, non-co-owner occupant or resident and/or guest the pre-litigation attorneys' fees and costs incurred by the attorney for the Association in obtaining their compliance with the Condominium Documents. In any proceeding arising because of an alleged default by any co-owner, non-co-owner occupant or resident and/or guest, the Association, if successful, shall be entitled to recover the costs of the proceeding and its actual attorneys' fees, (not limited to statutory fees), but in no event shall any co-owner be entitled to recover such attorneys' fees. The Association, if successful, shall also be entitled to recoup the costs and attorneys' fees incurred in defending any claim, counter-claim or other matter from the Co-owner, non-co-owner occupant or resident and/or guest, asserting the claim, counter-claim or other matter against the Association.

c. The violation of any of the provisions of the Condominium Documents shall also give the Association or its duly authorized agents the right, in addition to the rights set forth above, to enter upon the common elements, limited or general, or into any 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.

d. The violation of any of the provisions of the Condominium Documents by any Co-owner shall be grounds for assessment by the Association, acting through its duly constituted Board of Directors, of monetary fines for such violations. The amount of the fines shall be as determined from time to time by the Board of Directors. No fine may be assessed unless rules and regulations establishing such fine have first been duly adopted by the Board of Directors of the Association. Thereafter, fines may be assessed only upon reasonable notice to the offending Co-owner(s) and an opportunity for such Co-owner(s) to appear before the Board and offer evidence in defense of the alleged violation. All fines duly assessed shall be deemed assessments and may be collected in the same manner as provided in Article II of these Bylaws. No monetary fine shall be levied for the first violation. No fine shall exceed fifty (\$50.00) dollars for the second violation, one hundred (\$100.00) dollars for the third violation, or two hundred (\$200.00) dollars for any subsequent violation. In the case of a continuing violation of these Bylaws, a subsequent violation shall be deemed to have occurred if the violation continues beyond the reasonable time allotted by the Board of Directors as the period for correction of the prior violation. The Board of Directors shall have the authority to increase such fines, at its option, provided that at least thirty (30) days prior notice via mail or electronic mail is given to the Co-owners of any change in the amount of such fines.

Section 2. 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, provisions, covenant or condition in the future.

Section 3. 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 XVII

SEVERABILITY

In the event that any of the terms, provisions or covenants of these Bylaws or the Condominium Documents are held to be partially and 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.

SCARBOROUGH MAINTENANCE GUIDELINE 2-25-2015

WHO IS RESPONSIBLE: CO-OWNER OR ASSOCIATION?

<u>ITEM</u>	<u>ASSOCIATION</u>	<u>CO-OWNER</u>	<u>COMMENTS</u>
<u>APPLIANCES</u>			
AIR CONDITIONING		**	INCLUDED PAD
DISHWASHER		**	
DISPOSAL		**	
FURNACE		**	
GARAGE DOOR OPENER & SPRINGS		**	
REFRIGERATOR		**	
STOVE		**	
TELEPHONES		**	
WASHER/DRYER		**	
WATER HEATER		**	
<u>BUILDING</u>			
AWNINGS		**	
ANIMAL/PEST CONTROL	**		
BALCONIES	**		CO-OWNER RESPONSIBLE FOR MAINTENANCE
CABINETRY		**	
CAR PORTS	**		CO-OWNERS TO KEEP CLEAN FROM OIL & FLUIDS
CARPET		**	
CEILING		**	PAINTING & DRY WALL DAMAGE IS CO-OWNER RESPONSIBILITY UNLESS FROM LEAKAGE OF ROOF
CHIMNEY	**		
DECK/PATIO		**	
DECK/PATIO MAINTENANCE		**	
DOORFRAMES EXTERIOR	**		EXCEPT FOR CO-OWNER DAMAGE PAINTING: ASSOC. RESPONSIBILITY UNLESS DAMAGE BY CO-OWNER
DOORS (ENTRY)		**	
DOORS (GARAGE)	**		
DOORWALL FRAME INTERIOR		**	
DOORWALL GLASS		**	
DRAINS CLOGGED		**	SINKS & TUBS, NOT SEWER INCLUDES HANGING LIGHTING, LIGHT SWITCHES & OUTLETS UP TO POINT OF CONNECTION TO ELECTRICAL FIXTURES
ELECTRICAL FIXTURES		**	
ELECTRICAL WIRING	**		UNLESS DAMAGE BY CO-OWNER
FAUCET LEAKS		**	
FAUCETS EXTERIOR	**		
FAUCETS INTERIOR		**	
FENCES	**		
FLOORS		**	
FLOORS BASEMENT CEMENT	**		
FOUNDATIONS	**		

NO ITEMS OF ANY KIND ARE TO BE ATTACHED TO ANY OF THE NEW ALUMINUM SIDING ANYWHERE ON THE BUILDINGS. YOU WILL BE HELD LIABLE FOR DAMAGES!

<u>ITEM</u>	<u>ASSOCIATION</u>	<u>CO-OWNER</u>	<u>COMMENTS</u>
BUILDING (CONTD)			
GAS LINE NETWORK	**		UP TO POINT OF CONNECTION WITH GAS FIXTURES
GUTTERS & DOWNSPOUTS	**		
LIGHTING PORCH & PATIOS	**		UNLESS INSTALLED BY CO-OWNER DOES NOT INCLUDE SAFETY LIGHTING
PAINTING EXTERIOR	**		
PAINTING INTERIOR		**	
PORCH RAILINGS METAL		**	
PLUMBING	**		WITHIN UNIT WALL UP TO CONNECTION WITH PLUMBING FIXTURES EXCEPT FOR CO-OWNER DAMAGE
ROOFS	**		
SCREENS		**	
SEWERS	**		
SUPPORT COLUMNS	**		See Master Deed Article IV A. 6.
TELEPHONE WIRING	**		
TV CABLE WIRING	**		
WALLS FOUNDATION BASEMENT	**		UP TO ENTRANCE INTO THE UNIT
WALLS EXTERIOR	**		UP TO ENTRANCE INTO THE UNIT
WALLS INTERIOR		**	
WALLS UNIT PERIMETER	**		
WINDOWS		**	
WINDOWS STORM		**	
GROUND			
DRIVEWAYS	**		
FLOWERS		**	
LANDSCAPING	**		EXCEPT LANDSCAPING INSTALLED BY CO-OWNER & DAMAGE DONE BY CO-OWNER FOR LACK OF TURNING ON WATER
LAWNS	**		
LIGHTING OUTDOOR	**		INCLUDES SAFETY LIGHTING INSTALLED ON BUILDINGS
PARKING SPACES	**		
PORCHES	**		UNLESS CO-OWNER INSTALLED OUTSIDE CARPETING TO COVER PORCH
ROADWAYS	**		
SANITARY SEWER SYSTEM	**		
SHRUBS	**		See Master Deed Article IV A. 6.
SIDEWALKS	**		UNLESS CO-OWNER INSTALLED
SNOW REMOVAL	**		
SPRINKLER SYSTEMS	**		
STORM DRAINS	**		UNLESS INSTALLED BY CO-OWNER
TREES	**		
WATER DISTRIBUTION SYSTEM	**		

SCARBOROUGH SQUARE CONDOMINIUM ASSOCIATION

**AMENDED AND RESTATED
ASSOCIATION BYLAWS
2008**

ARTICLE I

ADOPTION OF CONDOMINIUM BYLAWS

The Bylaws of Scarborough Square Condominium, a condominium (hereinafter known as the Condominium Bylaws) as attached to the Master Deed and recorded in Liber 2522, Pages 589 through 650, Macomb County Records, are hereby incorporated by reference and adopted in their entirety as a part of the Bylaws of this corporation (hereinafter known as Association Bylaws).

ARTICLE II

MEETINGS

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

Section 2. The annual meetings of members of the Association shall be held on such time and place as shall be determined by the Board of Directors. At such meetings there shall be elected by ballot of the co-owners a Board of Directors in accordance with the requirements of Article III of these Bylaws. The co-owners may also transact at annual meetings such other business of the Corporation as may properly come before them.

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

Section 4. It shall be the duty of the Secretary (or other Association officer in the Secretary's absence) to serve a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, upon each co-owner of record, at least ten (10)

days but no more than sixty (60) days prior to such meeting. The mailing, postage prepaid, of a notice to the representative of each co-owner at the address shown in the notice required to be filed with the Association by Article I, Section 2(e) OF the Condominium Bylaws 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.

Section 5. If any meeting of owners cannot be held because a quorum is not in attendance, the 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.

ARTICLE III

BOARD OF DIRECTORS

Section 1. The affairs of the Association shall be governed by a Board of Directors all of whom must be members current in their condominium assessments of the Association residing in the condominium. Directors shall serve without compensation

Section 2. The Board of Directors shall consist of five (5) directors. The term of office of each director shall be two (2) years, with three (3) directors being elected in one year, and two (2) directors elected the following year. The directors shall hold office until their successors have been elected and hold their first meeting.

Section 3. The Board of Directors shall have all powers and duties set forth in the Condominium Bylaws.

Section 4. 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 a 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.

Section 5. 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 a majority of all of the co-owners and a successor may then and there be elected to fill the 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. The first meeting of a newly elected Board of Directors shall be held within ten (10) days of election at such place as shall be fixed by the directors at the meeting at which such directors were elected, and no notice shall be necessary to the newly elected directors in order legally to constitute such meeting, providing a majority of the whole Board shall be present

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

Section 8. Special meetings of the Board of Directors may be called by the President on three (3) days' notice to each director, given personally, by mail, telephone or telegraph, 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.

Section 9. 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 as such meeting.

Section 10. 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. The Board of Directors shall require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be expenses of administration.

Section 12. Although directors' meetings are not necessarily open to co-owners, the Board generally intends them to be open. However, 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 for any reason, or in order to deal with confidential or privileged information, including but not limited to privileged communication 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. Any action permitted to be taken by the Board of Directors at a meeting of the Board shall be valid without a meeting if consented to in writing by the requisite majority of the Board of Directors. Further, the Board of Directors may be polled by telephone, email or other

electronic means to obtain concurrence for decision, provided that such action is affirmed by the Board of Directors at its next regular meeting.

Section 14. A Director may participate in a meeting by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this section constitutes presence at the meeting.

ARTICLE IV

OFFICERS

Section 1. The principal officers of the Association shall be a President, who shall be a member of the Board of Directors, a Vice President, Secretary and a Treasurer. 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.

Section 2. 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. 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. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board of Directors. He shall have all of the general powers and duties which are usually vested in the office of the President of an association, including, but not limited to, the power to appoint committees from among the members of the Association from time to time as he may in his discretion deem appropriate to assist in the conduct of the affairs of the Association.

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

Section 6. The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meeting of the members of the Association; he shall have charge of the

corporate seal and of such books and papers as the Board of Directors may direct; and he shall, in general, perform all the duties incident to the office of the Secretary.

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

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

ARTICLE V

SEAL

Section 1. The Association may have a seal which may have inscribed thereon the name of the Association, the words "Corporate Seal," and "Michigan."

ARTICLE VI

FINANCE

Section 1. The finance of the Association shall be handled in accordance with the Condominium Bylaws.

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

Section 3. The funds of the Association shall be deposited in such bank as may be designated by the Directors and shall be withdrawn only upon the check or order of such officers, employees or agents as are designated by resolution of the Board of Directors from time to time.

ARTICLE VII

INDEMNIFICATION OF OFFICERS AND DIRECTORS

Section 1. Every director and every officer of the Association shall be indemnified by the Association against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him in connection with any proceeding to which he may be a party, or in which he may become involved, by reason of his being or having been a director or officer of the Association, whether or not he is a director or officer at the time such expenses are incurred, except in such cases wherein the director or officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided that, in the event of any claim for reimbursement or indemnification hereunder based upon a settlement by the director or officer seeking such reimbursement or indemnification, the indemnification herein shall apply only if the Board of Directors (with the director seeking reimbursement abstaining) approves such settlement or reimbursement as being in the best interest of the Association. Written notice ten (10) days prior to payment must be given co-owners of a decision to indemnify an officer or director. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such director or officer may be entitled.

ARTICLE VIII

AMENDMENTS

Section 1. These Bylaws (but not the Condominium Bylaws) may be amended by the Association at a duly constituted meeting for such purpose, by an affirmative vote of a simple majority of the co-owners present in person, by proxy or written vote as such vote is defined in Article I, Section 2 (i) of the Condominium Bylaws.

