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RECORDED

WASHTENAW COUNTY MI

Apr 7 2 58 PM '89

ROBERT M. HARRISON
COUNTY CLERK/REGISTER

MASTER DEED

YORKSHIRE SQUARE

(Act 59, Public Acts of 1978, As Amended)

RECORDED

WASHTENAW COUNTY MI

Apr 7 2 58 PM '89

ROBERT M. HARRISON
COUNTY CLERK/REGISTER

THIS MASTER DEED is made and executed on this 23rd day of March, 1989, by BLAKE BUILDERS, INC., a Michigan corporation, hereinafter referred to as the "Developer", whose office is situated at 14600 Darling Road, Milan, Michigan, in pursuance of the provisions of the Michigan Condominium Act as amended (being Section 559.2 of the Compiled Laws of 1948 and Act 59 of the Public Acts of 1978, as amended), hereinafter referred to as the "Act".

Washtenaw County Treasurer

WITNESSETH:

Tax Certificate No. 841382

WHEREAS, the Developer is the owner of certain real property located in the City of Milan, County of Washtenaw, Michigan, and more particularly described as follows:

Commencing at the East 1/4 corner of Section 34, T4S, R6E, City of Milan, Washtenaw County, Michigan; thence S 01°05'20" W 1219.82 feet along the East line of said Section and the centerline of Platt Road; thence N 89°08'15" W 60.00 feet to the Point of Beginning; thence S 01°05'20" W 299.99 feet along the Westerly right-of-way line of Platt Road; thence N 89°07'40" W 602.64 feet; thence N 02°25'40" E 300.00 feet; thence S 89°08'15" E 595.63 feet to the Point of Beginning. Being a part of the East 1/2 of the Southeast 1/4 of Section 34, T4S R6E, City of Milan, Washtenaw County, Michigan, and containing 4.13 acres of land, more or less. Being subject to easements and restrictions of record, if any.

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

NOW, THEREFORE, the Developer does, upon the recording hereof, establish Yorkshire Square as a condominium project under the Act and does declare that Yorkshire Square (hereinafter referred to as the "Condominium" or the "condominium project") shall, after such establishment, be held, conveyed, hypothecated, encumbered, leased, rented, occupied, improved, or in any other manner utilized subject to the provisions of the Act and to the covenants, conditions, restrictions, uses, limitations, and affirmative obligations set forth in this Master Deed and Exhibits "A" and "B" hereto, all of which shall

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be deemed to run with the land and shall be a burden and a benefit to the Developer, its successors and assigns, and any persons acquiring or owning an interest in the said real property, their grantees, successors, heirs, personal representatives, and assigns. In furtherance of the establishment of said condominium project, it is provided as follows:

FIRST: Certain terms are utilized not only in this Master Deed and Exhibits "A" and "B" hereto, but are or may be used in various other instruments such as, by way of example and not in limitation, the Articles of Incorporation and corporate By-Laws and Rules and Regulations of Yorkshire 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 Yorkshire Square as a condominium. Wherever used in such documents or any other pertinent instruments, the terms set forth below shall be defined as follows:

- (1) The "Act" means the Michigan Condominium Act, being Act 59 of the Public Acts of 1978, as amended.
- (2) "Association" means 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.
- (3) "Association By-Laws" means the corporate By-Laws of Yorkshire Square Condominium Association, the Michigan non-profit corporation organized to manage, maintain and administer the Condominium.
- (4) "Common elements", where used without modification, shall mean both the general and limited common elements described in paragraph FOURTH hereof.
- (5) "Condominium By-Laws" means Exhibit "A" hereto, being the By-Laws setting forth the substantive rights and obligations of the co-owners and required by Section 3(8) of the Act to be recorded as part of the Master Deed.
- (6) "Condominium documents" wherever used means and includes this Master Deed and Exhibits "A" and "B" hereto, the Articles of Incorporation, the By-Laws, and the Rules and Regulations, if any, of the Association.
- (7) "Condominium premises" means and includes the land and the buildings, all improvements and structures thereon, and all easements, rights and appurtenances belonging to Yorkshire Square as described above.

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- (8) "Condominium", "condominium project" or "project" means Yorkshire Square as a condominium project established in conformity with the provisions of the Act.
- (9) "Condominium Subdivision Plan" means Exhibit "B" hereto.
- (10) "Construction and sales period" means, for the purposes of the Condominium documents and the rights reserved to the Developer thereunder, the period commencing with the recording of the Master Deed and continuing as long as the Developer owns any unit which it offers for sale.
- (11) "Co-owner" means a person, firm, corporation, partnership, association, trust, or other legal entity or any combination thereof who or which owns one or more units in the condominium project. The term "owner", wherever used, shall be synonymous with the term "co-owner". "Co-owner" shall also include a land contract vendee.
- (12) "Developer" means Blake Builders, Inc., a Michigan corporation, which has made and executed this Master Deed, and its successors and assigns.
- (13) "First annual meeting" means the initial meeting at which nondeveloper co-owners are permitted to vote for the election of all Directors and upon all other matters which properly may be brought before the meeting. Such meeting (i) may be held at any time, in the Developer's sole discretion, after fifty percent (50%) of the units which may be created are sold, and (ii) must be held within (a) 36 months from the date of the first unit conveyance, or (b) 120 days after seventy-five percent (75%) of all units which may be created are sold, whichever occurs first.
- (14) "Transitional control date" means the date on which a Board of Directors of the Association takes office pursuant to an election in which the votes which may be cast by eligible co-owners unaffiliated with the Developer exceed the votes which may be cast by the Developer.
- (15) "Unit" means the enclosed space constituting a single complete condominium unit in Yorkshire Square, as such space may be described in Exhibit "B" hereto.
- (16) 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.

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SECOND: The condominium project shall be known as Yorkshire Square, Washtenaw County Condominium Subdivision Plan No. III. The architectural plans for the project were approved by the City of Milan, Washtenaw County, State of Michigan. The condominium project is established in accordance with the Act.

THIRD: The buildings and units contained in the Condominium, including the number, boundaries, dimensions, area, and volume of each condominium 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 from and exit to a common element of the condominium project. Each co-owner in the condominium project shall have an exclusive right to his condominium unit and shall have undivided and inseparable rights to share with other co-owners the common elements of the condominium project as are designated by this Master Deed.

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

- (1) The general common elements are:
 - (a) The land described in page one hereof, including roads and sidewalks not designated as limited common elements;
 - (b) The electrical wiring network throughout the project up to, but not including, the electric meter for each unit;
 - (c) The gas line network throughout the project up to, but not including, the gas meter for each unit;
 - (d) The telephone and television wiring networks throughout the project up to the point of entry to each unit;
 - (e) The plumbing network throughout the project, including that contained within unit walls, up to the point of connection with plumbing fixtures within any unit;
 - (f) The water distribution system, sanitary sewer system and storm drainage system throughout the project up to the point of connection with fixtures within each unit;
 - (g) Foundations, supporting columns, unit perimeter walls (including windows, doors and heating ducts therein), roofs, ceilings, floor construction below units and chimneys;

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(h) Such other elements of the project not herein designated as general or limited common elements which are not enclosed within the boundaries of a unit and which are intended for common use or necessary to the existence, upkeep and safety of the project.

(i) Some or all of the utility lines (including mains and service leads) and equipment described in paragraph FOURTH (1)(b), (c), (d), (e), and (f) may be owned by the local municipal authority or by the company that is providing the pertinent utility service. Accordingly, such utility lines and equipment shall be general common elements only to the extent of the co-owners' interest therein, and the Developer makes no warranty whatever with respect to the nature or extent of such interest, if any.

(2) The limited common elements are:

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

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

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

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

(3) Convertible areas extend off the rear of certain units as shown on Exhibit "B" to permit construction and installation of decks and patios as may be approved by the Association pursuant to Section 3, ARTICLE VI, of the Condominium By-Laws. Any deck or patio located within a convertible area shall be a limited common element appurtenant to the unit to which it is attached. The Developer reserves the right to construct and install decks and patios as it may deem appropriate within convertible areas, and approval by the Association shall not be required so long as the Developer owns a unit within the condominium project.

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

- (a) The cost of maintenance, repair and replacement of the limited common elements described in paragraphs FOURTH (2)(b), (2)(c) and (3) above shall be borne by the co-owner of the unit to which such limited common elements respectively appertain; provided, however, that any patio area consisting primarily of lawn area shall be mowed by the Association and any fences between patios installed by the Developer or the Association shall be maintained, repaired and replaced by the Association.
- (b) The cost of maintenance, repair and replacement of the doors, window glass and that portion of the window frame attached to the glass referred to in paragraph FOURTH (1)(g) shall be borne by the co-owner of the unit in which such general common elements are located.
- (c) The cost of maintenance, repair and replacement of all other general and limited common elements described above shall be borne by the Association unless such maintenance, repair and replacement is necessitated by co-owner fault (which shall include actions by guests, agents, invitees, tenants, family members, or pets), in which case the co-owner at fault shall bear such costs as exceed any insurance proceeds. The costs of decoration, (but not repair or replacement except in cases of co-owner fault) of all surfaces referred to in paragraph FOURTH (2)(d) shall be borne by the co-owner of each unit to which such surfaces are appurtenant.
- (d) The cost of maintaining, repairing and replacing the water heater, garage door opener, internal unit plumbing, dishwasher, refrigerator, stove, oven, garbage disposal, heating and air conditioning equipment, lighting, and other items servicing a unit that are not common elements, whether or not they are within the unit they service, shall be the sole responsibility of the co-owner whose unit is serviced by such items.
- (e) The individual co-owners shall be responsible for the cost and installation of bulbs within the light fixtures at the front and back of their respective units, although the fixtures themselves shall be maintained by the Association.
- (f) No co-owner shall use his condominium unit or the common elements in any manner inconsistent with the purposes of the project or in any manner which will interfere with or impair the rights of any other co-owner in the use and enjoyment of his condominium unit or the common elements.

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FIFTH:

(1) Each unit in the project is described in this paragraph with reference to the Condominium Subdivision Plan of Yorkshire Square as surveyed by Washtenaw Engineering Co., Inc., and attached hereto as Exhibit "B". Each unit shall include all that space contained within the interior finished unpainted walls and ceilings and from the finished subfloor, all as shown on the floor plans and sections in Exhibit "B" hereto and delineated with heavy outlines. The architectural plans and specifications for the project have been filed with the City of Milan.