Section 2. Amendments to these 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 or more in number of the members of the Association whether meeting as members or by instrument in writing signed by them.

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

Section 4. Any amendment to these Bylaws shall become effective upon adoption of the same in accordance with Section 1 of this Article VIII without recording in the office of the Register of Deeds.

Section 5. A copy of each amendment to these Bylaws shall be furnished to every member of the Association after adoption.

ARTICLE IX

COMPLIANCE

Section 1. These Bylaws are set forth to comply with the requirements of Act No. 284, Public Acts of 1972 and Act No. 327 of the Public Acts of Michigan of 1931, as amended, Act No. 229 of the Public Acts of Michigan of 1963, as amended, and with the duly recorded Master Deed of the Condominium and Exhibits A and B attached thereto. In case any of these Bylaws conflict with the provisions of said statute or with the provisions of said Master Deed or the Exhibits thereto, the provisions of the statutes and said Master Deed shall be controlling.



Michigan Department of Commerce

Lansing, Michigan

To All To Whom These Presents Shall Come:

I, Richard K. Helmbrecht, Director, Michigan Department of Commerce,
Do Hereby Certify That Articles of Incorporation of _____

SCARBOROUGH SQUARE CONDOMINIUM ASSOCIATION

were duly filed in this office on the _____ 18th day of _____ July, 19 74,
in conformity with Act 284, Public Acts of 1972, as amended, and Act 327, Public
Acts of 1931, as amended.

In testimony whereof, I have hereunto set my
hand and affixed the Seal of the Department,
in the City of Lansing, this _____ 18th day
of _____ July, 19 74.

Richard K. Helmbrecht
Director

- (g) To own, maintain and improve, and to buy, sell, convey, assign, mortgage, or lease (as Landlord or Tenant) any real and personal property, including, but not limited to, any apartment in the Condominium or any other real property, whether or not contiguous to the Condominium, for the purpose of providing benefit to the members of the corporation and in furtherance of any of the purposes of the corporation;
- (h) To borrow money and issue evidences of indebtedness in furtherance of any or all of the objects of its business; to secure the same by mortgage, pledge or other lien;
- (i) To enforce the provisions of the Master Deed and Bylaws of the Condominium and of these Articles of Incorporation and such Bylaws and Rules and Regulations of this Corporation as may hereafter be adopted;
- (j) To do anything required of or permitted to it as administrator of said Condominium by the Condominium Master Deed or Bylaws or by Act No. 229 of Public Acts of 1963, as from time to time amended;
- (k) In general, to enter into any kind of activity; to make and perform any contract and to exercise all powers necessary, incidental or convenient to the administration, management, maintenance, repair, replacement and operation of said Condominium and to the accomplishment of any of the purposes thereof.

ARTICLE III

Location of the first registered office is: 8100 Denwood, Sterling Heights, Michigan.

ARTICLE IX

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 (including the Developer) of an apartment in the Condominium shall be a member of the corporation, and no other person or entity shall be entitled to membership; except that the subscribers hereto shall be members of the corporation until such time as their membership shall terminate, as hereinafter provided.
- (b) Membership in the corporation (except with respect to any non-co-owner incorporators, who shall cease to be members upon the qualification for membership of any co-owner) shall be established by acquisition of fee simple title to an apartment in the Condominium and by recording with the Register of Deeds in the County where the Condominium is located, a deed or other instrument establishing a change of record title to such apartment and the furnishing of evidence of same satisfactory to the corporation (except that the Developer of the Condominium shall become a member immediately upon establishment of the Condominium) the new co-owner thereby becoming a member of the 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 apartment in the Condominium.

RECD MACOMB CO *18NOV29AM1143

Received on

DEC 03 2018

J&C Property Management

8130416 PAGE 1 OF 5
LIBER 25702 PAGE 313
11/29/2018 12:02:38 P.M.
MACOMB COUNTY, MI SEAL
FRED HILLER, REGISTER OF DEEDS

SIXTH AMENDMENT TO THE MASTER DEED OF SCARBOROUGH SQUARE CONDOMINIUM

This Sixth Amendment to the Master Deed of Scarborough Square Condominium is made and executed this 8th day of November, 2018, by Scarborough Square Condominium Association, a Michigan nonprofit corporation (the "Association"), in pursuance of the provisions of the Michigan Condominium Act, being Act 59 of the Public Acts of 1978, as amended (the "Condominium Act").

RECITALS:

A. The Association, the nonprofit corporation organized for the administration and management of Scarborough Square Condominium (the "Condominium"), a condominium project established pursuant to the Master Deed recorded in Liber 2522, Pages 592 et seq., First Amendment recorded in Liber 2578, Page 966 et. seq., Second Amendment recorded in Liber 2731, Page 14 et. seq., Third Amendment recorded in Liber 3242, Page 610 et. seq., the Fourth Amendment recorded in Liber 9663, page 249 et. seq., and the Fifth Amendment recorded in Liber 23305 Page 57 et. seq., Macomb County Records (the "Master Deed"), and known as Macomb County Condominium Subdivision Plan No. 91, desires to amend the Condominium Bylaws, Exhibit A to the Master Deed (the "Condominium Bylaws"), pursuant to the authority granted by Sections 90, 90a and 112 of the Condominium Act (MCL §§559.190, 559.190a and 559.212), to prohibit the leasing of units in the condominium

B. This Amendment neither enlarges the Common Elements of the Condominium nor alters the formula for determining existing percentages of value in the Condominium.

C. The Condominium Bylaws, being Exhibit A to the Master Deed shall be amended upon recording with the Macomb County Register of Deeds as required by Section 73 of the Condominium Act (MCL §559.173).

NOW THEREFORE, the following changes are hereby made to the Condominium Bylaws:

1. Article VI, Section 2 of the Condominium Bylaws shall, upon recording of this Amendment with the Macomb County Register of Deeds, be deleted in its entirety and replaced with the following new Section 2:

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2. No unit in the condominium shall be leased, rented or occupied by only non-Co-owners. Units that are occupied by immediate family members of Co-owners (defined as parents, children and siblings), units that are owned by a trust and occupied by a grantor of that trust, and units that are owned by an entity and occupied by the owner of that entity shall not be deemed in violation of this prohibition. Units that are leased, rented or occupied by persons other than as described above, and registered as such with the Association may continue to be so occupied for the remaining term of the current lease or occupancy agreement, but not any extensions thereof.

(1) Compliance with Condominium Documents. Non-Co-owner occupants shall comply with the Condominium Documents.

(2) Default by Non-Co-owner Occupant. If the Board determines that a non-Co-owner occupant has failed to comply with the Condominium Documents, the Association shall take the following action:

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

(b) Time to Cure. The Co-owner has fifteen (15) days after receipt of such notice to investigate and correct the alleged non-Co-owner occupant breach or advise the Association that a violation has not occurred.

(c) Remedies. If after fifteen (15) days the Association believes that the alleged breach is not cured or may be repeated, it may institute on its behalf or derivatively by the Co-owners on behalf of the Association an action for eviction against the non-Co-owner occupant for breach of the conditions of the Condominium Documents. The relief set forth in this Section may be by summary proceeding, although the Association may pursue relief in any Court having jurisdiction and whether by summary proceeding or otherwise. The Association may hold the non-Co-owner occupant and the Co-owner liable for any damages caused by the Co-owner or non-Co-owner occupants. The Co-owner shall be responsible for reimbursing the Association for all costs incurred because of a non-Co-owner occupant's failure to comply with the Condominium Documents, including the pre-litigation costs and actual attorneys' fees incurred in obtaining their compliance with the Condominium Documents.

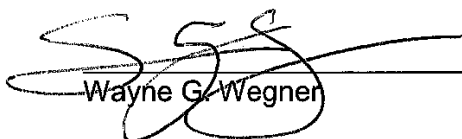
(3) Notice to Pay Rent Directly to Association. When a Co-owner is in arrears to the Association for assessments, the Association may give written notice of the arrearage to the Co-owner's non-Co-owner occupant and the non-Co-owner occupant after receiving the notice shall deduct from their rental payments to the Co-owner the arrearage and future assessments as they fall due and shall pay them to the Association. The deductions shall not

CERTIFICATION

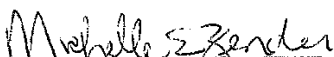
STATE OF MICHIGAN)
) SS
COUNTY OF MACOMB)

I, Wayne G. Wegner, being first duly sworn, depose and state as follows:

1. I am the attorney for Scarborough Square Condominium Association, the Corporation named in and which executed the attached Sixth Amendment to the Master Deed of Scarborough Square Condominium.
2. I sent a copy of the attached Sixth Amendment to the Master Deed of Scarborough Square Condominium and the ballot and notice required under Section 90A of the Michigan Condominium Act to all mortgagees of record of those Units qualified to vote, as listed in the records of the Macomb County Register of Deeds for the purpose of obtaining approval of said mortgagees to the Sixth Amendment to the Master Deed of Scarborough Square Condominium.
3. Two-thirds (2/3rds) of said mortgages have consented to the attached Sixth Amendment to the Master Deed of Scarborough Square Condominium in accordance with the provisions of Section 90A of the Michigan Condominium Act. Said consents will be maintained for a period of two years in Scarborough Square Condominium Association records located in my office at 30140 Orchard Lake Rd., Farmington Hills, MI 48334.


Wayne G. Wegner

Acknowledged, subscribed and sworn to before me this 21st day of November, 2018.


Michelle E. Zender Notary Public
Macomb County, Michigan
Acting in Macomb County
My Commission Expires: 6/23/2024

MICHELLE E. ZENDER
NOTARY PUBLIC, STATE OF MI
COUNTY OF MACOMB
MY COMMISSION EXPIRES Jun 23, 2024
ACTING IN COUNTY OF Macomb

RECEIVED
REGISTERED
FEBRUARY 26 2015
MICHIGAN REGISTER OF DEEDS

**FIFTH AMENDMENT TO THE
MASTER DEED OF SCARBOROUGH SQUARE CONDOMINIUM**

**(AMENDED AND RESTATED MASTER DEED)
(Act 59, Public Acts of 1978 as amended)
Macomb County Condominium Subdivision Plan No. 91**

This Amended and Restated Master Deed is made on Feb. 26, 2015, by Scarborough Square Condominium Association, a Michigan Non-Profit Corporation, hereinafter referred to as "Association," whose office is located care of Vision Property Management Group, LLC, P.O. Box 180904, Utica, Michigan, 48318, represented by David Winegar, President of Scarborough Square Condominium Association, who is fully empowered and qualified to act on behalf of the Association, in pursuance of the provisions of the Michigan Condominium Act (being Act 59 of the Public Acts of 1978, as amended), hereinafter referred to as the "Act."

WHEREAS, Scarborough Square Condominium, was established pursuant to the Master Deed thereof recorded in Liber 2522, Pages 592 through 650, and as amended by the 1st Amendment recorded in Liber 2578, Page 966 through 978, the 2nd Amendment recorded in Liber 2731, Pages 14 through 35, the 3rd Amendment recorded in Liber 3242, Page 610 through 611, and the 4th Amendment recorded in Liber 9663, Pages 249 through 251, Macomb County Records, and known as Macomb County Condominium Subdivision Plan No. 91, as amended.

WHEREAS, the Association desires by recording this Amended and Restated Master Deed, together with the Restated Condominium Bylaws attached hereto as Exhibit A and together with the Condominium Subdivision Plan attached to the original Master Deed as Exhibit B and as amended (both of which are hereby incorporated by reference and made a part of), to reaffirm the establishment of the real property described below, together with all of the improvements now located upon such real property and the appurtenances thereto, as a residential Condominium Complex under the provisions of the Condominium Act of Michigan. This Amended and Restated Master Deed is based upon the consent of at least sixty-six and two-thirds (66-2/3rds) percent of the Co-owners and mortgagees of Units in the Condominium.