(2) The percentage of value assigned to each unit shall be equal. The percentage of value assigned to each unit shall be determinative of the proportionate share of each respective co-owner in the common elements, proceeds and expenses of administration and the value of such co-owner's vote at meetings of the Association. The total value of the project is 100. Each co-owner's maximum percentage value of undivided interest in the common elements in the condominium project based upon this thirty (30)-unit development is three and 33/100 percent (3.33%), which is not subject to change unless fewer than thirty (30) units are constructed.

SIXTH: Notwithstanding any other provision in this Master Deed or the Condominium By-Laws or any other documents, the following provisions shall apply and may not be amended or deleted without the prior written consent of the holder of each first mortgage of a condominium unit of record:

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

(2) Any first mortgagee who obtains title to a unit pursuant to the remedies provided in the mortgage or foreclosure of the mortgage or deed (or assignment) in lieu of foreclosure shall be exempt from any "right of first refusal" contained in the Condominium documents and shall be free to sell or lease such unit without regard to any such provision.

(3) Any first mortgagee who obtains title to a unit pursuant to the remedies provided in the mortgage or foreclosure of the mortgage or deed (or assignment) in lieu of foreclosure shall not be liable for such unit's unpaid dues or charges which accrue prior to the acquisition of title to such unit by the mortgagee (except for claims for a pro rata share of such assessments or charges resulting from a pro rata reallocation of such assessments or charges to all units, including the mortgaged condominium unit).

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(4) Unless at least two-thirds (2/3) of the first mortgagees (based upon one (1) vote for each mortgage owned) and co-owners (other than the sponsor, developer or builder) of the individual condominium units have given their prior written approval, the Association shall not be entitled to:

(a) by act or omission seek to abandon or terminate the condominium project;

(b) change the pro rata interest or obligations of any condominium unit for the purpose of (i) levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards, or (ii) determining the pro rata share of ownership of each unit in the common elements;

(c) partition or subdivide any condominium unit;

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

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

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

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

(7) Any agreement for professional management of the condominium regime or any other contract providing for services which exists between the Association and the Developer or affiliates of the Developer is voidable by the Board of Directors of the Association on the transitional control date or within ninety (90) days thereafter, and on thirty (30) days' written notice at any time thereafter without cause or payment of a termination fee.

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

EIGHTH: In the event any portion of a unit or common element encroaches upon another unit or common element due to shifting, settling or moving of a building, or due to survey errors or construction deviations, reciprocal easements shall exist for the maintenance of such encroachment for so long as such encroachment exists and for maintenance easements to, through and over those portions of the land, structures, buildings, improvements, floors, and walls (including interior unit floors and walls) contained therein for the continuing maintenance and repair of all utilities in the Condominium as originally constructed by the Developer and for interior access to water shut-off valves that provide water to the common elements. There shall exist easements of support with respect to any unit interior wall which supports a common element. The Board of Directors of the Association may grant easements over or through or dedicate any portion of any general common element of the Condominium for utility, roadway or safety purposes.

NINTH: The Developer reserves the right to rent condominium units prior to sale and may do so for periods of less than one (1) year.

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

(1) Prior to the first annual meeting of members of the Association, the Developer may (without the consent of any co-owner or any other person) amend this Master Deed and the plans attached as Exhibit "B" in order to correct survey or other errors made in such documents and to make such other amendments to such instruments and to the By-Laws attached hereto as Exhibit "A" as do not materially affect any rights of any co-owners in the project or impair the security of any mortgagee, including, but not limited to, amendments for the purpose of maintaining this Master Deed in compliance with the Act and of facilitating conventional mortgage loan financing for existing or prospective co-owners and to enable the purchase of such mortgage loans by the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association, and/or any other agency of the Federal government or the State of Michigan.

(2) After the first annual meeting of members of the Association, the Association may (acting through a majority of its Board of Directors and without the consent of any co-owner or any

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other person) amend this Master Deed and the plans attached as Exhibit "B" in order to correct survey or other errors made in such documents and to make such other amendments to such instruments and to the By-Laws attached hereto as Exhibit "A" as do not materially affect any rights of any co-owners in the project or impair the security of any mortgagee, including, but not limited to, amendments for the purpose of maintaining this Master Deed in compliance with the Act and of facilitating conventional mortgage loan financing for existing or prospective co-owners and to enable the purchase of such mortgage loans by the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association, and/or any other agency of the Federal government or the State of Michigan.

(3) If there is no co-owner other than the Developer, the Developer, with the consent of any interested mortgagee, may unilaterally terminate the condominium project or amend the Master Deed. A termination or amendment under this section shall become effective upon the recordation thereof if executed by the Developer.

(4) If there is a co-owner other than the Developer, then the condominium project shall be terminated only by the unanimous agreement of the Developer, unaffiliated co-owners of condominium units to which all of the votes in the Association appertain and the mortgagees of all of the mortgages covering the condominium units.

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

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

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

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(8) The Condominium documents may be amended for a proper purpose by the Developer, prior to the first annual meeting of members of the Association, and by the Board of Directors of the Association after that event, without the consent of co-owners, mortgagees and other interested parties, including changes deemed necessary to comply with the Act and the modification of the types and sizes of unsold condominium units and their appurtenant limited common elements, as long as the amendments do not materially alter or change the rights of the co-owners, mortgagees or other interested parties.

(9) The Condominium documents may be amended for a proper purpose, other than as set forth above, even if the amendment will materially alter or change the rights of the co-owners, mortgagees or other interested parties, with the prior written consent of two-thirds (2/3) of the first mortgagees (based upon one (1) vote for each mortgage owned) and co-owners (other than the Developer) of the individual condominium units. A co-owner's condominium unit dimensions or appurtenant limited common elements may not be modified without his consent and that of his mortgagee.

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

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

(12) During the construction and sales period, paragraphs EIGHTH through this paragraph TENTH shall not be amended, nor shall the provisions thereof be modified by any other amendment to this Master Deed, without the written consent of the Developer.

WITNESSES:

BLAKE BUILDERS, INC., Developer

Karl R. Frankena
Karl R. Frankena

By: Jeffrey D. Blake
Jeffrey D. Blake, President

Jean Marie Revolt
Jean Marie Revolt

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STATE OF MICHIGAN)
) SS.
COUNTY OF WASHTENAW)

On this 23rd day of March, 1989, before me appeared Jeffrey D. Blake, to me personally known, who, being by me sworn, did say that he is the President of Blake Builders, Inc., a Michigan corporation, the corporation named in and which executed the within instrument, and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and said Jeffrey D. Blake acknowledged said instrument to be the free act and deed of said corporation.

Jean Marie Revelt
Jean Marie Revelt, Notary Public
Washtenaw County, Michigan
My commission expires: 1/17/90

This document was prepared by
and when recorded return to:

Karl R. Frankena
Conlin, McKenney & Philbrick, P.C.
700 City Center Building
Ann Arbor, Michigan 48104

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EXHIBIT "A"
CONDOMINIUM BY-LAWS
YORKSHIRE SQUARE

ARTICLE I.

ASSOCIATION OF CO-OWNERS

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

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

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

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

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

(d) No co-owner, other than the Developer, shall be entitled to vote at any meeting of the Association until he has presented evidence of ownership of a condominium unit in the condominium project to the Association. No co-owner, other than the

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Developer, shall be entitled to vote prior to the first annual meeting of members held in accordance with Section 6 of this Article I. 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. The Developer may only vote for those units for which it has a certificate of occupancy.

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

(f) There shall be an annual meeting of the members of the Association, commencing with the first annual meeting held as provided in Section 6 of this Article I. Other meetings may be provided for in the By-Laws of the Association. Notice of time, place and subject matter of all meetings, as provided in the corporate By-Laws of the Association, shall be given to each co-owner by mailing the same to each individual representative designated by the respective co-owners.

(g) The presence in person or by proxy of thirty-five percent (35%) in number and in value of the co-owners qualified to vote shall constitute a quorum for holding a meeting of the members of the Association, except for voting on questions specifically set forth herein to require a greater quorum. The written vote of any person furnished at or prior to any duly called meeting at which meeting said person is not otherwise present in person or by proxy shall be counted in determining the presence of a quorum with respect to the question upon which the vote is cast.

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

(i) A majority, except where otherwise provided herein, shall consist of more than fifty percent (50%) in value of those qualified to vote and present in person or by proxy (or written

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vote, if applicable) at a given meeting of the members of the Association. Whenever provided specifically herein, a majority may be required to exceed the simple majority hereinabove set forth and may be required to be one of both number and value of designated voting representatives present in person or by proxy, or by written ballot, if applicable, at a given meeting of the members of the Association.

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

Section 3. The Association shall keep current copies of the approved Master Deed, all amendments to the Master Deed and other Condominium documents for the condominium project, and detailed books of account showing all expenditures and receipts of administration which shall specify the maintenance and repair expenses of the common elements and any other expenses incurred by or on behalf of the Association and the co-owners. Such Condominium documents shall be available during reasonable working hours for inspection by co-owners, prospective purchasers and prospective mortgagees of condominium units in the condominium project. Such accounts shall be open for inspection by the co-owners during reasonable working hours, and the books and records shall be audited at least once each year by qualified independent auditors; provided, however, that such auditors need not be certified public accountants nor does such audit need to be a certified audit. Income, expenses and position statements shall be prepared at least once annually by qualified accountants and distributed to each co-owner, the contents of which shall be defined by the Association. The cost of such professional accounting assistance shall be an expense of administration. Any institutional holder of a first mortgage lien on any unit in the Condominium shall be entitled, upon request, to inspect the books and records of the Condominium during normal business hours and to receive the annual audited financial statement of the Condominium referred to above within ninety (90) days following the end of any fiscal year thereof. If an audited statement is not available, any holder of a first mortgage on a unit in the project shall be allowed to have an audited statement prepared at its own expense.

Section 4. The affairs of the Association shall be governed by a Board of Directors, all of whom shall serve without compensation and who must be members of the Association, except for the first Board of Directors which is designated by the Articles of Incorporation of the Association and any successors thereto elected by the Developer prior to the first annual meeting of members held pursuant to Section 6 of this Article I. The number, terms of office, manner of election, removal and replacement, meetings, quorum and voting requirements, and other provisions of or relating to directors not inconsistent with the following shall be provided by the Association By-Laws.