NOW THEREFORE, the Association does, upon the recording hereof, reaffirm the establishment of Scarborough Square Condominium as a Condominium under the Condominium Act and does declare that Scarborough Square Condominium (hereinafter referred to as the "Condominium," "Complex" or the "Condominium Complex"), shall, after such establishment, be held, conveyed, hypothecated, encumbered, leased, rented, occupied, improved, or in any other manner utilized, subject to the provisions of the Act, and to the covenants, conditions, restrictions, uses, limitations, and affirmative obligations set forth in this Amended and Restated Master Deed, Exhibit A hereto and Exhibit B as attached to the original Master Deed and as amended, all of which shall be deemed to run with the real property described below and shall be a burden and a benefit to the

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Association, its successors, and assigns, and any persons acquiring or owning an interest in such real property, their grantees, successors, heirs, executors, administrators and assigns. This Amended and Restated Master Deed and Condominium Bylaws shall replace and supersede the original Master Deed and Condominium Bylaws of Scarborough Square Condominium, as previously amended. Articles IV, V and IX of the Master Deed are amended. In furtherance of the establishment of the Condominium Complex, it is provided as follows:

ARTICLE I

TITLE AND NATURE

The Condominium Project is known as Scarborough Square Condominium, Macomb County Condominium Subdivision Plan No. 91. The architectural plans for the Project were drafted by Robert Shanayda. The Condominium Project is established in accordance with the Act. The buildings and units contained in the Condominium, including the number, boundaries, dimensions, area and volume of each unit therein are set forth completely in the Condominium Subdivision Plan attached as Exhibit "B" hereto. Each building contains individual units for residential purposes and each unit is capable of individual utilization on account of having its own entrance and exit to a common element of the Condominium Project. Each co-owner in the Condominium Project shall have an exclusive right to his 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 Amended and Restated Master Deed is particularly described as follows:

A parcel of land being a part of the S. W. 1/4 of Section 12, T. 1 N., R. 12 E. City of Warren, Macomb County, Michigan, being more particularly described as follows:

Commencing at the S. W. corner of said Section 12, thence N. 88 degrees 17 minutes 20 seconds E. along the South line of Section 12 and centerline of 12 Mile Road, 639.90 feet; thence N. 00 degrees 44 minutes 15 seconds West 60.01 feet to the North line of 12 Mile Road and point of beginning of property herein described; thence N. 00 degrees 44 minutes 15 seconds W. along the East line of Warren Plaza Subdivision No. 1 as recorded in Liber 46, Pages 3 and 4 Macomb County Records, 815.00 feet; thence N. 89 degrees 15 minutes 45 seconds East 160.00 feet; thence South 00 degrees 44 minutes 15 seconds East 140.00 feet; thence N. 89 degrees 15 minutes 45 seconds East 125.00 feet; thence S. 00 degrees 44 minutes 15 seconds East 450.00 feet; thence N. 89 degrees 15 minutes 45 seconds East 18.00 feet; thence S. 00 degrees 44 minutes 15 seconds East 219.85 feet to a point in the North line of 12 Mile Road; thence S. 88

degrees 17 minutes 20 seconds West along the North line of 12 Mile Road, 303.06 feet to the point of beginning.

Also:

Commencing at the S. W. corner of said Section 12, thence N. 88° 17' 20" E. along the South line of Section 12 and centerline of 12-Mile Rd., 639.90 feet; thence N. 00° 44' 15" W. along the East line of Warren Plaza Subdivision No. 1, as recorded in Liber 46, Pages 3 and 4 of Macomb County Records a distance of 875.00 feet and the point of beginning of property herein described; thence N. 00° 44' 15" W. 394.58 feet to the S. W. corner of Bonneville Subdivision No. 1 as recorded in Liber 52, Page 22 of Macomb County Records; thence N. 87° 38' 30" E. along the South line of said Bonneville Subdivision No. 1, a distance of 410.16 feet; thence S. 00° 44' 15" E. 346.18 feet; thence S. 89° 15' 45" W. 15.00 feet; thence S. 00° 44' 15" E. 220.00 feet; thence S. 89° 15' 45" W. 110.00 feet; thence N. 00° 44' 15" W. 20.00 feet; thence S. 89° 15' 45" W. 125.00 feet; thence N. 00° 44' 15" W. 140.00 feet; thence S. 89° 15' 45" W. 160.00 feet to the point of beginning.

ARTICLE III

DEFINITIONS

Certain terms are utilized not only in this Amended and Restated Master Deed and Exhibits "A" hereto and "B" attached to the original Master Deed and as amended, 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 Scarborough Square 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 Scarborough Square 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 the non-profit corporation organized under Michigan law of which all Co-owners shall be members which corporation shall administer, operate, manage and maintain the Condominium. Any action required of or permitted to the Association shall be exercisable by its Board of Directors unless specifically reserved to its members by the Condominium Documents or the laws of the State of Michigan.

(c) "Master Deed" means this Restated and Amended Master Deed and any amendments thereof which shall describe Scarborough Square Condominium as a completed Condominium Project and reflects all Units and Common Elements therein and which shall express percentages of value pertinent to each Unit as finally readjusted for voting purposes only.

(d) "Condominium Bylaws" means Exhibit A hereto, being the Bylaws setting forth the substantive rights and obligations of the Co-owners and required by Section 54 of the Act to be recorded as part of the Master Deed.

(e) "Condominium Unit" or "Unit" each means the enclosed space constituting a single complete residential Unit in Scarborough Square Condominium as such space may be described on Exhibit "B".

(f) "Condominium Documents" wherever used means and includes this Amended and Restated Master Deed and Exhibit "A" hereto and Exhibit "B" attached to the original Master Deed and as amended, the Articles of Incorporation, and the Rules and Regulations, if any, of the Association.

(g) "Condominium Project", "Condominium" or "Project" each mean Scarborough Square Condominium as an approved Condominium Project established in conformity with the provisions of the Act.

(h) "Condominium Subdivision Plan" means Exhibit "B" attached to the original Master Deed and as amended.

(i) "Co-owner" means a person, firm, corporation, partnership, association, trust or other legal entity or any combination thereof who or which owns one or more Units in the Condominium Project. The term "owner", wherever used, shall be synonymous with the term "Co-owner".

(j) "Condominium Premises" means and includes the land and the buildings, all improvements and structures thereof, and all easements, rights and appurtenances belonging to Scarborough Square Condominium as described above.

(k) "Common Elements" where used without modification, shall mean both the General and Limited Common Elements described in Article IV hereof.

(l) 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 original Master Deed and as amended, and the respective responsibilities for maintenance, decoration, repair or replacement thereof are as follows:

A. The General Common Elements are:

1. The land described in Article II hereof, including driveways, roads, sidewalks and parking spaces.
2. The electrical wiring network throughout the project (not including that portion owned by the utility company) up to the point of the breaker panel in each Unit.
3. The gas line network throughout the project (not including that portion owned by the utility company) up to the downstream point of connection with the gas line tee servicing each Unit, or if there is a shutoff valve, downstream from the shutoff valve.
4. The telephone, cable, audio, video, optical cable or other communication wiring network throughout the project (not including that portion owned by the utility, cable or providing company) up to the point of first entry into a Unit.
5. The fresh water plumbing network throughout the project including that contained within unit walls, up to the point of downstream portion of the individual fresh water shutoff valve to each Unit.
6. The sanitary sewer system throughout the project, including that contained within Unit walls up to the point of the first exit from a wall or floor of a Unit and in the case of a commode, does not include the seal ring.
7. The storm drainage system, including the sump pumps throughout the Project.
8. Foundations, supporting columns, unit perimeter walls (excluding windows, interior and exterior doors, doorwalls, screens, screen doors and storm doors therein), garage doors, roofs, ceilings, floor construction between unit levels and chimneys.
9. 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. The Limited Common Elements are:

1. Each garage and drive is limited in use to the Co-owner of the Unit to which it is appurtenant as designated on the site plan of Exhibit "B" attached to the original Master Deed.

2. Each patio and deck is limited in use to the Co-owner of the Unit to which they are appurtenant as designated on the site plan of Exhibit "B" attached to the original Master Deed.
 3. Each balcony is limited in use to the Co-owner of the Unit which opens onto such balcony as shown on the site plan of Exhibit "B" attached to the original Master Deed.
 4. Each car parking space is limited in use to the Co-owner of the Unit to which it is appurtenant as designated with the corresponding number on the site Plan of Exhibit "B" attached to the original Master Deed.
 5. Each individual furnace, air conditioner system and compressor, including condensate lines and pans, and water heater in each Unit shall be limited to the owner of the Unit which is served by such items.
 6. Each carport is limited in use to the Co-owner of the Unit to which it is assigned.
 7. The interior surfaces of Unit perimeter walls, the windows, doors door walls, screens, screen doors, storm doors, as well as the garage door opener and the garage door hardware, ceilings and floors contained within a Unit shall be subject to the exclusive use and enjoyment of the co-owner of such Unit.
- C. The respective responsibilities for maintenance, repair and replacement of all general and limited common elements are as follows:
1. The cost of maintenance, repair and replacement of each patio and deck described in Article IV, B(2) above, including the grading, slope and elevation thereof shall be borne by the Co-owner to which such deck and patio is appurtenant.
 2. The cost of maintenance, repair and replacement of those limited common elements described in Article IV, B(5) and (7) above, including painting, wallpaper, paneling, carpeting, tile, wood or other floor or wall covering shall be borne by the Co-owner of each Unit to which such limited common elements are appurtenant, regardless of the cause necessitating such costs, and notwithstanding any other provision contained in the Condominium Documents or the Association's insurance policy.
 3. The cost of maintenance, repair and replacement of the windows, interior and exterior doors, garage door related springs, garage door openers, door walls, screens, screen doors and storm doors in each unit shall be borne by the co-owner of that unit. The Board of Directors shall regulate the appearance of those items.

4. The cost of maintenance, repair and replacement of the garage door and all other general and limited common elements other than those specified in this Section C. shall be borne by the Association.
5. In the event the Co-owner fails to properly maintain, repair and replace those items over which the Co-owner has responsibility under this Section, the Association may, after notice to the Co-owner, contract for said maintenance, repair and replacement (excluding mere decorating) and assess the cost thereof to the Co-owner, which cost shall be collectible in the same manner as condominium assessments pursuant to Article II of the Condominium Bylaws.

No Co-owner shall use his 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 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 Scarborough Square Condominium as surveyed by Robert Shanayda and attached to the original Master Deed, as Exhibit "B", and as amended. Each unit shall include: (1) With respect to each Unit basement, all that space contained within the unpainted surfaces of the basement floor and walls and the uncovered underside of the first floor joists, and (2) with respect to the upper floors of Units, all that space contained within the interior finished unpainted walls and ceilings and from the finished subfloor all as shown on the floor plans and sections in Exhibit "B" attached to the original Master Deed and delineated by heavy outlines.

B. The percentage of value assigned to each Unit is set forth in subparagraph C below. The percentage of value assigned to each Unit is set forth below. The value of such co-owner's vote at meetings of the Association of co-owners shall be equal. The total value of the project is 100. The percentage of value allocated to each Unit may be changed only with the unanimous consent of all of the co-owners expressed in an amendment to this Master Deed, duly approved and recorded except as provided in Article VII.

C. Set forth below are:

- (a) Each Unit number as it appears on the Condominium Subdivision Plan.
- (b) The percentage of value assigned to each Unit.
- (c) Each respective co-owner by unit shall pay the proceeds of administration.

Those co-owners with parking pads will pay \$160.00 monthly.
 Those co-owners with carports or one car garages will pay \$170.00 monthly.
 Those co-owners with two car garages will pay \$180.00 monthly.

Any future increase in association dues will be added per dollar using the payment structure as outlined above.

<u>Unit Number</u>	<u>Percentage of Value Assigned</u>	<u>Unit Number</u>	<u>Percentage of Value Assigned</u>
1	.93341	18	.80914
2	1.03336	19	.80914
3	.83015	20	.80914
4	.80914	21	.83015
5	.83015	22	.80914
6	.80914	23	1.03336
7	1.03336	24	.93341
8	.93341	25	.87016
9	.80914	26	1.03336
10	.83015	27	.83015
11	.80914	28	.80914
12	1.03336	29	.83015
13	.93341	30	.80914
14	.93341	31	1.03336
15	1.03336	32	.87016
16	.80914	33	.87016
17	.83015	34	1.03336
<u>Unit Number</u>	<u>Percentage of Value Assigned</u>	<u>Unit Number</u>	<u>Percentage of Value Assigned</u>
35	.80914	70	1.32303
36	.83015	71	1.44537
37	.80914	72	1.23605
38	.61289	74	1.12237
39	.80914	76	1.44537
40	.83015	77	1.32303
41	.80914	78	1.31958
42	.83015	79	1.44192
43	.80914	80	1.24649
44	1.03336	82	1.12577
45	.87016	84	1.44192
46	.87016	85	1.31958
47	1.03336	86	1.19393
48	.83015	87	1.19933

49	.80914	88	1.14798
50	.83015	89	1.02564
51	.80914	90	1.19393
52	1.03336	91	1.19933
53	.87016	92	1.14798
54	.87016	93	1.02564
55	1.03336	94	1.02564
56	.83015	95	1.14798
57	.80914	96	1.19933
58	.83015	97	1.19393
59	.80914	98	1.19393
60	1.03336	99	1.19933
61	.87016	100	1.14798
62	1.31958	101	1.02564
63	1.44192	102	1.19393
64	1.24649	103	1.19933
66	1.12578	104	1.14798
68	1.44192	105	1.02564
69	1.31958		

ARTICLE VI

EASEMENTS

In the event any portion of a Unit or Common Element encroaches upon another Unit or Common Element due to shifting, settling, or moving of the building or due to survey errors, 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 interior wall which supports a Common Element.