(a) The Board of Directors shall have all powers and duties

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

- (1) To manage and administer the affairs and maintenance of the condominium project and the common elements thereof.
- (2) To levy, collect and disburse assessments against and from the members of the Association and to use the proceeds thereof for the purposes of the Association, to enforce assessments through liens and foreclosure proceedings when appropriate and to impose late charges for nonpayment of said assessments.
- (3) To carry insurance and collect and allocate the proceeds thereof.
- (4) To rebuild improvements to the common elements after casualty.
- (5) To contract for and employ persons, firms, corporations, or other agents to assist in the management, operation, maintenance, and administration of the condominium project.
- (6) To acquire, maintain and improve and to buy, sell, convey, assign, mortgage, or lease any real or personal property (including any unit in the Condominium, easements, rights-of-way, and licenses) on behalf of the Association in furtherance of any of the purposes of the Association.
- (7) To borrow money and issue evidences of indebtedness in furtherance of any and all of the purposes of the business of the Association, and to secure the same by mortgage, pledge or other lien on property owned by the Association; provided, however, that any such action shall also be approved by the affirmative vote of sixty percent (60%) of all of the members of the Association in number and in value.
- (8) To make reasonable rules and regulations governing the use and enjoyment of the Condominium by co-owners and their tenants, guests, employees, invitees, families and pets and to enforce such rules and regulations by all legal methods, including, without limitation,

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imposing fines and late payment charges, or instituting eviction or legal proceedings.

- (9) To enforce the provisions of the Condominium documents.
 - (10) To make rules and regulations and/or to enter into agreements with institutional lenders, the purposes of which are to enable obtaining mortgage loans by unit co-owners which are acceptable for purchase by the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association, and/or any other agency of the Federal government or the State of Michigan.
 - (11) To levy, collect and disburse fines against and from the members of the Association after notice and hearing thereon and to use the proceeds thereof for the purposes of the Association.
 - (12) To establish such committees as it deems necessary, convenient or desirable and to appoint persons thereto for the purpose of implementing the administration of the Condominium, and to delegate to such committees any functions or responsibilities which are not by law or the Condominium documents required to be performed by the Board.
 - (13) To assert, defend or settle claims on behalf of all co-owners in connection with the common elements of the condominium project. The Board shall provide at least a ten (10)-day written notice to all co-owners on actions proposed by the Board with regard thereto.
- (b) The Board of Directors shall employ for the Association a professional management agent (which may include the Developer or any person or entity related thereto), at reasonable compensation established by the Board, to perform such duties and services as the Board shall authorize, including, but not limited to, the duties listed in Section 4(a) of this Article I, and the Board may delegate to such management agent any other duties or powers which are not by law or by the Condominium documents required to be performed by or have the approval of the Board of Directors or the members of the Association. Any agreement or contract for professional management of the condominium project shall provide that such management contract may be terminated by either party without cause or payment of a termination fee on thirty (30) days' written notice and that the term thereof shall not exceed one (1) year, renewable by agreement of the parties for successive one-year periods.

- (c) All of the actions (including, without limitation, the

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adoption of these By-Laws and any Rules and Regulations for the Association, and any undertakings or contracts entered into with others on behalf of the Association) of the first Board of Directors of the Association named in its Articles of Incorporation or any successors thereto elected by the Developer before the first annual meeting of members shall be binding upon the Association in the same manner as though such actions had been authorized by a Board of Directors duly elected by the members of the Association at the first or any subsequent annual meeting of members, so long as such actions are within the scope of the powers and duties which may be exercised by any Board of Directors as provided in the Condominium documents.

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

Section 6. The first annual meeting of the members of the Association may be convened only by the Developer and may be called at any time after more than fifty percent (50%) in value and in number of all units in Yorkshire Square have been sold and the purchasers thereof qualified as members of the Association, with said project to be constructed with a maximum of thirty (30) condominium units, but in no event later than thirty-six (36) months after the first conveyance of title to a unit in the project to a nondeveloper co-owner. The Developer may call meetings of members of the Association for informative or other appropriate purposes prior to the first annual meeting of members, and no such meeting shall be construed as the first annual meeting of members. The date, time and place of the first annual meeting shall be set by the Board of Directors, and at least ten (10) days written notice thereof shall be given to each co-owner. Thereafter, the annual meetings shall be held as specified in the By-Laws of the Association. Upon the sale of seventy-five percent (75%) in value and in number of all units in the development, the transitional control date shall occur, which is the date on which a Board of Directors for the Association takes office pursuant to an election in which the votes which may be cast by eligible co-owners unaffiliated with the Developer exceed the votes which may be cast by the Developer.

(a) The Developer shall provide for the election of a nondeveloper Advisory Committee composed of three (3) co-owners no later than one hundred twenty (120) days after conveyance of legal or equitable title to nondeveloper co-owners of one-third (1/3) of the units that may be created, or one (1) year after the initial conveyance of legal or equitable title to a nondeveloper co-owner of a unit in the project, whichever occurs first. The

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Advisory Committee shall meet with the condominium project Board of Directors for the purpose of facilitating communication and aiding the transition of control to the Association. The Advisory Committee shall cease to exist when a majority of the Board of Directors of the Association is elected by the nondeveloper co-owners. Following the formation of the Advisory Committee, the first Board of Directors shall meet with it a minimum of four (4) times each year. The members of the Advisory Committee shall serve for a period of one (1) year or until their successors are elected.

(b) Not later than one hundred twenty (120) days after conveyance of legal or equitable title to nondeveloper co-owners of twenty-five percent (25%) of the units that may be created, at least one (1) director and not less than twenty-five percent (25%) of the Board of Directors of the Association shall be elected by nondeveloper co-owners. Not later than one hundred twenty (120) days after conveyance of legal or equitable title to nondeveloper co-owners of fifty percent (50%) of the units that may be created, not less than thirty-three and one-third percent (33-1/3%) of the Board of Directors shall be elected by nondeveloper co-owners. Not later than one hundred twenty (120) days after conveyance of legal or equitable title to nondeveloper co-owners of seventy-five percent (75%) of the units that may be created, and before conveyance of ninety percent (90%) of such units, the nondeveloper co-owners shall elect all directors on the Board, except that the Developer shall have the right to designate at least one (1) director as long as the Developer owns and offers for sale at least ten percent (10%) of the units in the project or as long as ten percent (10%) of the units remain that may be created.

(c) Notwithstanding the formula provided in subsection (b), thirty-six (36) months after the first conveyance of legal or equitable title to a nondeveloper co-owner of a unit in the project, if title to not less than seventy-five percent (75%) of the units that may be created has not been conveyed, the nondeveloper co-owners have the right to elect as provided in the Condominium documents a number of members of the Board of Directors of the Association equal to the percentage of units they hold, and the Developer has the right to elect as provided in the Condominium documents a number of members of the Board of Directors of the Association equal to the percentage of units which are owned by the Developer and for which all assessments are payable by the Developer. This election may increase, but shall not reduce, the minimum election and designation rights otherwise established in subsection (b). Application of this subsection does not require a change in the size of the Board as determined in the Condominium documents.

(d) If the calculation of the percentage of members of the Board that the nondeveloper co-owners have the right to elect

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under subsection (b), or if the product of the number of members of the Board multiplied by the percentage of units held by the nondeveloper co-owners under subsection (c) results in a right of nondeveloper co-owners to elect a fractional number of members of the Board, then a fractional election right of 0.5 or greater shall be rounded up to the nearest whole number, which number shall be the number of members of the Board that the nondeveloper co-owners have the right to elect. After application of this formula, the Developer shall have the right to elect the remaining members of the Board. Application of this subsection shall not eliminate the right of the Developer to designate one (1) member as provided in subsection (b).

Section 7. 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, willful and wanton misconduct or gross negligence in the performance of his duties; provided, however, that, in the event of any claim for reimbursement or indemnification hereunder based upon a settlement by the director or officer seeking such reimbursement or indemnification, the indemnification herein shall only apply if the Board of Directors (with the director seeking reimbursement abstaining) approves such settlement and reimbursement as being in the best interests of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such director or officer may be entitled. Ten (10) days' written notice of any proposed action by the Association to indemnify an officer or director shall be given to all co-owners. Where no judicial determination as to indemnification of the officer or director has been made, an opinion of independent legal counsel as to the propriety of indemnification shall be obtained if a majority of the co-owners vote to procure such opinion.

ARTICLE II.

ASSESSMENTS

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

Section 2. All costs incurred by the Association in satisfaction of any liability arising within, caused by or in connection with the common elements or the administration of the Condominium shall be expenses of administration within the meaning of Public Act 59 of 1978,

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as amended, and all sums received as proceeds of or pursuant to any policy of insurance carried by the Association securing the interests of the co-owners against liabilities or losses arising within, caused by or in connection with the common elements or the administration of the Condominium shall be receipts of administration.

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

(a) The Board of Directors of the Association shall establish an annual budget in advance for each fiscal year and such budget shall project all expenses for the forthcoming year which may be required for the proper operation, management and maintenance of the condominium project, including a reasonable allowance for contingencies and reserves. An adequate reserve fund for maintenance, major repair and replacement of those common elements that must be replaced on a periodic basis must be established in the budget and must be funded by regular monthly payments as set forth in Section 4 below rather than by special assessments. At a minimum, the reserve fund shall be equal to ten percent (10%) of the current annual budget on a noncumulative basis. Since the minimum standard required by this subparagraph may prove to be inadequate for this particular project, the Board of Directors should carefully analyze the condominium project to determine if a greater amount should be set aside or if additional reserve funds should be established for other purposes from time to time and, in the event of such a determination, the Board of Directors shall be empowered to establish such greater or other reserves without co-owner approval. Upon adoption of such annual budget by the Board of Directors, copies of said budget shall be delivered to each co-owner and the assessment for said year shall be established, based upon said budget, although the delivery of a copy of the budget to each co-owner shall not affect the liability of any co-owner for any existing or future assessments. The requirement of establishing and furnishing a budget shall also apply to the first Board of Directors serving prior to the first meeting of members held in accordance with Article I, Section 6, hereof even though it will be difficult to determine a budget in advance. Should the Board of Directors at any time determine, in the sole discretion of the Board of Directors, (1) that the assessments levied are or may prove to be insufficient to pay the costs of operation, maintenance and management of the Condominium, (2) to provide replacements of existing common elements, (3) to provide additions to the common elements not to exceed \$7,500.00 annually for the entire project (adjusted for increases in the Consumers Price Index used by the United States Department of Labor, Bureau of Vital Statistics, Metropolitan Detroit area, since the date of recording of the initial Master Deed), or (4) in the event of emergencies, the Board of Directors shall have the authority to increase the general assessment or to levy such additional assessment or assessments as it shall deem to be necessary. The Board of

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Directors also shall have the authority, without co-owner consent, to levy assessments pursuant to the provisions of Article V, Section 5, hereof. The discretionary authority of the Board of Directors to levy assessments pursuant to this subparagraph shall rest solely with the Board of Directors for the benefit of the Association and the members thereof, and shall not be enforceable by any creditors of the Association or of the members thereof.