ARTICLE VII

AMENDMENT

This Master Deed and the Condominium Subdivision Plan (Exhibit B to said Master Deed) may be amended with the consent of sixty-six and two-thirds (66-2/3%) percent of all the Co-owners in good standing, except as may otherwise be required by the Act. When required by the Act, the consent of sixty-six and two-thirds (66-2/3%) percent of all mortgagees, with one vote for each mortgage held, shall also be obtained.

EXHIBIT A
AMENDED AND RESTATED CONDOMINIUM BYLAWS
SCARBOROUGH SQUARE CONDOMINIUM

ARTICLE I

ASSOCIATION OF CO-OWNERS

Section 1. Scarborough Square Condominium, a residential Condominium Project located in the City of Warren, Macomb County, Michigan, shall be administered by an association of Co-owners which shall be a non-profit corporation, hereinafter called the "Association", organized under the applicable laws of the State of Michigan, and responsible for the management, maintenance, operation and administration of the Common Elements, easements and affairs of the Condominium Project in accordance with the Master Deed, these Bylaws, the Articles of Incorporation, and duly adopted Rules and Regulations of the Association, and the laws of the State of Michigan. All Co-owners in the Condominium Project and all persons using or entering upon or acquiring any interest in any Unit therein or the Common Elements thereof shall be subject to the provisions and terms set forth in the aforesaid Condominium Documents.

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

a. Each co-owner shall be a member of the Association and no other person or entity shall be entitled to membership. Each Co-owner shall become a member of the Association by the recording with the Register of Deeds, Macomb County, Michigan, of a deed or land contract establishing record title to a Unit in the Condominium Project in the name of such Co-owner and upon request deliver to the Association a copy of such instrument.

b. The share of a co-owner in the funds and assets of the Association cannot be assigned, pledged or transferred in any manner except as an appurtenance to his 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 account or other asset of the Association.

c. Except as limited in these Bylaws, only a co-owner shall be entitled to vote and shall be entitled to one vote for each Unit owned.

d. No Co-owner shall be entitled to vote at any meeting of the Association until he has presented evidence of ownership of a Unit in the Condominium Project to the Association, and in good standing (i.e. current in all assessments and charges and not in violation of any provisions of the Condominium documents). The vote of each Co-owner may only be cast by the individual representative designated by such Co-owner in the notice required in subparagraph "e" below or by a proxy given by such individual representative.

e. Each co-owner shall file a written notice with the Association designating the individual representative who shall vote at meetings of the Association and receive all notices and other communications from the Association on behalf of such co-owner. Such notice shall state the name and address of the individual representative designated, the number or numbers of the Unit or Units owned by the co-owner, and the name and address of each person, firm, corporation, partnership, association, trust or other entity who is the co-owner. Such notice shall be signed and dated by all of the co-owners of the Unit. The individual representative designated may be changed by the co-owner at any time by filing a new notice in the manner herein provided.

f. There shall be an annual meeting of the members of the Association. Other meetings may be provided for in these Bylaws. Notice of time, place and subject matter of all meetings as provided in these Bylaws, shall be given to each Co-owner by mailing the same to each individual representative designated by the respective Co-owners.

g. The presence in person, by proxy, written vote, telephone or other electronic means of participation of twenty-five (25%) 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 required herein to require a greater quorum. The written or electronic vote of any person furnished at or prior to any duly called meeting at which meeting said person is not otherwise present in person or by proxy shall be counted in determining the presence of a quorum with respect to the question upon which the vote is cast.

h. Votes may be cast in person, by proxy, by written or electronic ballot signed or sent by the designated voting representative not present at a given meeting in person or by proxy. Proxies, written votes, and electronic votes must be filed with the Secretary of the Association or its managing agent at or before the appointed time of each meeting of the members of the Association. Cumulative voting shall not be permitted.

i. A majority, except where otherwise provided herein, shall consist of more than fifty (50%) percent of those qualified to vote and present in person, by proxy, by written or electronic vote at a given meeting of the members of the Association.

j. Any action which may be taken at a meeting of the members (except for the election or removal of directors) may be taken without a meeting by written ballot of the members. Such solicitations may be made only by the Board of Directors and shall specify (a) the number of responses needed to meet the quorum requirements; (b) the percentage of approvals necessary to approve the action; and (c) the time by which ballots must be received in order to be counted. The form of written ballot shall afford an opportunity to specify a choice between approval and disapproval of each matter and shall provide that, where the member specifies a choice, the vote shall be cast in accordance therewith. Approval by written ballot shall be constituted by receipt, within the time period specified in the solicitation, of (i) a number of ballots which equals or exceeds the quorum which would be required if the action were taken at a meeting; and (ii) a number of approvals which equals or exceeds the number of votes which would be required for approval if the action were taken at a meeting at which the total number of votes cast was the same as the total number of ballots cast. The results of the balloting under this Section shall be reported to the Co-owners within 21 days after the expiration of the time

period specified in the solicitation, and the ballots received shall be retained and secured by the Secretary of the Association for at least 60 days after the time period specified in the solicitation.

Section 3. The Association shall keep detailed books of account showing all expenditures and receipts of administration which shall specify the maintenance and repair expenses of the Common Elements and any other expenses incurred by or on behalf of the Association and the Co-owners. Such accounts shall be open for inspection by the Co-owners during reasonable working hours and income, expense and position statements shall be prepared at least annually by qualified independent accountants and available for viewing to each Co-owner, either by e-mail or electronic transmission. The cost of such professional accounting assistance shall be an expense of administration.

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

a. The Board of Directors shall have all powers and duties necessary for the administration of the affairs of the Association and may do all acts and things 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 or which may be set forth in the Association Bylaws, the Board of Directors shall be responsible specifically for the following:

(1) Management and administration of the affairs of and maintenance of the Condominium Project and the Common Elements thereof.

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

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

(4) To rebuild improvements after casualty.

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

(6) To approve or disapprove proposed purchasers or lessees of any Unit in the manner specified in these Condominium Bylaws.

(7) To acquire, maintain and improve, and to buy, operate, manage, sell, convey, assign, mortgage or lease any real or personal property (including any Unit in the Condominium and easements, rights-of-way and licenses) on behalf of the Association in furtherance of any of the purposes of the Association, including (but without limitation) the lease or purchase of any Unit in the Condominium for use by a resident manager, or the purchase of a Unit on foreclosure of the

Association's lien and the payment of any underlying mortgage required to preserve the interest of the Association, so long as said action does not require a special assessment of the Co-owners and reserves for capital projects are not used.

(8) To borrow money and issue evidences of indebtedness in furtherance of any and all of the purposes of the business of the Association, and to secure the same by mortgage, pledge, or other lien, on property owned by the Association; provided, however, that any such action shall also be approved by affirmative vote of fifty (50%) percent of all of the members of the Association in number and in value, unless such action is to obtain a letter of credit and/or appeal bond for litigation in an amount not exceeding \$100,000.00.

(9) To make Rules and Regulations in accordance with Article VI, Section 11 of these Bylaws.

(10) 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.

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

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

ARTICLE II

ASSESSMENTS

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

Section 2. All costs incurred by the Association in satisfaction of any liability arising within, caused by or in connection with the Common Elements or the administration of the Condominium shall be expenses of administration within the meaning of Section 69 of the Public Act, as amended, and all sums received as proceeds of, or pursuant to, any policy of insurance carried by the Association securing the interests of the Co-owners against liabilities or losses arising within, caused by, or connected with the Common Elements or the administration of the Condominium shall be receipts of administration.

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

a. The Board of Directors of the Association shall establish an annual budget in advance for each fiscal year and such budget shall project all expenses for the forthcoming year which may be required for the proper operation, management, and maintenance of the Condominium Project, including a reasonable allowance for contingencies and reserves. An adequate reserve fund for maintenance, repairs and replacement of those Common Elements that must be replaced on a periodic basis must be established in the budget and must be funded by regular monthly payments rather than by special 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. The Association of Co-owners should carefully analyze the Condominium Project to determine if a greater amount should be set aside, or if additional reserve funds should be established for other purposes. 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 delivery of a copy of the budget to each co-owner shall not affect the liability of any co-owner for any existing or future assessments. Should the Board of Directors, at any time determine, in the sole discretion of the Board of Directors; (1) that the assessments levied are or may prove to be insufficient to pay the costs of operation and management of the Condominium; (2) to provide replacements of existing common elements, (3) to provide additions to the common elements not exceeding \$2,500.00 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 assessment or assessments as it shall deem to be necessary. The discretionary authority of the Board of Directors to levy assessments pursuant to this sub-section shall rest solely with the Board of Directors for the benefit of the Association and the members thereof, and shall not be enforceable by any creditors of the Association or the members thereof.

b. Special assessments, in addition to those required in a. above may be made by the Board of Directors from time to time and approved by the Co-owners as hereinafter provided to meet other needs or requirements of the Association, including, but not limited to (1) assessments for additions to the Common Elements of a cost exceeding \$2,500.00 per year, (2) assessments for the purchase or lease of a Unit in the Condominium Project pursuant to Article VI, Section 13, (3) assessments to purchase a Unit upon foreclosure of the lien for assessments described in Section 6 hereof, (4) assessments to purchase a Unit for use as a resident manager's Unit; or (5) assessments for any other appropriate purpose not elsewhere herein described. Special assessments referred to in this sub-paragraph b. (but not including those assessments referred to in subparagraph 3. a. above which shall be levied in the sole discretion of the Board of Directors) shall not be levied without the prior approval of more than fifty (50%) percent of all co-owners in value and in number. The discretionary authority of the Board of Directors to levy assessments pursuant to this sub-section shall rest solely with the Board of Directors for the benefit of the Association and the members thereof, and shall not be enforceable by any creditors of the Association or the members thereof.

Section 4. All assessments levied against the co-owners to cover expenses of administration shall be apportioned equally to each Unit except any unusual expenses of administration, such as gas expenses, as may be determined in the sole discretion of the Board of Directors, which benefit less than all of the Condominium Units in the Condominium may be specially assessed against the Condominium Unit or Condominium Units so benefitted and may be allocated in the proportion which the percentages

of value of the benefitted Condominium Unit bears to the total percentages of all Condominium Units so specially benefitted. Assessments shall be due and payable at such times as the Association shall determine, commencing with acceptance of a deed to a Unit or with acquisition of fee simple title to a Unit by any other means. The payment of an assessment shall be in default if such assessment, or any part thereof, is not paid to the Association in full on or before the due date for such payment. The due date for default shall be the first of the month. However, the payment shall be considered late if paid after the 2nd day of the month. There shall be a penalty of twenty-five (\$25.00) dollars added to any payment for assessments received after the 10th day of the month and an additional penalty of twenty-five (\$25.00) dollars for each month the assessment is overdue. The amount of the penalty may be changed from time to time by the Board of Directors, pursuant to duly adopted Rules and Regulations. These penalties shall be in addition to interest of seven (7%) percent per annum until paid in full. Each Co-owner (whether one or more persons) shall be, and remain personally liable for the payment of all assessments pertinent to his Unit which may be levied while such co-owner is the owner thereof. All payments received from Co-owners shall be applied first against late charges, costs of collection, court costs and attorneys' fees, and thereafter against assessments in their order of greatest delinquency.

Section 5. No Co-owner may exempt himself from liability for his contribution toward the expenses of administration by waiver of the use or enjoyment of any of the common elements or by the abandonment of his Unit. A Co-owner may not assert in an answer or set off to a complaint brought by the Association for non-payment of assessments the fact that the Association, or its agent, has not provided the services or management to a Co-owner(s).