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

Section 4. Unless otherwise provided herein or in the Master Deed, all assessments levied against the co-owners to cover expenses of administration that affect each condominium unit equally shall be apportioned equally among and paid by the co-owners, and all assessments levied against the co-owners to cover expenses of administration that do not affect each condominium unit equally shall be apportioned among and paid by the co-owners in accordance with the percentage of value allocated to each condominium unit in paragraph FIFTH of the Master Deed, without increase or decrease for the existence of any rights to the use of limited common elements appurtenant to a condominium unit. Any other unusual common expenses benefiting less than all of the units, or any expenses incurred as a result of the conduct of less than all those entitled to occupy the Condominium project, or their tenants or invitees, shall be specifically assessed against the unit or units involved, in accordance with such reasonable rules and regulations as shall be adopted by the Board of Directors of the Association. Annual assessments as determined in accordance with Article II, Section 3(a) above shall be payable by co-owners in twelve (12) equal monthly installments, commencing with acceptance of a deed to a condominium unit or with acquisition of fee

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simple title to a condominium 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 and, if a delinquency occurs, the Board of Directors may accelerate the due date of the balance of the unpaid annual assessment. Assessments in default shall bear interest at the rate of not less than seven percent (7%) per annum, plus such additional interest rate surcharge as the Board of Directors shall approve, until paid in full. Provided, however, that the interest rate and interest rate surcharge combined applying to delinquent accounts shall not exceed the limit set by usury laws of the State of Michigan. The Board of Directors may also adopt uniform late payment charges. Each co-owner (whether one or more persons) shall be and remain personally liable for the payment of all assessments pertinent to his condominium unit which may be levied while such co-owner is the owner thereof. A purchaser of a unit shall acquire the unit subject to any unpaid assessments against it and shall become personally liable therefor. A co-owner selling a unit shall not be entitled to any refund whatsoever from the Association with respect to any account, reserve or other asset of the Association.

Section 5. No co-owner may exempt himself from liability for his contribution toward the expenses of administration by waiver of the use or enjoyment of any of the common elements or by the abandonment of his condominium unit.

Section 6. In addition to any other remedies available to it, the Association may enforce collection of delinquent assessments by a suit at law for a money judgment or by foreclosure of the statutory lien that secures payment of assessments. Each co-owner, and every other person who from time to time has any interest in the project, shall be deemed to have granted to the Association the unqualified right to elect to foreclose such lien either by judicial action or by advertisement. 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. Further, each co-owner and every other person who from time to time has any interest in the project shall be deemed to have authorized and empowered the Association to sell or to cause to be sold the unit with respect to which the assessment(s) is or are delinquent and to receive, hold and distribute the proceeds of such sale in accordance with the priorities established by Michigan law. Each co-owner of a unit in the project acknowledges that at the time of acquiring title to such unit he was notified of the provisions of this section and that he voluntarily, intelligently and knowingly waived notice of any proceedings brought by the Association to foreclose by advertisement the lien for nonpayment of assessments and a hearing on the same prior to the sale of the subject unit. Notwithstanding the foregoing, neither a judicial foreclosure action nor a suit at law for

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money judgment shall be commenced, nor shall any notice of foreclosure by advertisement be published, until the expiration of ten (10) days after mailing, by ordinary mail addressed to the delinquent co-owner at his or their last known address and/or to the representative designated in the written notice required by Article I 2(e) hereof to be filed with the Association, of a written notice that one or more installments of the annual assessment levied against the pertinent unit is or are delinquent and that the Association may invoke any of its remedies hereunder if the default is not cured within ten (10) days after the date of mailing. Such written notice shall be accompanied by a written affidavit of an authorized representative of the Association that sets forth (i) the affiant's capacity to make the affidavit, (ii) the statutory and other authority for the lien, (iii) the amount outstanding, (iv) the legal description of the subject unit, and (v) the name(s) of the co-owner(s) of record. Such affidavit shall be recorded in the Office of the Register of Deeds in the county in which the project is located prior to the 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 it elects hereunder or under Michigan law. In the event the Association elects to foreclose the lien by advertisement, the Association shall so notify the representative that he may request a judicial hearing by bringing suit against the Association. The expenses incurred in collecting unpaid assessments, including interest, costs, actual attorneys' fees (not limited to statutory fees), and advances for taxes or other liens paid by the Association to protect its lien shall be chargeable to the co-owner in default and shall be secured by the lien on his unit. In the event of default by any co-owner in the payment of any installment of the annual assessment levied against his unit, the Association shall have the right to declare all unpaid installments of the annual assessment for the pertinent fiscal year immediately due and payable. The Association also may discontinue the furnishing of any utilities or other services to a co-owner in default upon ten (10) days' written notice to such co-owner of its intention to do so. A co-owner in default shall not be entitled to utilize any of the general common elements of the project, except as shall be necessary for purposes of ingress to and egress from his unit, and shall not be entitled to vote at any meeting of the Association, and his percentage of value shall not be taken into consideration when determining the quorum requirements for such meetings, so long as such default continues. In a judicial foreclosure action, a receiver may be appointed to collect a reasonable rental for the unit from the co-owner thereof or any persons claiming under him and, if the unit is not occupied, to lease the unit and collect and apply the rental therefrom to any delinquency owed to the Association. All of these remedies shall be cumulative and not alternative and shall not preclude the Association from exercising such other remedies as may be available at law or in equity.

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

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

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

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

Sums assessed to a co-owner by the Association which are unpaid constitute a lien upon the unit or units in the project owned by the co-owner at the time of the assessment before other liens except tax liens on the condominium unit in favor of any State or Federal taxing authority and sums paid on a first mortgage of record, except that past due assessments which are evidenced by a notice of lien, recorded according to the Act, have priority over a first mortgage recorded subsequent to the recording of the notice of lien. The lien upon each condominium unit owned by the co-owner shall be in the amount assessed against the condominium unit, plus a proportionate share of the total of all other unpaid assessments attributable to condominium units no longer owned by the co-owner but which became due while the co-owner had title to the condominium units. The lien may be foreclosed by an action or by advertisement by the Association in the name of the condominium project on behalf of the other co-owners.

Section 7. During the development and sale period (which shall be defined as the period up to the time of the first annual meeting of members held in accordance with the provisions of Article I, Section 6, hereof), the Developer of the Condominium, even though a member of the Association, shall not be responsible for payment of the monthly Association assessment. The Developer, however, shall, during the period up to the time of the first annual meeting, pay a proportionate share of the Association's current maintenance expenses actually incurred from time to time based upon the ratio of completed condominium units owned by the Developer at the time the expense is

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incurred to the total number of completed condominium units in the Condominium. In no event shall the Developer be responsible for payment, until after said first annual meeting, of any assessments for deferred maintenance, reserves for replacement, for capital improvements, or other special assessments except with respect to occupied units owned by it. After the first annual meeting, the Developer shall be responsible for payment of the full monthly Association maintenance assessment for all completed units owned by it and shall also maintain, at its own expense, any incomplete units owned by it. The Developer shall not be responsible at any time for payment of said monthly assessment or payment of any expenses whatsoever with respect to unbuilt units notwithstanding the fact that such unbuilt units may have been included in the Master Deed. Further, the Developer shall in no event be liable for any assessment levied in whole or in part to purchase any unit from the Developer or to finance any litigation or other claims against the Developer, any cost of investigating and preparing such litigation or claim, or similar related costs. "Occupied unit" shall mean a unit used as a residence. "Completed unit" shall mean a unit with respect to which a certificate of occupancy has been issued by the local public authority.

Section 8. Special assessments and property taxes shall be assessed against the individual condominium units identified as units on the Condominium Subdivision Plan and not on the total property of the project or any other part thereof, except for the year in which the condominium project was established subsequent to the tax day. Taxes and special assessments which become a lien against the property in that year subsequent to the establishment of the condominium project shall be expenses of administration of the project and paid by the co-owners as provided in Section 69 of the Act. The taxes and special assessments shall not be divided or apportioned on the tax roll, any provision of any law to the contrary notwithstanding. Special assessments and property taxes in any year in which the property existed as an established condominium project on the tax day shall be assessed against the individual condominium unit, notwithstanding any subsequent vacation of the condominium project. Condominium units shall be described for such purposes by reference to the condominium unit number on the Condominium Subdivision Plan and the caption thereof together with the liber and page of the county records in which the approved Master Deed is recorded. Assessments for subsequent real property improvements to a specific condominium unit shall be assessed to that condominium unit description only. For property tax and special assessment purposes, each condominium unit shall be treated as a separate single unit of real property and shall not be combined with any other unit or units, and no assessment of any fractions thereof shall be made, nor shall any division or split of the assessment or taxes of any single condominium unit be made notwithstanding separate or common ownership thereof.

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Section 9. A construction lien concerning a condominium arising under Act No. 497 of the Public Acts of 1980, being Section 570.1101 to 570.1305 of the Michigan Compiled Laws, is subject to the following limitations:

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

(b) A construction lien for an improvement authorized by the Developer of a condominium project and performed upon the common elements shall attach only to the condominium units owned by the Developer at the time of recording of the claim of lien.

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

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

ARTICLE III.

ARBITRATION

Section 1. Disputes, claims or grievances arising out of or relating to the interpretation or the application of the Condominium documents or the management agreement, if any, or any disputes, claims or grievances arising among or between co-owners or between co-owners and the Association or with a management company shall, upon the election and written consent of the parties to any such disputes, claims or grievances and written notice to the Association, be submitted to arbitration, and the parties thereto shall accept the arbitrator's decision as final and binding, provided that no question affecting the claim of title of any person to any fee or life estate in real estate is involved. The Commercial Arbitration Rules of the American Arbitration Association, as amended and in effect from time to time hereafter, shall be applicable to any such arbitration.

Section 2. In the absence of the election and written consent of the parties pursuant to Section 1 above, no co-owner or the Association shall be precluded from petitioning the courts to resolve any such disputes, claims or grievances.

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

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ARTICLE IV.

INSURANCE

Section 1. The Association shall carry "all risk" property coverage and liability insurance, fidelity coverage and worker's compensation insurance pertinent to the ownership, use and maintenance of the common elements and condominium units of the condominium project, and such insurance, other than title insurance, shall be carried and administered in accordance with the following provisions:

(a) All such insurance shall be purchased by the Association for the benefit of the Association and the co-owners and their mortgagees, as their interests may appear, and provision shall be made for the issuance of certificates of mortgagee endorsement to the mortgagees of co-owners. Each co-owner may obtain additional insurance coverage at his own expense upon his condominium unit. It shall be each co-owner's responsibility to obtain insurance coverage for his personal property located within his condominium unit or elsewhere in the Condominium, for improvements and betterments to his condominium unit, and for alternative living expenses in event of fire or other catastrophe, and the Association shall have absolutely no responsibility for obtaining such coverages; provided, however, that, if the Association elects to include such personal property insurance, personal liability insurance, and coverage for alternative living expense in event of fire or other catastrophe under its insurance coverage, any additional premium cost to the Association attributable thereto shall be assessed to and borne solely by said co-owner and collected as a part of or in addition to the assessments against said co-owner under Article II hereof. The Association and all co-owners shall use their best efforts to see that all property and liability insurance carried by the Association or any co-owner shall contain appropriate provisions whereby the insurer waives its rights of subrogation as to any claims against any co-owner or the Association, and such insurance shall contain a severability of interest endorsement.

(b) All common elements and condominium units of the condominium project shall be insured against "all risks" of loss in an amount equal to the maximum insurable replacement value, excluding foundation and excavation costs as determined annually by the Board of Directors of the Association. Such coverage shall also extend to the unpainted surface of interior walls within any condominium unit and include the pipes, wires, conduits, and ducts contained therein and shall further include all fixtures, equipment and trim within a condominium unit which were furnished with the unit as standard items in accordance with the plans and specifications thereof as are on file with the Association (or such replacements thereof as do not exceed the cost of such standard

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items). Any improvements made by a co-owner within his condominium unit shall be covered by insurance obtained by and at the expense of said co-owner; provided, however, that, if the Association elects to include such improvements under its insurance coverage, any additional premium cost to the Association attributable thereto shall be assessed to and borne solely by said co-owner and collected as a part of or in addition to the assessments against said co-owner under Article II hereof.

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

(d) Proceeds of all insurance policies owned by the Association shall be received by the Association held in a separate account and distributed to the Association, and the co-owners and their mortgagees, as their interests may appear; provided, however, that, whenever repair or reconstruction of the Condominium shall be required as provided in Article V of these By-Laws, the proceeds of any insurance received by the Association as a result of any loss requiring repair or reconstruction shall be applied to such repair or reconstruction, and in no event shall hazard insurance proceeds be used for any purpose other than for repair, replacement or reconstruction of the project unless two-thirds (2/3) of all of the institutional holders of first mortgages on units in the project have given their prior written consent.

(e) On any claim on any of the above-mentioned policies of insurance obtained and maintained by the Association which is subject to a deductible amount, said deductible amount shall be paid by the co-owner of the unit which is damaged or which unit has appurtenant to it the limited common element which is damaged. In event that more than one unit is damaged, then said deductible amount shall be apportioned between and paid by the co-owners of units which are damaged or which units have appurtenant to them the limited common element which is damaged, based upon a fraction the numerator of which is the dollar amount of the damage done to a particular unit and the denominator of which is the total dollar amount of damage done to all units from one specific incident. If the damage is to a limited common element appurtenant to more than one unit, then the deductible amount shall be paid proportionately by the appurtenant units based upon a fraction the numerator of which is the project percentage of value assigned to a particular unit and the denominator of which is the sum of the percentages of value assigned to those units appurtenant to the limited common element which is damaged. In the case of damage to a general common element, the deductible shall be paid by the Association.

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

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 matter:

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

(b) If the Condominium is so damaged that no condominium unit is tenantable, and if each institutional holder of a first mortgage lien on any unit in the Condominium has given its prior written approval of the termination of the Condominium, the damaged property shall not be rebuilt and the Condominium shall be terminated, unless seventy-five percent (75%) 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.

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Section 3. If the damage is only to a part of a condominium unit which is the responsibility of a co-owner to maintain and repair, it shall be the responsibility of the co-owner to repair such damage in accordance with Section 4 hereof. In all other cases, the responsibility for reconstruction and repair shall be that of the Association. In the event that a co-owner does not commence making repairs as required of such co-owner herein within 30 days of the occurrence of the damage and diligently pursue such repairs to completion, the Board of Directors may make such repairs and the cost thereof shall constitute an additional assessment against such co-owner, due and enforceable as provided in these By-Laws for other assessments.

Section 4. Each co-owner shall be responsible for the reconstruction, repair and maintenance of the interior of his condominium unit, including, but not limited to, floor coverings, wall coverings, window shades, draperies, interior nonload-bearing walls (but not any common elements therein), walls contained wholly within the unit, and pipes, wires, conduits, and ducts therein (after connection with fixtures), interior trim, furniture, light fixtures, and all appliances and equipment, whether freestanding or built-in. In the event damage to interior walls within a co-owner's unit or to pipes, wires, conduits, ducts, or other common elements therein is covered by insurance held by the Association, then the reconstruction or repair shall be the responsibility of the Association in accordance with Section 5; provided, however, that any deductible amount be paid by the co-owner to whom the damage occurred. If any other interior portion of a unit is covered by insurance held by the Association for the benefit of the co-owner, the co-owner shall be responsible for the deductible amount, if any, and shall be entitled to receive the proceeds of insurance relative thereto and, if there is a mortgage endorsement, the proceeds shall be payable to the co-owner and the mortgagee jointly. In the event of substantial damage to or destruction of any unit or any part of the common elements, the Association shall promptly so notify each institutional holder of a first mortgage lien on any condominium unit in the Condominium.

Section 5. The Association shall be responsible for the reconstruction, repair and maintenance of the common elements and any incidental damage to a condominium unit caused by such common elements or the reconstruction, repair or maintenance thereof. An adequate reserve fund for replacement, reconstruction and repair of the common elements must be established and must be funded by regular monthly payments rather than by special assessments. Immediately after a casualty causing damage to property for which the Association has the responsibility of maintenance, repair and reconstruction, the Association shall obtain reliable and detailed estimates of the cost to replace the damaged property in a condition as good as that existing before the damage. If the proceeds of insurance are not sufficient to defray the estimated costs of 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

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insufficient, assessments shall be made against all co-owners for the cost of reconstruction or repair of the damaged property in sufficient amounts to provide funds to pay the estimated or actual cost of repair. Any excess proceeds of insurance shall belong to the Association.

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

- (a) In the event of any taking of an entire condominium unit by eminent domain, the co-owner of such condominium unit and his mortgagee, as their interest may appear, shall be entitled to receive the award for such taking and, after acceptance thereof, he and his mortgagee shall be divested of all interest in the condominium project with regard to such unit. In the event that any condemnation award shall become payable to any co-owner whose condominium unit is not wholly taken by eminent domain, then such award shall be paid by the condemning authority to the Association on behalf of such co-owner. If only a part of any condominium unit is taken, the Association shall rebuild the same as is necessary to make it habitable and remit the balance of the condemnation proceeds pertinent to such condominium unit to the owner thereof and his mortgagee, as their interests may appear.
- (b) If there is any taking of any portion of the Condominium other than any condominium unit, the condemnation proceeds relative to such taking shall be paid to the Association, and the affirmative vote of at least two-thirds (2/3) of the co-owners in number and in value shall determine whether to rebuild, repair or replace the portion so taken or to take such other action as they deem appropriate. If no such affirmative vote is obtained, such condemnation proceeds shall be remitted to the co-owners and their mortgagees, as their respective interests may appear, in accordance with their respective percentages of value set forth in paragraph FIFTH of the Master Deed.
- (c) In the event the condominium project continues after taking by eminent domain, then the remaining portion of the condominium project shall be resurveyed and the Master Deed amended accordingly and, if any condominium unit shall have been taken, then paragraph FIFTH 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.
- (d) In the event any condominium unit in the Condominium or any portion thereof, or the common elements or any portion thereof, is made the subject matter of any condemnation or eminent domain proceedings, or is otherwise sought to be acquired by a

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condemning authority, the Association shall promptly so notify each institutional holder of a first mortgage lien on any of the units in the Condominium.

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

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

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

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Section 7. The Association, acting through its Board of Directors, may negotiate on behalf of all co-owners for any taking of common elements, and any negotiated settlement approved by at least two-thirds (2/3) of the co-owners based upon assigned voting rights shall be binding on all co-owners.

Section 8. A co-owner who desires to make a repair or structural modification of his or her condominium unit shall first obtain written consent from the Association. The Association shall not give its consent if such repair or modification might jeopardize or impair the structural soundness, safety, utility, or harmonious appearance of the condominium project.

Section 9. Any person designated by the Association shall have access to each condominium unit as necessary during reasonable hours and upon notice to the occupant thereof for maintenance, repair or replacement of any of the common elements therein or accessible therefrom, and shall have access to each condominium unit without notice for making emergency repairs necessary to prevent damage to other condominium units or the common elements, or both.

ARTICLE VI.

RESTRICTIONS

Section 1.

(a) No condominium unit shall be used for other than single-family residential purposes (except that persons not of the same immediate family residing together may occupy a unit with the written consent of the Board of Directors, which consent shall not be unreasonably withheld). A family shall mean one person or a group of two or more persons related by bonds of consanguinity, marriage or legal adoption, or as otherwise defined by the City of Milan Zoning Ordinance. Upon written request, the Association may permit reasonable exceptions to the restriction imposed by this section.