Section 6. (a) Remedies. In addition to any other remedies available to the Association, the Association may enforce collection of delinquent assessments by a suit at law for a money judgment or by foreclosure of the statutory lien that secures payment of assessments. In the event of a default by any Co-owner in the payment of any installment of the annual or any additional or special assessment levied against his Unit, the Association shall have the right to declare all unpaid installments of the annual or any additional or special assessment for the pertinent fiscal year immediately due and payable. The Association also may discontinue the furnishing of 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 complex and shall not be entitled to vote at any meeting of the Association, sign any petition for any purpose, or be a candidate or serve on the Board of Directors 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 his 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 persons claiming under him. The Association may also assess fines for late payment or non-payment of assessments in accordance with the provisions of Article XVII, Section 1 of these Bylaws. All of these remedies shall be cumulative and not alternative.

(b) Foreclosure Proceedings. Each Co-owner, and every other person who from time to time has any interest in the Condominium complex, shall be deemed to have granted to the Association the unqualified right to elect to foreclose the lien securing payment of assessments either by judicial action or by advertisement. The provisions of Michigan law pertaining to foreclosure of

mortgages by judicial action and by advertisement, as the same may be amended from time to time, are incorporated herein by reference for the purposes of establishing the alternative procedures to be followed in lien foreclosure actions and the rights and obligations of the parties to such actions; except the priority of the Association's lien is determined by the Act. Further, each Co-owner and every other person who from time to time has any interest in the Condominium complex, shall be deemed to have authorized and empowered the Association to sell or to cause to be sold the Unit with respect to which the assessment(s) is or are delinquent and to receive, hold and distribute the proceeds of such sale in accordance with the priorities established by applicable law.

Each Co-owner of a Unit in the Condominium complex acknowledges that, at the time of acquiring title to such unit, he was notified of the provisions of this subparagraph and that he voluntarily, intelligently and knowingly waived notice of any proceedings brought by the Association to foreclose by advertisement the lien for non-payment of assessments and a hearing on the same prior to the sale of the subject Unit.

(c) Notice of Action. Notwithstanding the foregoing, neither a judicial foreclosure action nor a suit at law for a money judgment shall be commenced, nor shall any notice of foreclosure by advertisement be published, until the expiration of ten (10) days after mailing, by first class mail, postage prepaid, addressed to the delinquent Co-owner(s) at his or their last known address, of a written notice that one (1) or more installments of the annual assessment levied against the pertinent Unit is or are delinquent and that the Association may invoke any of its remedies hereunder if the default is not cured within ten (10) days after the date of mailing. Such written notice shall be accompanied by a written affidavit of an authorized representative of the Association that sets forth (i) the affiant's capacity to make the affidavit, (ii) the statutory and other authority for the lien, (iii) the amount outstanding (exclusive of interest, costs, attorney fees and future assessments), (iv) the legal description of the subject Unit(s), and (v) the names of the Co-owner(s) of record. Such affidavit shall be recorded in the office of the Register of Deeds in Macomb County, Michigan, prior to commencement of any foreclosure proceeding, but it need not have been recorded as of the date of mailing as aforesaid. 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 delinquent Co-owner and shall inform him that he may request a judicial hearing by bringing suit against the Association.

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

(e) A construction lien or claim arising under Michigan law shall be subject to the following limitations:

(i) Except as otherwise provided in this section, a construction lien or claim arising for work performed upon a Unit or upon a limited common element may attach only to the Unit upon which the work was performed.

(ii) A construction lien or claim arising for work authorized by the Association may attach to each Unit only to the proportionate extent that the Co-owner of the Unit is required to contribute to the expenses of administration as provided by the Condominium Documents.

(iii) A construction lien or claim may not arise or attach to a Unit for work performed on the common elements not contracted by the Association.

Section 7. Pursuant to the provisions of the Act, as amended, the purchaser of any Unit may request a statement of the Association as to the outstanding amount of any unpaid Association assessments thereon, whether regular or special, 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 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 periods 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. Unpaid assessments constitute a lien upon the Unit and the proceeds of sale thereof prior to all claims except real property taxes and first mortgages of record. The Association may charge a reasonable fee for the preparation of such a statement, which fee shall be established by rules and regulations.

ARTICLE III

ARBITRATION

Section 1. Disputes, claims or grievances arising out of or relating to the interpretation or the application of the Condominium Documents, or any disputes, claims or grievances arising among or between Co-owners and the Association shall, upon the election and written consent of the parties to any disputes, claims or grievances and written notice to the Association, be submitted to arbitration and the parties thereto shall accept the arbitrator's decision as final and binding. The Commercial Arbitration Rules of the American Arbitration Association as amended and in effect from time to time hereafter shall be applicable to any such arbitration.

Section 2. In the absence of the election and written consent of the parties under Section 1 above, neither a Co-owner nor the Association is prohibited from petitioning a court of competent jurisdiction to resolve any dispute, claim or grievance.

Section 3. The election by the parties to submit any dispute, claim or grievance to arbitration prohibits the parties from petitioning the courts regarding that dispute, claim or grievance.

ARTICLE IV

INSURANCE

Section 1. 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 of the Condominium project, and such insurance, other than title insurance, shall be carried and administered in accordance with the following provisions:

a. All such insurance shall be purchased by the Association for the benefit of the Association, and the co-owners and their mortgagees, as their interests may appear, and provision shall be made for the issuance of certificates of mortgagee endorsements to the mortgagees of co-owners. Each co-owners shall obtain and Maintain adequate HO6 insurance coverage or comparable at his own expense upon his Units and personal property and upon the Co-owner's personal liability as required by the Condominium Documents. Such insurance shall provide a minimum of \$50,000.00 in dwelling damage coverage, in addition to any betterment or improvement coverage. This minimum amount may be adjusted by the Board of Directors to allow for inflation adjustments. The Co-owner shall annually provide proof of that insurance to the Association, and the Co-owner shall endeavor to require that such insurance name the Association as an additional insured. Notwithstanding anything contained in the Condominium Documents or the Association's insurance policy to the contrary, the Co-owner's insurance shall be primarily responsible for all loss or damage to the fullest extent of its coverage. It shall be each co-owner's responsibility to determine by personal investigation or from the Co-owner's own insurance advisor the nature and extent of insurance coverage adequate to the Co-owners need and thereafter obtain insurance coverage for his personal property located within his Unit or elsewhere on the Condominium and for his personal liability for occurrences within his Unit or upon limited common elements appurtenant to his unit, and also for alternative living expense in event of any circumstance, and the Association shall have absolutely no responsibility for obtaining such coverage. The Association and all co-owners shall use their best efforts to see that all property and liability insurance carried by the Association or any co-owner shall contain appropriate provisions whereby the insurer waives its right of subrogation as to any claims against any co-owner or the Association.

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

cost to the Association attributable thereto shall be assessed to and borne solely by said Co-owner and collected as part of the assessments against said Co-owner under Article II hereof.

c. All premiums for insurance purchased by the Association pursuant to these Bylaws shall be expenses of administration.

d. Proceeds of all insurance policies owned by the Association shall be received by the Association, held in a separate account and distributed to the Association, and the Co-owners and their mortgagees as their interests may appear; provided, however, whenever repair or reconstruction of the Condominium shall be required as provided in Article V 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.

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

ARTICLE V

RECONSTRUCTION OR REPAIR

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

a. If the damaged property is a common element or a Unit, the property shall be rebuilt or repaired if any Unit in the Condominium is tenantable, unless it is determined that the Condominium shall be terminated.

b. If the Condominium is so damaged that no Unit is tenantable, the damaged property shall not be rebuilt unless seventy-five (75%) percent or more of the Co-owners in value and in number agree to reconstruction by vote or in writing within ninety (90) days after the destruction.

Section 2. Any such reconstruction or repair shall be substantially in accordance with the 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.

Regardless of anything contained in the Condominium Documents to the contrary, the Association shall not be obligated to make any improvements or betterments to a Unit including but not limited to wallpaper, finish paint, carpeting and finished basements, nor shall the Association be obligated to replace mature trees and landscaping with comparable sizes.

Section 3. If the damage is only to a part of a Unit which is the responsibility of a Co-owner to maintain and repair, it shall be the responsibility of the Co-owner to repair such damage in accordance with Section 4 hereof. In all other cases, the responsibility for reconstruction and repair shall be that of the Association.

Section 4. Regardless of the cause or nature of any damage or deterioration, each Co-owner shall be responsible for and perform promptly the reconstruction, repair and maintenance of the interior of his Unit, including, but not limited to, floor coverings, painting and decorating, air conditioning compressor, condensate lines and pipes, telephone, lamps, doors, sanitary installations, water faucets, water tanks, wall coverings, window shades, draperies, interior walls (but not any common elements therein), interior trim, furniture, electrical, plumbing, water and gas systems within any Unit, heating systems, ceiling vents, light fixtures and all appliances, whether free-standing or built-in. In the event damage to the interior walls within a co-owner's unit or to pipes, wires, conduits, ducts or other common elements therein is covered by insurance held by the Association and not covered by insurance carried by the Co-owner, then the reconstruction or repair shall be the responsibility of the Association in accordance with Section 5. If any other interior portion of a unit is covered by insurance held by the Association for the benefit of the co-owner, the co-owner shall be entitled to receive the proceeds of insurance relative thereto and if there is a mortgagee endorsement, the proceeds shall be payable to the co-owner and the mortgagee jointly.

Section 5. The Association shall be responsible for the reconstruction, repair and maintenance of the common elements. Immediately after a casualty causing damage to property for which the Association has the responsibility of maintenance, repair and reconstruction, the Association shall obtain reliable and detailed estimates of the cost to replace the damaged property in a condition as good as that existing before the damage. If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction or repair required to be performed by the Association, or if at any time during such reconstruction or repair, or upon completion of such reconstruction or repair, the funds for the payment of the costs thereof are insufficient, assessments shall be made against all co-owners for the cost of reconstruction or repair of the damaged property in sufficient amounts to provide funds to pay the estimated or actual cost of repair.

Section 6. The following provisions shall control upon any taking by eminent domain:

a. In the event of any taking of an entire Unit by eminent domain, the Co-owner of such Unit shall be entitled to receive the award for such taking and after acceptance thereof, he and his mortgagee shall be divested of all interest in the Condominium project. 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 Association on behalf of such Co-owner. If only a part of a Unit is taken, the Association shall rebuild the same as is necessary

to make it habitable and remit the balance of the condemnation proceeds pertinent to such Unit to the owner thereof.

b. 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 Association and the affirmative vote of more than fifty (50%) percent of the Co-owners in number and in value shall determine whether to rebuild, repair or replace the portion so taken or to take such other action as they deem appropriate. If no such affirmative vote is obtained, such condemnation proceeds shall be remitted to the Co-owners in accordance with their respective percentages of value set forth in Article V of the Master Deed.

c. In the event the Condominium project continues after taking by eminent domain, then the remaining portion of the Condominium project shall be re-surveyed 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 100%. Such amendment may be effected by an officer of the Association duly authorized by the Board of Directors without the necessity of execution or specific approval thereof by any Co-owner.

ARTICLE VI

RESTRICTIONS

Section 1. No Unit in the Condominium shall be used for other than single-family residence purposes and the common elements shall be used only for purposes consistent with the use of single-family residences. No individual or entity may own more than ten (10%) percent of the Units in the Condominium. If Units are owned by an entity or individual with any common ownership, all such Units are deemed to be owned by the same Co-owner, and therefore are subject to this limitation. No more than two (2) persons per bedroom (as the Units were originally constructed) may occupy any Unit in the Condominium. No Co-owner shall carry on any commercial activities anywhere on the premises of the Condominium, except that Co-owners shall be allowed to have offices in their Unit so long as: (i) the existence or operation of the business activity is not apparent or detectable by sight, sound or smell from outside the Unit; (ii) the business activity conforms to all local regulatory and zoning requirements applicable to the Condominium or the Co-owners; (iii) the business activity does not involve persons coming onto the Condominium project who do not reside in the Condominium project or door-to-door solicitation of residents of the Condominium; (iv) the business activity is consistent with the residential character of the Condominium; and (v) does not constitute a nuisance or hazardous or offensive use, threaten security or safety of other residents of the Condominium or involve additional expenses to the Association, as may be determined in the Board's sole discretion.