(b) No more than four (4) persons may continuously occupy any unit described as a two-bedroom unit in the Master Deed. Continuous occupancy shall mean occupancy for more than thirty (30) nights in any calendar year.

Section 2.

(a) A co-owner, including the Developer, desiring to rent or lease a condominium unit for a period of longer than 30 consecutive days shall disclose that fact in writing to the Association at least 10 days before presenting a lease form to a potential lessee, and at the same time shall supply the Association with a copy of the exact lease form for its review for compliance with the Condominium documents. The Developer proposing to rent

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condominium units before the transitional control date shall notify either the Advisory Committee or each co-owner in writing.

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

(c) Tenants or nonco-owner occupants shall comply with all of the conditions of the Condominium documents of the condominium project, and all leases and rental agreements shall so state and shall be in writing.

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

- (1) The Association shall notify the co-owner by certified mail advising of the alleged violation by the tenant.
- (2) The co-owner shall have fifteen (15) days after receipt of the notice to investigate and correct the alleged breach by the tenant or advise the Association that a violation has not occurred.
- (3) If, after fifteen 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 if it is under the control of the Developer, an action for both eviction against the tenant or nonco-owner occupant and simultaneously for money damages in the same action against the co-owner and tenant or nonco-owner occupant for breach of the conditions of the Condominium documents. The relief set forth in this section may be by summary proceeding. The Association may hold both the tenant and the co-owner liable for any damages to the general common elements caused by the co-owner or tenant in connection with the condominium unit or condominium project.

(e) When a co-owner is in arrearage to the Association for assessments, the Association may give written notice of the arrearage to the tenant occupying a co-owner's condominium unit under a lease or rental agreement, and the tenant, after receiving the notice, shall deduct from rental payments due the co-owner the arrearage and future assessments as they fall due and pay them to the Association. The deduction shall not be a breach of the rental agreement or lease by the tenant. Any tenant failing to make such payments after receiving written notice from the Association shall become personally liable for their payment to the Association.

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Section 3. No co-owner shall make alterations in exterior appearance or make structural modifications to his condominium unit (including interior walls through or in which there exist easements for support or utilities) or make changes in any of the common elements, limited or general, without the express written approval of the Board of Directors, including (but not by way of limitation) exterior painting or the erection of antennas, lights, aerials, awnings, doors, shutters, or other exterior attachments or modifications, nor shall any co-owner damage or make modifications or attachments to common element walls between units which in any way impairs sound-conditioning provisions. The Board of Directors may approve only such modifications as do not impair the soundness, safety, utility, or harmonious appearance of the Condominium. This provision shall not in any way limit the rights of the Developer to develop and construct the Condominium and make alterations as part of such development.

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

Section 5. No animals, except one dog or one cat, neither of which shall exceed 25 pounds in weight when fully grown, shall be maintained by any co-owner unless specifically approved in writing by the Association. No animal may be kept or bred for any commercial purpose, and all animals shall have such care and restraint so as not to be obnoxious or offensive on account of noise, odor or unsanitary conditions. No dog houses or tethering of dogs shall be permitted on the general common elements. No animal may be permitted to run loose at any time upon the common elements, and any animal shall at all times be attended by some responsible person while on the common elements, limited or general. No savage or dangerous animal shall be kept, and any co-owner who causes any animal to be brought or kept upon the premises of the Condominium shall indemnify and hold harmless the Association for any loss, damage or liability which the Association may sustain as the result of the presence of such animal on the premises, whether or not the Association has given its permission therefor. Each co-owner shall be responsible for the collection and disposition of all fecal matter deposited by any pet maintained by such co-owner. No dog that barks and can be heard on any frequent or continuing basis shall be kept in any unit or on the common elements. The Association may charge all co-owners maintaining animals

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a reasonable additional assessment to be collected in the manner provided in Article II of these By-laws in the event that the Association determines such assessment necessary to defray the maintenance cost to the Association of accommodating animals within the Condominium. 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. In the event of any violation of this Section, the Board of Directors may assess fines for such violation in accordance with these By-Laws and in accordance with duly adopted rules and regulations of the Association.

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

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

Section 8. No house trailers, commercial vehicles, boat trailers, boats, camping vehicles, camping trailers, snowmobiles, snowmobile trailers, or vehicles other than motor vehicles used for personal transportation and automobiles may be parked or stored upon the premises of the Condominium unless stored fully enclosed within a garage. No inoperative vehicles of any type may be brought or stored upon the Condominium premises either temporarily or permanently. Commercial vehicles and trucks shall not be parked in or about the Condominium (except as above provided) unless while making deliveries or pickups in the normal course of business. All automobiles shall be parked overnight in garages or in the parking spaces on the driveway in front thereof. Maintenance of more than two cars by the occupants of any one condominium unit shall be prohibited, except with the revocable written approval of the Association in the event space is reasonably available therefor. Co-owners shall, if the

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Association 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. Any gardening areas established upon the general common elements by the Board of Directors shall be allocated for use by the co-owners on an equitable basis subject to such rules and regulations as shall be established with regard thereto.

Section 11. No signs or other advertising devices shall be displayed which are visible from the exterior of a condominium unit or on the common elements, including "for sale" signs, without written permission from the Association.

Section 12. Reasonable regulations consistent with the Act, the Master Deed and these By-Laws concerning the use and enjoyment of the condominium units and common elements may be made and amended from time to time by any Board of Directors of the Association, including the first Board of Directors (or its successors elected by the Developer) prior to the first annual meeting of the entire Association held as provided in Article I, Section 6, of these By-Laws. Copies of all such regulations and amendments thereto shall be furnished to all co-owners and shall become effective thirty (30) days after mailing or delivery thereof to the designated voting representative of each co-owner. Any such regulation or amendment may be revoked at any time by the affirmative vote of more than fifty percent (50%) of all co-owners in number and in value. Such rules may not be applied to limit the Developer's construction, sales or rental activities.

Section 13. The Association or its duly authorized agents shall have access to each condominium unit from time to time during reasonable working hours and upon notice to the co-owner thereof as may be necessary for the maintenance, repair or replacement of any of the common elements. The Association or its agents shall also have access to each condominium unit at all times without notice as may be necessary to make emergency repairs to prevent damage to the common elements or to another condominium unit. It shall be the responsibility of each co-owner to provide the Association means of access to his condominium 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 condominium unit caused thereby or for repair or replacement of any doors or windows damaged in gaining such access.

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Section 14. No co-owner shall perform any landscaping or plant any trees, shrubs or flowers or place any ornamental materials upon the common elements except in such co-owner's patio area appurtenant solely to his unit wherein landscaping and ornamentation shall be installed and maintained by the co-owner with the approval of materials and design by the Association. The Association may also designate other areas adjacent to individual units where such landscaping may be performed by individual co-owners.

Section 15. Use of motorized vehicles anywhere on the condominium premises other than passenger cars, authorized maintenance vehicles and commercial vehicles as provided in Section 8 is prohibited. The Board of Directors may, by duly adopted regulations, make reasonable exceptions to this section.

Section 16. No unsightly condition shall be maintained on any patio, and only furniture and equipment consistent with ordinary patio use shall be permitted to remain there during seasons when patios are reasonably in use, and no furniture or equipment of any kind shall be stored on patios during seasons when patios are not reasonably in use.

Section 17. Each co-owner shall maintain his condominium unit and any limited common elements appurtenant thereto for which he has maintenance responsibility in a safe, clean and sanitary condition. Each co-owner shall also use due care to avoid damaging any of the common elements, including, but not limited to, the telephone, water, gas, plumbing, electrical, or other utility conduits and systems and any other elements in a condominium unit which are appurtenant to any other condominium unit. Each co-owner shall be responsible for damages or costs to the Association resulting from negligent damage to or misuse of any of the common elements by him or his family, guests, agents, or invitees unless such damages or costs are covered by insurance carried by the Association, in which case there shall be no such responsibility (unless reimbursement to the Association is excluded by virtue of a deductible provision, in which case the responsible co-owner shall bear the expense to the extent of the deductible amount). Any costs or damages to the Association may be assessed to and collected from the co-owner in the manner provided in Article II hereof.

Section 18. None of the restrictions contained in this Article VI shall apply to the commercial activities or signs or billboards, if any, of the Developer during the construction and sales period as hereinafter defined, or of the Association in furtherance of its powers and purposes set forth herein and in its Articles of Incorporation and By-Laws, as the same may be amended from time to time. For the purposes of this section, the construction and sales period shall be deemed to continue so long as the Developer owns any condominium unit which he offers for sale. Until all condominium units in the entire condominium project are sold by the Developer, the Developer shall have the right to maintain a sales office, a business

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office, a construction office, model condominium units, storage areas, reasonable parking incident to the foregoing, and such access to, from and over the project as may be reasonable to enable construction and sale of the entire project by the Developer. The Developer shall pay all costs related to the condominium units or common elements while owned by the Developer, and restore the facilities to habitable status upon termination of use.

Section 19. During the construction and sales period, no buildings, fences, walls, retaining walls, drives, walks or other structures or improvements shall be commenced, erected, maintained, nor shall any addition to, or change or alteration to any structure be made (including in color or design), except interior alterations which do not affect structural elements of any unit, nor shall any hedges, trees or substantial plantings or landscaping modifications be made, until plans and specifications, acceptable to the Developer, showing the nature, kind, shape, height, materials, color, scheme, location and approximate cost of such structure or improvement and the grading or landscaping plan of the area to be affected shall have been submitted to and approved in writing by Developer, its successors and assigns, and a copy of said plans and specifications, as finally approved, lodged permanently with Developer. Developer shall have the right to refuse to approve any such plans or specifications, or grading or landscaping plans which are not suitable or desirable in its opinion for aesthetic or other reasons; and in passing upon such plans, specifications, grading or landscaping, it shall have the right to take into consideration the suitability of the proposed structure, improvement or modification, the site upon which it is proposed to effect the same, and the degree of harmony thereof with the Condominium as a whole and any adjoining properties under development or proposed to be developed by Developer. The purpose of this Section is to assure the continued maintenance of the Condominium as a beautiful and harmonious residential development, and shall be binding upon both the Association and upon all co-owners.