Section 2. (a) A co-owner may lease his unit for the same purposes set forth in Section 1 of this ARTICLE VI; provided that written disclosure of such lease transaction is submitted to the Board of Directors of the Association in the same manner as specified in SECTION 15 of this ARTICLE VI. Provided however no more than fifteen (15%) percent of the Units may be occupied by only non-co-owners. Units that are occupied by someone other than a Co-owner or the Co-owner's

immediate family member may continue to be so occupied so long as those occupants who occupy the Unit as of the effective date of this amended section, remain occupants of the Unit. If a Unit is owned by a trust created by a Co-owner, that Co-owner shall still be considered the Co-owner of the Unit and not a non-co-owner occupant. No co-owner shall lease less than an entire Unit in the Condominium and no tenant or non-co-owner occupant shall be permitted to occupy unless under a written lease the initial term of which is at least one (1) year unless specifically approved in writing by the association. The term of all leases, occupancy agreements and occupancy arrangements shall incorporate, or be deemed to incorporate, all of the provisions of the Condominium documents and the lease or occupancy agreement shall so state.

(b) A co-owner desiring to rent or lease a Unit shall disclose that fact in writing to the Association at least ten (10) days before presenting a lease form to a potential lessee of the Unit and at the same time, shall supply the Association with a copy of the exact lease form for its review for its compliance with the Condominium documents. In all instances where a Unit is not occupied by a Co-owner, the following provisions shall apply:

(1) If the Association determines that the 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.

(ii) The Co-owner shall have fifteen (15) days after receipt of such notice to investigate and correct the alleged breach by the non-co-owner 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 behalf or derivatively by the Co-owners on behalf of the Association, 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 non-co-owner occupant for breach of the conditions of the Condominium Documents. The relief provided for in this subparagraph may be by summary proceeding. The Association may hold both the non-co-owner occupant and the Co-owner liable for any damages to the common elements caused by the Co-owner or non-co-owner occupant in connection with the Unit or the Condominium Complex.

(2) When a Co-owner is in arrears to the Association for assessments, the Association may give written notice of the arrearage to a non-co-owner occupying a Co-owner's Unit under a lease agreement and the non-co-owner occupant, after receiving the notice, shall deduct from leasing payments due the Co-owner the arrearage and future assessments as they fall due and pay them to the Association. Any such deductions shall not constitute a breach of the lease by the non-co-owner occupant. If the non-co-owner occupant after being notified, fails or refuses to remit leasing payments otherwise due the

Co-owner to the Association of Co-owners, then the Association may issue a statutory notice to quit for nonpayment of leasing payments to the non-co-owner occupant and shall have the right to enforce that notice by summary proceeding. It may also initiate eviction proceedings pursuant to subsection (3) above.

Section 3. a. No Co-owner shall make alterations in exterior appearance or make structural modifications to his 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 expressed written approval of the Board of Directors including (but not by way of limitation) exterior painting or the erection of antennas (except satellite dishes as allowed by rules and regulations in compliance with FCC regulations, as adopted by the Board of Directors), lights, aerials, awnings, doors, shutters or other exterior attachments or modifications, nor shall any Co-owner damage or make modifications or attachments to common element walls between Unit which in any way impairs sound conditioning provisions. In the event that a structure or modification previously approved by the Association requires to be rebuilt or reconstructed in a fashion other than as originally approved, prior written permission from the Board of Directors must first be obtained. No Co-owner shall in any way restrict access to any plumbing, water line, water line valves, water meter, sprinkler system valves or any other element that must be accessible to service the common elements or any element which affects an Association's responsibility in any way. It shall be permissible for Co-owners to cause to be installed television antennas in the attic areas above Units, and to install satellite dishes in their Units, or upon limited common elements assigned to them or other areas specifically authorized by the Board of Directors; providing, however, that any damage or expense to the common elements or to the Association resulting from such installation shall be borne by the Co-owner performing or authorizing such installation. Should access to any facilities of any sort be required, the Association may remove any coverings or attachments of any nature that restrict such access and will have no responsibility for repairing, replacing or reinstalling any materials, whether or not installation thereof has been approved hereunder, that are damaged in the course of gaining such access, nor shall the Association be responsible for monetary damages of any sort arising out of actions taken to gain necessary access. The Board of Directors may approve only such modifications as do not impair the soundness, safety, utility or appearance of the Condominium. The Association shall not be liable to any person or entity for mistake in judgment, negligence or non-feasance arising out of or in connection with the approval or disapproval or failure to approve any such plans or specifications for a modification. The Co-owner shall be responsible for the maintenance, repair and replacement of such modification or improvement. In the event that the Co-owner fails to do so, the Association may undertake such maintenance, repair and replacement and assess the Co-owner the cost thereof and collect the costs 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 any costs, damages, or liabilities incurred in regard to said modification and/or improvement and shall be obligated to execute a modification agreement, if requested by the Association, as a condition for approval of such modification or improvement.

b. A Co-owner may make improvements or modifications to the Co-owner's Unit, including improvements or modifications to common elements and to the route from the public way to the door of the Co-owner's Unit, at his or her expense, if the purpose of the improvement or modification is to facilitate access to or movement within the Unit for persons with disabilities who reside in or regularly

visit the Unit, or to alleviate conditions that could be hazardous to persons with disabilities. The improvement or modification shall not impair the structural integrity of a structure or otherwise lessen the support of a portion of the Condominium complex. The Co-owner is liable for the cost of repairing any damage to a common element caused by building or maintaining the improvement or modification, unless the damage could reasonably be expected in the normal course of building or maintaining the improvement or modification. The improvement or modification may be made notwithstanding prohibitions and restrictions in the Condominium Documents, but shall comply with all applicable state and local building code requirements and health and safety laws and ordinances and shall be made as closely as reasonably possible in conformity with the intent of applicable prohibitions and restrictions regarding safety and aesthetics of the proposed modification.

c. An improvement or modification allowed by this section that affects the exterior of the Unit shall not unreasonably prevent passage by other residents of the Condominium complex. A co-owner who has made exterior improvements or modifications allowed by this section above shall notify the Association in writing of the Co-owner's intention to convey or lease his or her Condominium Unit to another, at least thirty (30) days before the conveyance or lease. Not more than thirty (30) days after receiving a notice from a Co-owner under this subsection, the Association may require that the Co-owner remove the improvement or modification, at the Co-owner's expense. If the Co-owner fails to give timely notice of a conveyance or lease, the Association at any time may remove or require the Co-owner to remove the improvement or modification, at the Co-owner's expense. However, the Association may not remove or require the removal of an improvement or modification if a Co-owner conveys or leases his or her Condominium Unit to a person with disabilities who needs the same type of improvement or modification or has a person residing with him or her who requires the same type of improvement or modification, and resides with the person.

d. If a Co-owner makes an exterior improvement or modification allowed under this section, the Co-owner shall maintain liability insurance, underwritten by an insurer authorized to do business in this state naming the Association of Co-owners as an additional insured, in an amount adequate to compensate for personal injuries caused by the exterior improvement or modification, but the Co-owner is not liable for acts or omissions of the Association with respect to the exterior improvement or modification, and the Co-owner shall not be required to maintain liability insurance with respect to any common element. The Association is responsible for maintenance, repair and replacement of the improvement or modification only to the extent of the cost currently incurred by the Association for maintenance, replacement, and repair of the common elements covered or replaced by the improvement or modification. All cost of maintenance, repair and replacement of the improvement or modification exceeding that currently incurred by the Association for maintenance, repair and replacement of the common elements covered or replaced by the improvement or modification shall be assessed to and paid by the Co-owner or the Unit serviced by the improvement or modification.

e. Before an improvement or modification allowed by this section is made, the Co-owner shall submit plans and specifications for the improvements or modifications to the Association for review and approval. The Association shall determine whether the proposed improvement or modification substantially conforms to the requirements of this section, but shall not deny a proposed improvement or modification without good cause. If the Association denies a proposed improvement or modification, the Association shall list, in writing, the changes needed to make the proposed

improvement or modification conform to the requirements of this section, and shall deliver that list to the Co-owner. The Association shall approve or deny the proposed improvement or modification not later than sixty (60) days after the plans and specifications are submitted by the Co-owner proposing the improvement or modification to the Association. If the Association does not approve or deny submitted plans and specifications within the sixty (60) day period, the Co-owner may make the proposed improvement or modification without the approval of the Association. A Co-owner may bring an action against the Association and the Officers and Directors to compel those persons to comply with this section if the Co-owner disagrees with a denial by the Association of the Co-owner's proposed improvement or modification.

f. As used herein, "person with disability" means that term as defined in Section 2 of the State Construction Code Act of 1972, Act No. 230 of the Public Acts of 1972, being Section 125.1502 of the Michigan Compiled Laws.

Section 4. No immoral, improper, unlawful or offensive activity, including garage sales 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, nor shall any unreasonably noisy activity be carried on in any Unit or on the common elements. No Co-owner shall do or permit anything to be done or keep or permit to be kept in his Unit or on the common elements anything that will increase the rate of insurance on the Condominium and each Co-owner will pay to the Association the increased cost of insurance premiums resulting from any such activity or the maintenance of any such activity or condition.

Section 5. No animal shall be kept in the Condominium or permitted on the Condominium premises other than domesticated cats, dogs, or birds. No more than one (1) dog or two (2) cats per Condominium Unit. No animal kept in or permitted on the Condominium premises shall exceed 25 lbs. in weight. Any pets kept in the condominium shall have such care and restraint not to be obnoxious on account of noise, odor or unsanitary conditions. No savage or dangerous animals shall be kept. No animal may be permitted to run loose upon the common elements and any animal shall at all times be licensed as required by the municipality, leashed and at all times attended by some responsible person while on the common elements. Any person who causes or permits an animal to be brought or kept on the Condominium property shall indemnify and hold harmless the Association for any loss, damage or liability which the Association may sustain as a result of the presence of such animal on the Condominium property, whether or not the Association has given its permission therefore. Deposits of fecal matter shall be made only in those areas specifically designated for such purpose by the Association, and must be immediately and properly disposed of by some person responsible for the animal. 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 may, without liability to the owner thereof, remove or cause to be removed any animal from the Condominium which it determines to be in violation of the restrictions imposed by this section. 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.

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

Section 7. Sidewalks, yards, landscaped areas, driveways, roads, parking areas, porches, hallways, stairs and lobbies shall not be obstructed in any way nor shall they be used for purposes other than for which they are reasonably and obviously intended. No bicycles, vehicles, chairs or benches may be left unattended on or about the common elements. Use of any recreational facilities in the Condominium by children may be limited to such times and in such manner as the Association shall determine by duly adopted regulations.

Section 8. No house trailers, commercial vehicles, boat trailers, boats, camping vehicles, camping trailers, snowmobiles, snowmobile trailers, mini-bikes, motorcycles, ATV's, or similar vehicles other than automobiles may be parked or stored upon the premises of the Condominium, unless parked in an area specifically designated therefore by the Association. Commercial vehicles (defined as vehicles or trucks weighing more than three tons or any vehicles or trucks with visible signage, tools, or other equipment typically used in trades or businesses, or any vehicle with any permanent or removable lettering on any surface of the vehicle that advertises, publicizes or in any way indicates that the vehicle is used by any entity whether for profit, non-profit, or not-for-profit) shall not be parked in or about the Condominium except as above provided) unless while making deliveries or pickups in the normal course of business. No inoperable, or non-functioning vehicles of any type, or vehicles that are not regularly used, whether properly licensed or not, can be brought or stored upon the Condominium premises except that inoperable or non-functioning vehicles intended to be used primarily as a method of personal transportation and for the personal use and enjoyment of a person may be stored in a garage. No more than three (3) vehicles per Unit may be parked, stored or kept upon the premises of the Condominium. No overnight street parking between the hours of 1 o'clock a.m. and 6 o'clock a.m. Those cars shall be parked only on the parking pad, driveway, garage or carports assigned to that Unit. Regularly used vehicles shall mean vehicles that are moved and used periodically during a calendar month. All vehicles parked on the Condominium premises must be currently licensed and insured. No major repairs shall be performed on any vehicle on the Condominium premises except such repairs of a Co-owners vehicle are permitted within the Co-owner's garage. Co-owners may make minor repairs to their own vehicles in their own driveways provided such repairs are completed in one eighteen (18) hour period. In the event that there arises a shortage of parking places, for Co-owner vehicles or vehicles belonging to the guests of Co-owners, the Board of Directors may allocate or assign parking spaces from time to time on an equitable basis. Co-owners shall, if the Board of Directors shall require, register with the Association all cars maintained on the Condominium premises.

Section 9. No Co-owner shall use, or permit the use by any occupant, agent, employee, invitee, guest or member of his family of any firearms, air rifles, pellet guns, B-B guns, bows and arrows

or other similar dangerous weapons, projectiles or devices anywhere on or about the Condominium premises.