Section 20. The Condominium project shall at all times be maintained in a manner consistent with the highest standards of a beautiful, serene, private, residential community for the benefit of the co-owners and all persons interested in the Condominium. If at any time the Association fails or refuses to carry out its obligation to maintain, repair, replace and landscape in a manner consistent with the maintenance of such high standards, then Developer, or any entity to which it may assign this right, at its option, may elect to maintain, repair and/or replace any common elements and/or to do any landscaping required by these By-Laws and to charge the cost thereof to the Association as an expense of administration. The Developer shall have the right to enforce these By-Laws throughout the construction and sales period notwithstanding that it may no longer own a unit in the Condominium, which right of enforcement shall include (without limitation) an action to restrain the Association or any co-owner from any activity prohibited by these By-Laws.

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Section 21. All co-owners, their tenants and invitees, shall maintain the heat in their units to a minimum of 50 degrees.

ARTICLE VII.

MORTGAGES

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

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

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

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

Section 5. Unless at least two-thirds (2/3) of the first mortgagees (based upon one (1) vote for each mortgage owned) and co-owners (other than the Developer) of the individual condominium units have given their prior written approval, the Association shall not:

(a) by act or omission seek to abandon or terminate the condominium project;

(b) following the recording of the Master Deed, change the pro rata interest or obligations of any condominium unit for the purpose of (i) levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards, or (ii) determining the pro rata share of ownership of each condominium unit in appurtenant real estate and any improvements

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thereon which are owned by the co-owners in the condominium project in undivided pro rata interests ("common elements");

(c) partition or subdivide any condominium unit;

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

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

Section 6. Whenever a notice requirement appears in these By-Laws for the benefit of a mortgagee which requires a response in support of or against a proposal submitted by the Association, the mortgagee shall respond within thirty (30) days of receipt of said notice or the lack of response thereto shall be deemed as approval of the proposal.

Section 7. Upon written request submitted to the Association, any institutional holder of a first mortgage lien on any unit in the Condominium shall be entitled to receive written notice of all meetings of members of the Association and to designate a representative to attend all such meetings.

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

Section 9. The Association shall give the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association and all other mortgagees of record notice (c/o Servicer at Servicer's address) in writing of any loss to or the taking of the common elements and related facilities of the condominium project if such loss or taking exceeds Ten Thousand Dollars (\$10,000.00), or damage to a condominium unit covered by a mortgage purchased in whole or in part

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by the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association or any other mortgagee if such damage exceeds One Thousand Dollars (\$1,000.00). This section shall apply only if the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association or any other mortgagees holds a mortgage on a condominium unit in the Condominium and has given notice of this ownership to the Association.

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

ARTICLE VIII.

AMENDMENTS

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

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

Section 3. These By-Laws may be amended by the Association, at any regular annual meeting or a special meeting called for such purpose, by an affirmative vote of two-thirds (2/3) of all co-owners in number and in value, and two-thirds (2/3) of all first mortgagees if the proposed amendment would result in a material change to their rights hereunder or jeopardize their security in the Condominium. A person causing or requesting an amendment to the Condominium documents shall be responsible for costs and expenses of the amendment except for amendments based upon a vote of a prescribed majority of co-owners or based upon the Advisory Committee's decision, the costs of which are expenses of administration.

Section 4. Prior to the first annual meeting of members, these By-Laws must be recorded in the Office of the Washtenaw County Register of Deeds, and they may be amended prior to that meeting by the first Board of Directors upon proposal of amendments by the Developer, without approval from any person, to keep these By-Laws in compliance with the Act and to make such other amendments to these By-Laws as shall not increase or decrease the benefits or obligations or materially affect the rights of any member of the Association.

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Section 5. A copy of each amendment to these By-Laws shall be furnished to every member of the Association after adoption; provided, however, that any amendment to these By-Laws that is adopted in accordance with this Article shall be binding upon all persons who have an interest in the project irrespective of whether such persons actually received a copy of the amendment.

Section 6. Eligible mortgage holders, those holders of a first mortgage on a unit who have requested the Association to notify them on any proposed action that requires the consent of a specified percentage of eligible mortgage holders, also shall have the right to join in the decision making about certain amendments to the Condominium documents.

Section 7. Any amendment to these By-Laws (but not the Association By-Laws) shall become effective upon recording such amendment in the Office of the Register of Deeds in the county where the Condominium is located. Without the prior written approval of two-thirds (2/3) of all institutional holders of first mortgage liens on any unit in the Condominium, no amendment to these By-Laws shall become effective which involve any change, direct or indirect, in Article I, Sections 3 and 4(b), Article II, Sections 3(a) and 4, Article IV, Section 1(d), Article V, Sections 1, 4 and 6, Article VII, Sections 1, 4, 5, 8, 9, and 10, Article VIII, Sections 3 and 6, or Article XI, Section 1, or to any other provision hereof that increases or decreases the benefits or obligations or materially affects the rights of any members of the Association, as further identified by the Federal National Mortgage Association's legal guidelines in Chapter 4, Conventional Projects, Legal Requirements, of the current issue of the Federal National Mortgage Association's Lending Guide.

ARTICLE IX.

COMPLIANCE

Section 1. The Association and all present or future co-owners, tenants, future tenants, or any other persons acquiring an interest in or using the facilities of the project in any manner are subject to and shall comply with the Act, as amended, and the mere acquisition, occupancy or rental of any unit or an interest therein or the utilization of or entry upon the condominium premises shall signify that the Condominium documents are accepted and ratified. In the event the Condominium documents conflict with the provisions of the Act, the Act shall govern.

ARTICLE X.

DEFINITIONS

Section 1. All terms used herein shall have the same meaning as set forth in the Master Deed to which these By-Laws are attached as

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an Exhibit or as set forth in the Act.

ARTICLE XI.

REMEDIES FOR DEFAULT

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

(a) Failure to comply with any of the terms or provisions of the Condominium documents shall be grounds for relief, which may include, without limitations, an action to recover sums due for damages, injunctive relief, foreclosure of lien if default in payment of assessments, or any combination thereof, and such relief may be sought by the Association or, if appropriate, by an aggrieved co-owner or co-owners.

(b) In any proceedings arising because of alleged default by a co-owner, the Association, if successful, may recover the costs of the proceedings and such actual and reasonable attorneys' fees (not limited to statutory fees) as may be determined by the court, but in no event shall any co-owner be entitled to recover such attorneys' fees.

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

(d) The violation of any of the provisions of the Condominium documents by any co-owner shall be grounds for assessment by the Association, acting through its duly constituted Board of Directors, of monetary fines for such violations. No fine may be assessed unless rules and regulations establishing such fine have first been duly adopted by the Board of Directors of the Association and notice thereof given to all co-owners in the same manner as prescribed in the Association By-Laws. Thereafter, fines may be assessed only upon notice to the offending co-owner as prescribed in the Association By-Laws and after an opportunity for such co-owner to appear before the Board no less than seven (7) days from the date of the notice and offer evidence in defense of the alleged violation. All fines duly assessed may be collected in the same manner as provided in Article II of these By-Laws. No fine shall be levied for the first violation. No fine shall

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exceed Twenty-Five Dollars (\$25.00) for the second violation, Fifty Dollars (\$50.00) for the third violation, or One Hundred Dollars (\$100.00) for any subsequent violation.

(e) A co-owner may maintain an action against the Association and its officers and Directors to compel these persons to enforce the terms and provisions of the Condominium documents. A co-owner may maintain an action against any other co-owner for injunctive relief or for damages or any combination thereof for noncompliance with the terms and provisions of the Condominium documents or the Michigan Condominium Act.

(f) The failure of the Association or of any co-owner to enforce any right, provision, covenant, or condition which may be granted by the Condominium documents shall not constitute a waiver of the right of the Association or of any such co-owner to enforce such right, provision, covenant, or condition in the future.

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

ARTICLE XII.

RIGHTS RESERVED TO DEVELOPER

Any or all of the rights and powers granted or reserved to the Developer in the Condominium documents or by law, including the right and power to approve or disapprove any act, use, or proposed action or any other matter or thing, may be assigned by it to any other entity or to the Association. Any such assignment or transfer shall be made by appropriate instrument in writing in which the assignee or transferee shall join for the purpose of evidencing its acceptance of such powers and rights and such assignee or transferee shall thereupon have the same rights and powers as herein given and reserved to the Developer. Any rights and powers reserved or granted to the Developer or its successors shall terminate, if not sooner assigned to the Association, at the conclusion of the construction and sales period which shall continue for so long as the Developer is offering any unit in the project for sale. The immediately preceding sentence dealing with the termination of certain rights and powers granted or reserved to the Developer is intended to apply, insofar as the Developer is concerned, only to the Developer's rights to approve and control the administration of the Condominium and shall not, under any circumstances, be construed to apply to or cause the termination

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of any real property rights granted or reserved to the Developer or its successors and assigns in the Master Deed or elsewhere.