Section 10. No signs or other advertising devices shall be displayed which are visible from the exterior of a Unit or on the Common Elements, including "For Sale" signs, "For Rent", "Open" signs and political signs, without the prior written permission from the Board of Directors. NO garage sales allowed at anytime. Estate sales must be pre-approved in writing by the Board of Directors.

Section 11. Reasonable rules and regulations consistent with the Act, the Master Deed and these Bylaws, concerning the use of the Common Elements and any Unit may be made and amended from time to time by any Board of Directors of the Association. All copies of 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 12. The Association or its duly authorized agent 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, 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 or to protect the safety 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 his Unit 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 his Unit 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, or the contents of same or limited common elements appurtenant to same which are under the control or in the possession of the Co-owner, 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.

Section 13. A Co-owner may sell his Unit or interest therein without approval of the Association, except that such transfer is subject to the following terms:

a. Ten (10) days prior to the closing date a Co-owner shall give written notice of such sale to the Association, and shall furnish the name and address of the purchaser and such other information as the Board of Directors shall require. The selling Co-owner shall provide the purchaser with the Condominium Documents. The giving of such notice shall constitute a warranty and a representation by such Co-owner to the Association that the Co-owner believes the proposed sale to be bona fide in all respects. The selling Co-owner shall inform the purchaser in writing of any approved additions and/or modifications that the selling Co-owner or prior Co-owners have made which have become the

Co-owner's responsibility for maintaining, but in any event, the purchaser shall be responsible for maintaining such additions or modifications regardless of whether or not the purchaser actually received said notification. The selling Co-owner shall be responsible to the Association for any damages suffered by it in exercise of its rights hereunder. The Association may charge the Co-owner a reasonable fee, as determined from time to time by the Board of Directors, to defray the administrative costs incurred in making the necessary changes to the Association records.

b. When a Co-owner is in arrears to the Association for assessments, the Board of Directors or its duly authorized agent may give written notice of the arrearage to a land contract purchaser or other person or agreement granting or conveying an interest, and the purchaser, or other person or entity having such interest after receiving the notice, shall deduct from payments due the Co-owner the arrearage and future assessments as they fall due and pay them to the Association. Such a deduction shall not constitute a breach of the contract with the Co-owner.

c. This section shall not apply to a public or a private sale pursuant to foreclosure of a first mortgage on any Unit, nor shall this section apply to a subsequent sale by the holder of a first mortgage who has acquired title to a Unit by purchaser at a sale pursuant to foreclosure of the first mortgage held by it on such Unit.

d. Upon the closing of the sale, the purchasing Co-owner shall forthwith furnish to the Board of Directors or their duly authorized agent a copy of the executed document(s) conveying title or an interest in a Unit. Failure to do so may result in administrative charges which shall be enforced and collected as assessments pursuant to Article II.

e. Upon the sale or conveyance of a Unit, all unpaid assessments against that Unit shall be paid out of the sale price or by the purchaser in preference over any other assessments or charges of whatever nature except the following:

- (i) Amounts due the state, or any subdivision thereof, or any municipality for taxes and special assessments due and unpaid on the Unit.
- (ii) Payments due under a first mortgage having priority thereto.

f. In all instances the Co-owner shall indemnify and hold the Association and its Board of Directors harmless as to any warranties (express or implied) relative to the condition of the Unit or the common elements (both general or limited) or the performance of the Association with regard to same.

Section 14. No unsightly condition shall be maintained upon any porch or terrace and only furniture and equipment consistent with ordinary porch or terrace use shall be permitted to remain there during seasons when porches and terraces are reasonably in use and no furniture or equipment of any kind shall be stored on porches or terraces during seasons when porches and terraces are not reasonably in use.

Section 15. Each co-owner shall maintain his Unit and any limited common elements appurtenant thereto for which he has maintenance responsibility in a safe, clean and sanitary condition.

Each co-owner shall also use due care to avoid damaging any of the common elements or other Units, including but not limited to the telephone, water, gas, plumbing, electrical or other utility conduits and systems and any other elements in any Unit which are appurtenant to or which may affect any other Unit. Each co-owner shall be responsible for damages or costs to the Association caused by him, or his family, guests, agents or invitees, or by items for which the Co-owner has maintenance responsibility, unless such damages or costs are covered by insurance carried by the Association, in which case there shall be no such responsibility (unless reimbursement to the Association is excluded by virtue of a deductible provision, in which case the responsible co-owner shall bear the expense to the extent of the deductible amount), provided however, that in the event such damage is covered by insurance carried by the Co-owner, the Co-owner's insurance shall bear the primary responsibility for that damage to the full extent of its coverage. Any costs or damages to the Association may be assessed to and collected from the responsible co-owner in the manner provided in Article II hereof.

ARTICLE VII

MORTGAGES

Section 1. Any Co-owner who mortgages his Unit shall notify the Association of the name and address of the mortgagee, and the Association shall maintain such information in a book entitled "Mortgages of Units." The Association may, at the written request of a mortgagee of any such Unit, report any unpaid assessments due from the Co-owner of such Unit.

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

ARTICLE VIII

MEETINGS

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

Section 2. The annual meetings of members of the Association shall be held on such time and place as shall be determined by the Board of Directors. At such meetings there shall be elected by ballot of the Co-owners a Board of Directors in accordance with the requirements of Article IX of these Bylaws. The Co-owners may also transact at annual meetings such other business of the Corporation as may properly come before them.

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

Section 4. It shall be the duty of the Secretary (or other Association officer in the Secretary's absence) to serve a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, upon each Co-owner of record, at least ten (10) days but no more than sixty (60) days prior to such meeting. The mailing, postage prepaid, or by any electronic method reasonably calculated to be received by the Co-owners, of a notice to the representative of each Co-owner at the address shown in the notice required to be filed with the Association by Article I, Section 2(e) of these Bylaws 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.

Section 5. If any meeting of owners cannot be held because a quorum is not in attendance, the 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.

ARTICLE IX

BOARD OF DIRECTORS

Section 1. The affairs of the Association shall be governed by a Board of Directors all of whom must be members current in their condominium assessments of the Association and not in violation of the Condominium restrictions. Directors shall serve without compensation. No more than one (1) co-owner per unit may serve on the Board at one time.

Section 2. The Board of Directors shall consist of five (5) directors. The term of office of each director shall be two (2) years, with three (3) directors being elected in one year, and two (2) directors elected the following year. The directors shall hold office until their successors have been elected and hold their first meeting.

Section 3. 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 a 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.

Section 4. 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 a majority of all of the Co-owners and a successor may then and there be elected to fill the 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 5. The first meeting of a newly elected Board of Directors shall be held within ten (10) days of election at such place as shall be fixed by the directors at the meeting at which such directors were elected, and no notice shall be necessary to the newly elected directors in order legally to constitute such meeting, providing a majority of the whole Board shall be present

Section 6. Regular meetings of the Board of Directors may be held at such time and places as shall be determined from time to time by a majority of the directors, but at least two such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each director personally, by mail, telephone or other electronic method reasonably calculated to be received by the director, at least ten (10) days prior to the date named for such meeting.

Section 7. Special meetings of the Board of Directors may be called by the President on three (3) days' notice to each director, given personally, by mail, telephone, email or other electronic method reasonably calculated to be received by the director, 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.

Section 8. 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 9. At all meetings of the Board of Directors, a majority of the directors shall constitute a quorum for the transaction of business, and the acts of the majority of the directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice. The joinder of a director in the action of a meeting by signing and concurring in the minutes thereof, shall constitute the presence of such Director for purposes of determining a quorum. A Director may participate in a meeting by conference telephone or similar communications equipment by which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this section constitutes presence at the meeting.

Section 10. The Board of Directors shall require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be expenses of administration.

Section 11. Although directors' meetings are not necessarily open to Co-owners, the Board generally intends them to be open. However, 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 for any reason, or in order to deal with confidential or privileged information, including but not limited to privileged communication 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 12. Any action permitted to be taken by the Board of Directors at a meeting of the Board shall be valid without a meeting if consented to in writing by the requisite majority of the Board of Directors. Further, the Board of Directors may be polled by telephone, email or other electronic means to obtain concurrence for decision, provided that such action is affirmed by the Board of Directors at its next regular meeting.

Section 13. A director may participate in a meeting by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this section constitutes presence at the meeting.

ARTICLE X

OFFICERS

Section 1. The principal officers of the Association shall be a President, who shall be a member of the Board of Directors, a Vice President, Secretary and a Treasurer. 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.

Section 2. 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. 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. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board of Directors. He shall have all of the general powers and duties which are usually vested in the office of the President of an association, including, but not limited to, the power to appoint committees from among the members of the Association from

time to time as he may in his discretion deem appropriate to assist in the conduct of the affairs of the Association.

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

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

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

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

ARTICLE XI

SEAL

Section 1. The Association may have a seal which may have inscribed thereon the name of the Association, the words "Corporate Seal," and "Michigan."

ARTICLE XII

FINANCE

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

Section 2. The funds of the Association shall be deposited in such bank as may be designated by the Directors and shall be withdrawn only upon the check or order of such officers, employees or agents as are designated by resolution of the Board of Directors from time to time.

ARTICLE XIII

INDEMNIFICATION OF OFFICERS AND DIRECTORS

Section 1. Every director and every officer of the Association shall be indemnified by the Association against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him in connection with any proceeding to which he may be a party, or in which he may become involved, by reason of his being or having been a director or officer of the Association, whether or not he is a director or officer at the time such expenses are incurred, except in such cases wherein the director or officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided that, in the event of any claim for reimbursement or indemnification hereunder based upon a settlement by the director or officer seeking such reimbursement or indemnification, the indemnification herein shall apply only if the Board of Directors (with the director seeking reimbursement abstaining) approves such settlement or reimbursement as being in the best interest of the Association. Written notice ten (10) days prior to payment must be given to co-owners of a decision to indemnify an officer or director. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such director or officer may be entitled.

ARTICLE XIV

AMENDMENTS

Section 1. Amendments to these 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 or more in number of the members or by instrument in writing signed by them.

Section 2. Upon any such amendment being proposed, a meeting for consideration of the same shall be duly called in accordance with the provisions of Article VIII of these Bylaws.

Section 3. These Bylaws may be amended by the Association at any regular annual meeting or a special meeting called for such purpose, by an affirmative vote of more than sixty (60%) percent of all Co-owners in number and in value.

Section 4. No consent of mortgagees shall be necessary unless required by the Michigan Condominium Act, in which event the approval of sixty-six and two-thirds (66-2/3%) percent of mortgagees shall be obtained with each mortgagee having one (1) vote for each mortgage held.

Section 5. Any amendment to these Bylaws shall become effective upon recording of such amendment in the office of the Register of Deeds in the County where the condominium is located.

Section 6. A copy of each amendment to these Bylaws shall be furnished to every member of the Association after adoption.

ARTICLE XV

COMPLIANCE

The Association of Co-owners and all present or future Co-owners, tenants, future tenants, or any other persons acquiring an interest in or using the facilities of the project in any manner are subject to and shall comply with the Act, as amended, and 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 Statute, the Statute shall govern.

ARTICLE XVI

REMEDIES FOR DEFAULT

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

a. Failure to comply with any of the terms or provisions of any of the Condominium Documents 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 any assessment) or any combination thereof, and which relief may be sought by the Association, or, if appropriate, by an aggrieved Co-owner or Co-owners.

b. In the event of a default of the Condominium Documents by a Co-owner, non-co-owner occupant or resident and/or guest, the Association shall be entitled to recover from the Co-owner, lessee, tenant, non-co-owner occupant or resident and/or guest the pre-litigation attorneys' fees and costs incurred by the attorney for the Association in obtaining their compliance with the Condominium Documents. In any proceeding arising because of an alleged default by any co-owner, non-co-owner occupant or resident and/or guest, the Association, if successful, shall be entitled to recover the costs of the proceeding and its actual attorneys' fees, (not limited to statutory fees), but in no event shall any co-owner be entitled to recover such attorneys' fees. The Association, if successful, shall also be entitled to recoup the costs and attorneys' fees incurred in defending any claim, counter-claim or other matter from the Co-owner, non-co-owner occupant or resident and/or guest, asserting the claim, counter-claim or other matter against the Association.

c. The violation of any of the provisions of the Condominium Documents shall also give the Association or its duly authorized agents the right, in addition to the rights set forth above, to enter upon the common elements, limited or general, or into any 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.

d. The violation of any of the provisions of the Condominium Documents by any Co-owner shall be grounds for assessment by the Association, acting through its duly constituted Board of Directors, of monetary fines for such violations. The amount of the fines shall be as determined from time to time by the Board of Directors. No fine may be assessed unless rules and regulations establishing such fine have first been duly adopted by the Board of Directors of the Association. Thereafter, fines may be assessed only upon reasonable notice to the offending Co-owner(s) and an opportunity for such Co-owner(s) to appear before the Board and offer evidence in defense of the alleged violation. All fines duly assessed shall be deemed assessments and may be collected in the same manner as provided in Article II of these Bylaws. No monetary fine shall be levied for the first violation. No fine shall exceed fifty (\$50.00) dollars for the second violation, one hundred (\$100.00) dollars for the third violation, or two hundred (\$200.00) dollars for any subsequent violation. In the case of a continuing violation of these Bylaws, a subsequent violation shall be deemed to have occurred if the violation continues beyond the reasonable time allotted by the Board of Directors as the period for correction of the prior violation. The Board of Directors shall have the authority to increase such fines, at its option, provided that at least thirty (30) days prior notice via mail or electronic mail is given to the Co-owners of any change in the amount of such fines.

Section 2. 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, provisions, covenant or condition in the future.

Section 3. 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 XVII

SEVERABILITY

In the event that any of the terms, provisions or covenants of these Bylaws or the Condominium Documents are held to be partially and 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.

SCARBOROUGH MAINTENANCE GUIDELINE 2-25-2015

WHO IS RESPONSIBLE: CO-OWNER OR ASSOCIATION?

<u>ITEM</u>	<u>ASSOCIATION</u>	<u>CO-OWNER</u>	<u>COMMENTS</u>
<u>APPLIANCES</u>			
AIR CONDITIONING		**	INCLUDED S PAD
DISHWASHER		**	
DISPOSAL		**	
FURNACE		**	
GARAGE DOOR OPENER & SPRINGS		**	
REFRIGERATOR		**	
STOVE		**	
TELEPHONES		**	
WASHER/DRYER		**	
WATER HEATER		**	
<u>BUILDING</u>			
AWNINGS		**	
ANIMAL/PEST CONTROL	**		
BALCONIES	**		CO-OWNER RESPONSIBLE FOR MAINTENANCE
CABINETS		**	
CAR PORTS	**		CO-OWNERS TO KEEP CLEAN FROM OIL & FLUIDS
CARPET		**	
CEILING		**	PAINTING & DRY WALL DAMAGE IS CO-OWNER RESPONSIBILITY UNLESS FROM LEAKAGE OF ROOF
CHIMNEY	**		
DECK/PATIO		**	
DECK/PATIO MAINTENANCE		**	
DOORFRAMES EXTERIOR	**		EXCEPT FOR CO-OWNER DAMAGE
DOORS (ENTRY)		**	PAINTING: ASSOC. RESPONSIBILITY
DOORS (GARAGE)	**		UNLESS DAMAGE BY CO-OWNER
DOORWALL FRAME INTERIOR		**	
DOORWALL GLASS		**	
DRAINS CLOGGED		**	SINKS & TUBS, NOT SEWER
ELECTRICAL FIXTURES		**	INCLUDES HANGING LIGHTING, LIGHT SWITCHES & OUTLETS
ELECTRICAL WIRING	**		UP TO POINT OF CONNECTION TO ELECTRICAL FIXTURES
FAUCET LEAKS		**	
FAUCETS EXTERIOR	**		UNLESS DAMAGE BY CO-OWNER
FAUCETS INTERIOR		**	
FENCES	**		
FLOORS		**	
FLOORS BASEMENT CEMENT	**		
FOUNDATIONS	**		

NO ITEMS OF ANY KIND ARE TO BE ATTACHED TO ANY OF THE NEW ALUMINUM SIDING ANYWHERE ON THE BUILDINGS. YOU WILL BE HELD LIABLE FOR DAMAGES!

<u>ITEM</u>	<u>ASSOCIATION</u>	<u>CO-OWNER</u>	<u>COMMENTS</u>
<u>BUILDING (CONTD)</u>			
GAS LINE NETWORK	**		UP TO POINT OF CONNECTION WITH GAS FIXTURES
GUTTERS & DOWNSPOUTS	**		
LIGHTING PORCH & PATIOS	**		UNLESS INSTALLED BY CO-OWNER DOES NOT INCLUDE SAFETY LIGHTING
PAINTING EXTERIOR	**		
PAINTING INTERIOR		**	
PORCH RAILINGS METAL		**	
PLUMBING	**		WITHIN UNIT WALL UP TO CONNECTION WITH PLUMBING FIXTURES EXCEPT FOR CO-OWNER DAMAGE
ROOFS	**		
SCREENS		**	
SEWERS	**		See Master Deed Article IV A. 6.
SUPPORT COLUMNS	**		
TELEPHONE WIRING	**		UP TO ENTRANCE INTO THE UNIT
TV CABLE WIRING	**		UP TO ENTRANCE INTO THE UNIT
WALLS FOUNDATION BASEMENT	**		
WALLS EXTERIOR	**		
WALLS INTERIOR		**	
WALLS UNIT PERIMETER	**		
WINDOWS		**	
WINDOWS STORM		**	
<u>GROUND</u>			
DRIVEWAYS	**		
FLOWERS		**	
LANDSCAPING	**		EXCEPT LANDSCAPING INSTALLED BY CO-OWNER & DAMAGE DONE BY CO-OWNER FOR LACK OF TURNING ON WATER
LAWNS	**		
LIGHTING OUTDOOR	**		INCLUDES SAFETY LIGHTING INSTALLED ON BUILDINGS
PARKING SPACES	**		
PORCHES	**		UNLESS CO-OWNER INSTALLED OUTSIDE CARPETING TO COVER PORCH
ROADWAYS	**		
SANITARY SEWER SYSTEM	**		See Master Deed Article IV A. 6.
SHRUBS	**		UNLESS CO-OWNER INSTALLED
SIDEWALKS	**		
SNOW REMOVAL	**		
SPRINKLER SYSTEMS	**		UNLESS INSTALLED BY CO-OWNER
STORM DRAINS	**		
TREES	**		
WATER DISTRIBUTION SYSTEM	**		

SCARBOROUGH SQUARE CONDOMINIUM ASSOCIATION

**AMENDED AND RESTATED
ASSOCIATION BYLAWS
2008**

ARTICLE I

ADOPTION OF CONDOMINIUM BYLAWS

The Bylaws of Scarborough Square Condominium, a condominium (hereinafter known as the Condominium Bylaws) as attached to the Master Deed and recorded in Liber 2522, Pages 589 through 650, Macomb County Records, are hereby incorporated by reference and adopted in their entirety as a part of the Bylaws of this corporation (hereinafter known as Association Bylaws).

ARTICLE II

MEETINGS

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

Section 2. The annual meetings of members of the Association shall be held on such time and place as shall be determined by the Board of Directors. At such meetings there shall be elected by ballot of the co-owners a Board of Directors in accordance with the requirements of Article III of these Bylaws. The co-owners may also transact at annual meetings such other business of the Corporation as may properly come before them.

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

Section 4. It shall be the duty of the Secretary (or other Association officer in the Secretary's absence) to serve a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, upon each co-owner of record, at least ten (10)

days but no more than sixty (60) days prior to such meeting. The mailing, postage prepaid, of a notice to the representative of each co-owner at the address shown in the notice required to be filed with the Association by Article I, Section 2(e) OF the Condominium Bylaws 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.

Section 5. If any meeting of owners cannot be held because a quorum is not in attendance, the 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.

ARTICLE III

BOARD OF DIRECTORS

Section 1. The affairs of the Association shall be governed by a Board of Directors all of whom must be members current in their condominium assessments of the Association residing in the condominium. Directors shall serve without compensation

Section 2. The Board of Directors shall consist of five (5) directors. The term of office of each director shall be two (2) years, with three (3) directors being elected in one year, and two (2) directors elected the following year. The directors shall hold office until their successors have been elected and hold their first meeting.

Section 3. The Board of Directors shall have all powers and duties set forth in the Condominium Bylaws.

Section 4. 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 a 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.

Section 5. 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 a majority of all of the co-owners and a successor may then and there be elected to fill the 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. The first meeting of a newly elected Board of Directors shall be held within ten (10) days of election at such place as shall be fixed by the directors at the meeting at which such directors were elected, and no notice shall be necessary to the newly elected directors in order legally to constitute such meeting, providing a majority of the whole Board shall be present

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

Section 8. Special meetings of the Board of Directors may be called by the President on three (3) days' notice to each director, given personally, by mail, telephone or telegraph, 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.

Section 9. 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 as such meeting.

Section 10. 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. The Board of Directors shall require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be expenses of administration.

Section 12. Although directors' meetings are not necessarily open to co-owners, the Board generally intends them to be open. However, 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 for any reason, or in order to deal with confidential or privileged information, including but not limited to privileged communication 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. Any action permitted to be taken by the Board of Directors at a meeting of the Board shall be valid without a meeting if consented to in writing by the requisite majority of the Board of Directors. Further, the Board of Directors may be polled by telephone, email or other

electronic means to obtain concurrence for decision, provided that such action is affirmed by the Board of Directors at its next regular meeting.

Section 14. A Director may participate in a meeting by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this section constitutes presence at the meeting.

ARTICLE IV

OFFICERS

Section 1. The principal officers of the Association shall be a President, who shall be a member of the Board of Directors, a Vice President, Secretary and a Treasurer. 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.

Section 2. 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. 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. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board of Directors. He shall have all of the general powers and duties which are usually vested in the office of the President of an association, including, but not limited to, the power to appoint committees from among the members of the Association from time to time as he may in his discretion deem appropriate to assist in the conduct of the affairs of the Association.

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

Section 6. The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meeting of the members of the Association; he shall have charge of the

corporate seal and of such books and papers as the Board of Directors may direct; and he shall, in general, perform all the duties incident to the office of the Secretary.

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

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

ARTICLE V

SEAL

Section 1. The Association may have a seal which may have inscribed thereon the name of the Association, the words "Corporate Seal," and "Michigan."

ARTICLE VI

FINANCE

Section 1. The finance of the Association shall be handled in accordance with the Condominium Bylaws.

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

Section 3. The funds of the Association shall be deposited in such bank as may be designated by the Directors and shall be withdrawn only upon the check or order of such officers, employees or agents as are designated by resolution of the Board of Directors from time to time.

ARTICLE VII

INDEMNIFICATION OF OFFICERS AND DIRECTORS

Section 1. Every director and every officer of the Association shall be indemnified by the Association against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him in connection with any proceeding to which he may be a party, or in which he may become involved, by reason of his being or having been a director or officer of the Association, whether or not he is a director or officer at the time such expenses are incurred, except in such cases wherein the director or officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided that, in the event of any claim for reimbursement or indemnification hereunder based upon a settlement by the director or officer seeking such reimbursement or indemnification, the indemnification herein shall apply only if the Board of Directors (with the director seeking reimbursement abstaining) approves such settlement or reimbursement as being in the best interest of the Association. Written notice ten (10) days prior to payment must be given co-owners of a decision to indemnify an officer or director. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such director or officer may be entitled.

ARTICLE VIII

AMENDMENTS

Section 1. These Bylaws (but not the Condominium Bylaws) may be amended by the Association at a duly constituted meeting for such purpose, by an affirmative vote of a simple majority of the co-owners present in person, by proxy or written vote as such vote is defined in Article I, Section 2 (i) of the Condominium Bylaws.

Section 2. Amendments to these 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 or more in number of the members of the Association whether meeting as members or by instrument in writing signed by them.

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

Section 4. Any amendment to these Bylaws shall become effective upon adoption of the same in accordance with Section 1 of this Article VIII without recording in the office of the Register of Deeds.

Section 5. A copy of each amendment to these Bylaws shall be furnished to every member of the Association after adoption.

ARTICLE IX

COMPLIANCE

Section 1. These Bylaws are set forth to comply with the requirements of Act No. 284, Public Acts of 1972 and Act No. 327 of the Public Acts of Michigan of 1931, as amended, Act No. 229 of the Public Acts of Michigan of 1963, as amended, and with the duly recorded Master Deed of the Condominium and Exhibits A and B attached thereto. In case any of these Bylaws conflict with the provisions of said statute or with the provisions of said Master Deed or the Exhibits thereto, the provisions of the statutes and said Master Deed shall be controlling.