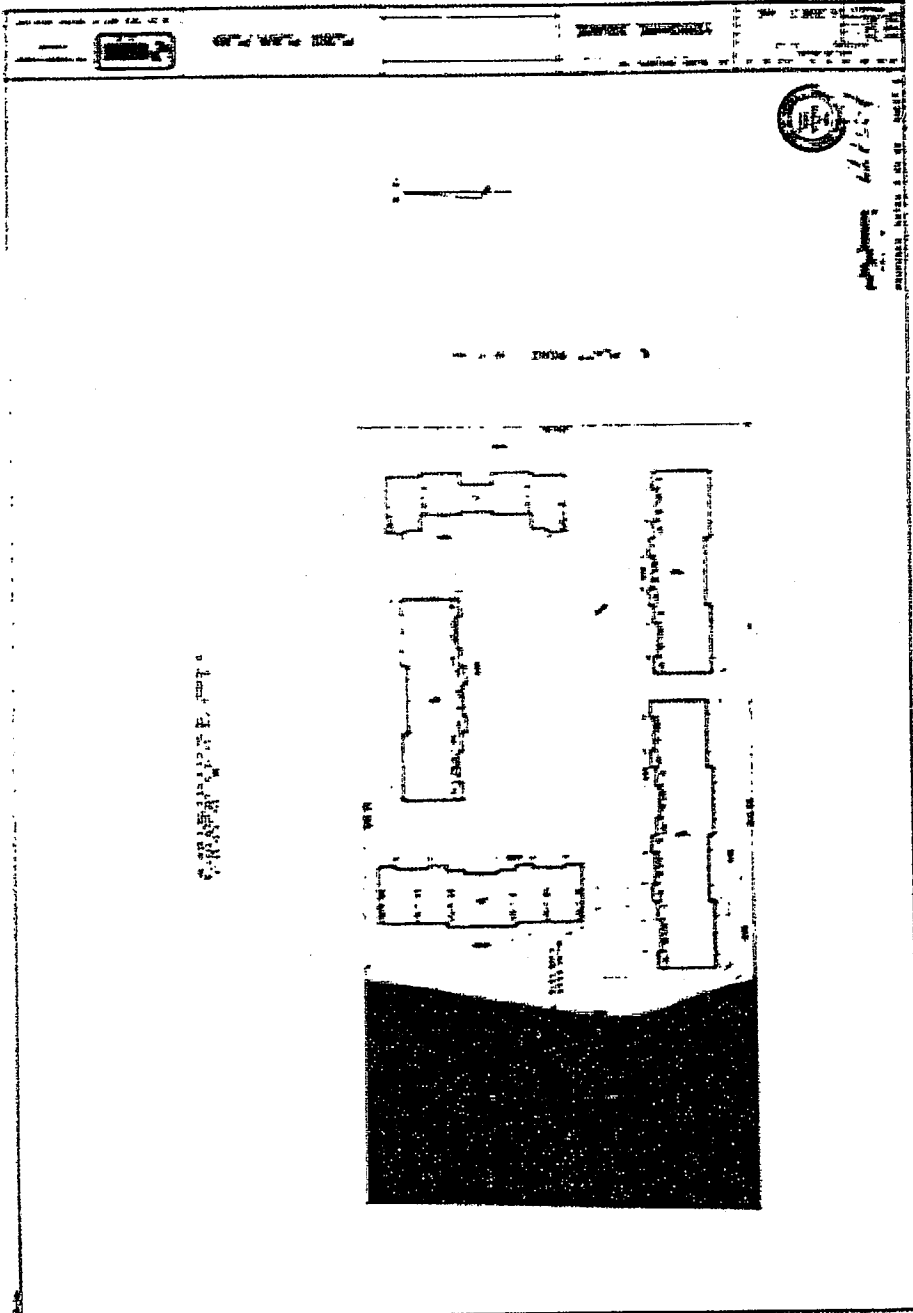
ARTICLE XIII.

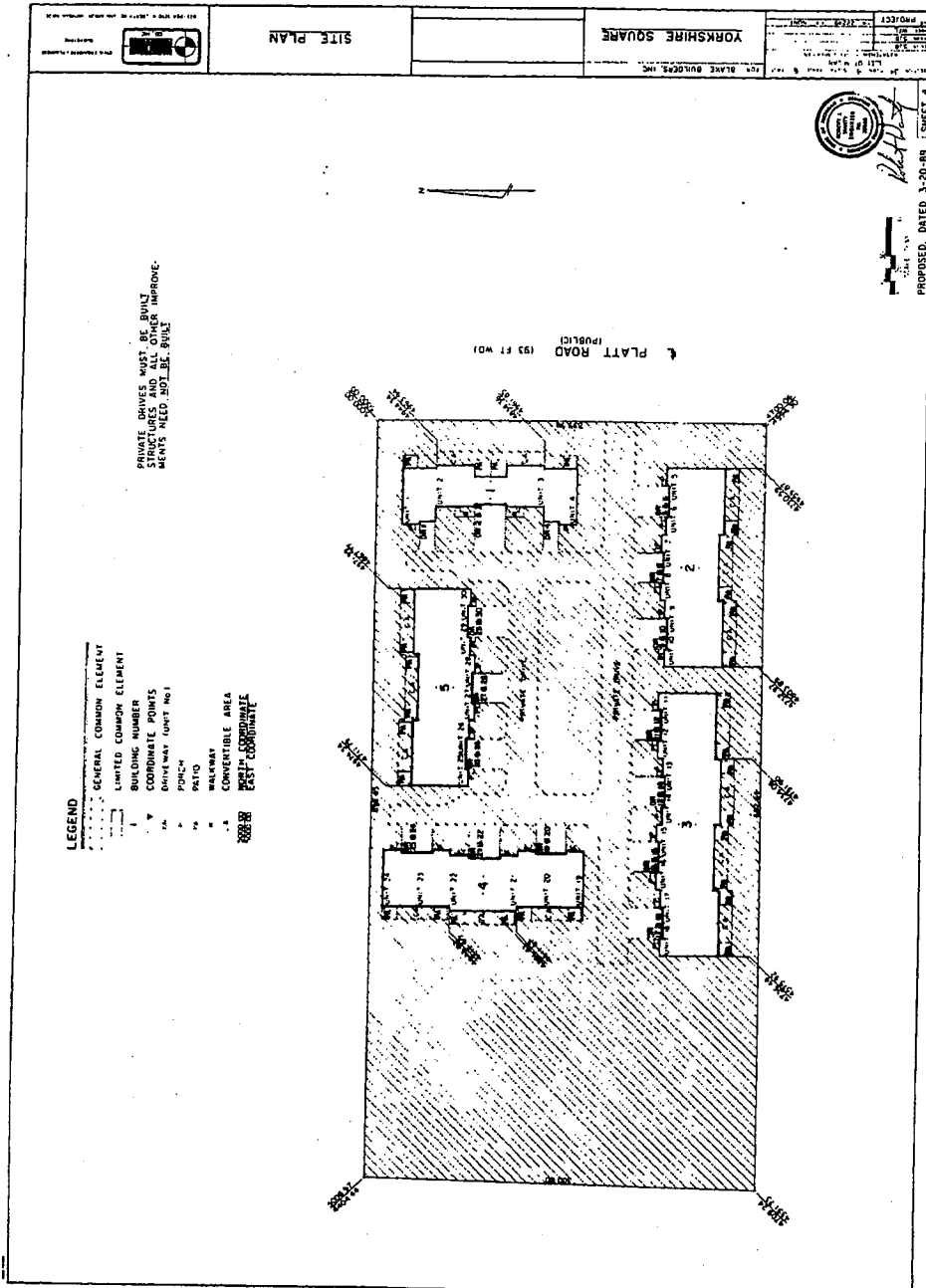
SEVERABILITY

Section 1. In the event that any of the terms, provisions or covenants of these By-Laws or the Condominium documents are held to be partially or wholly invalid or unenforceable for any reason whatsoever, such holding shall not affect, alter, modify, or impair in any manner whatsoever any of the other terms, provisions or covenants of such documents or the remaining portions of any terms, provisions or covenants held to be partially invalid or unenforceable.

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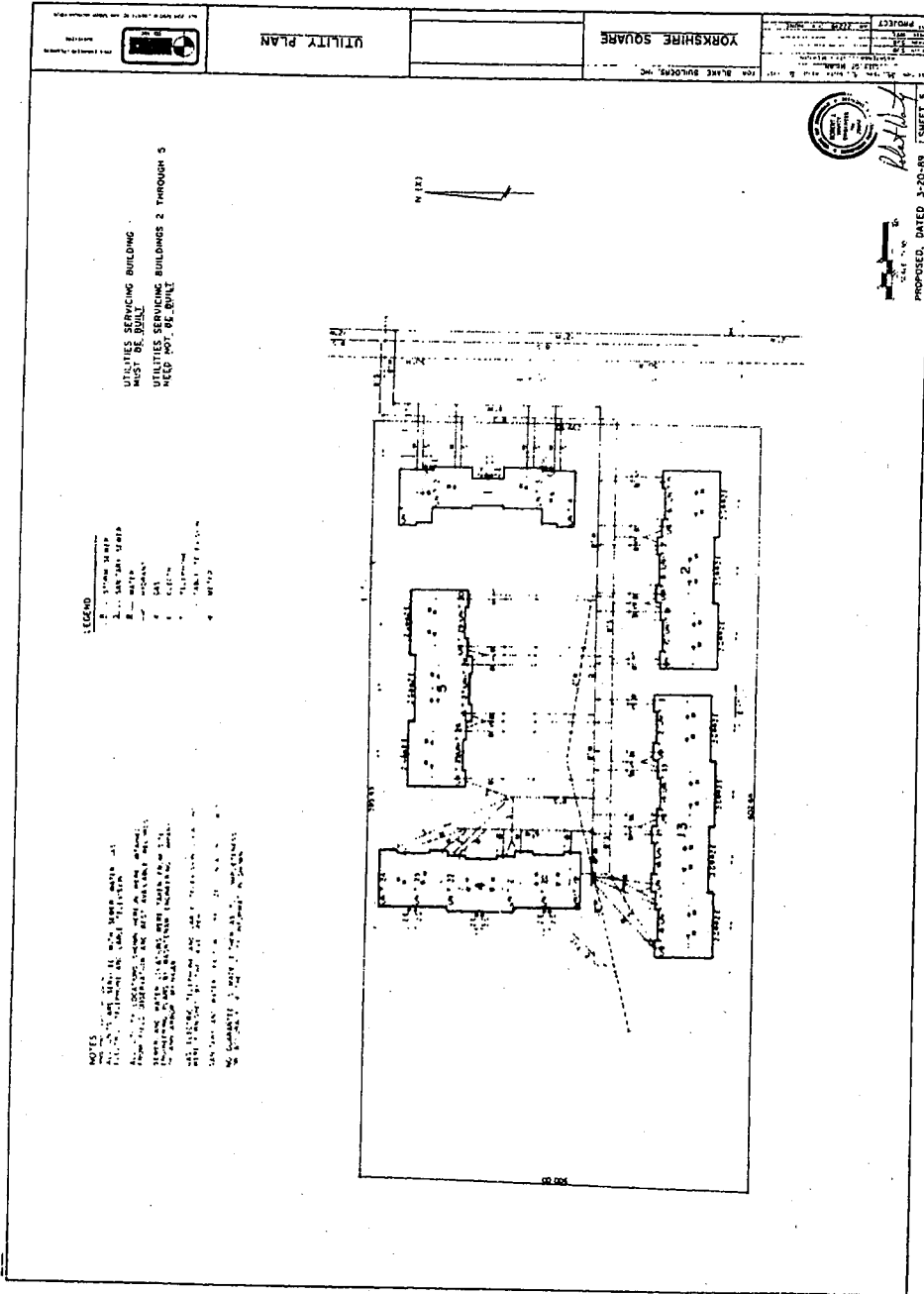
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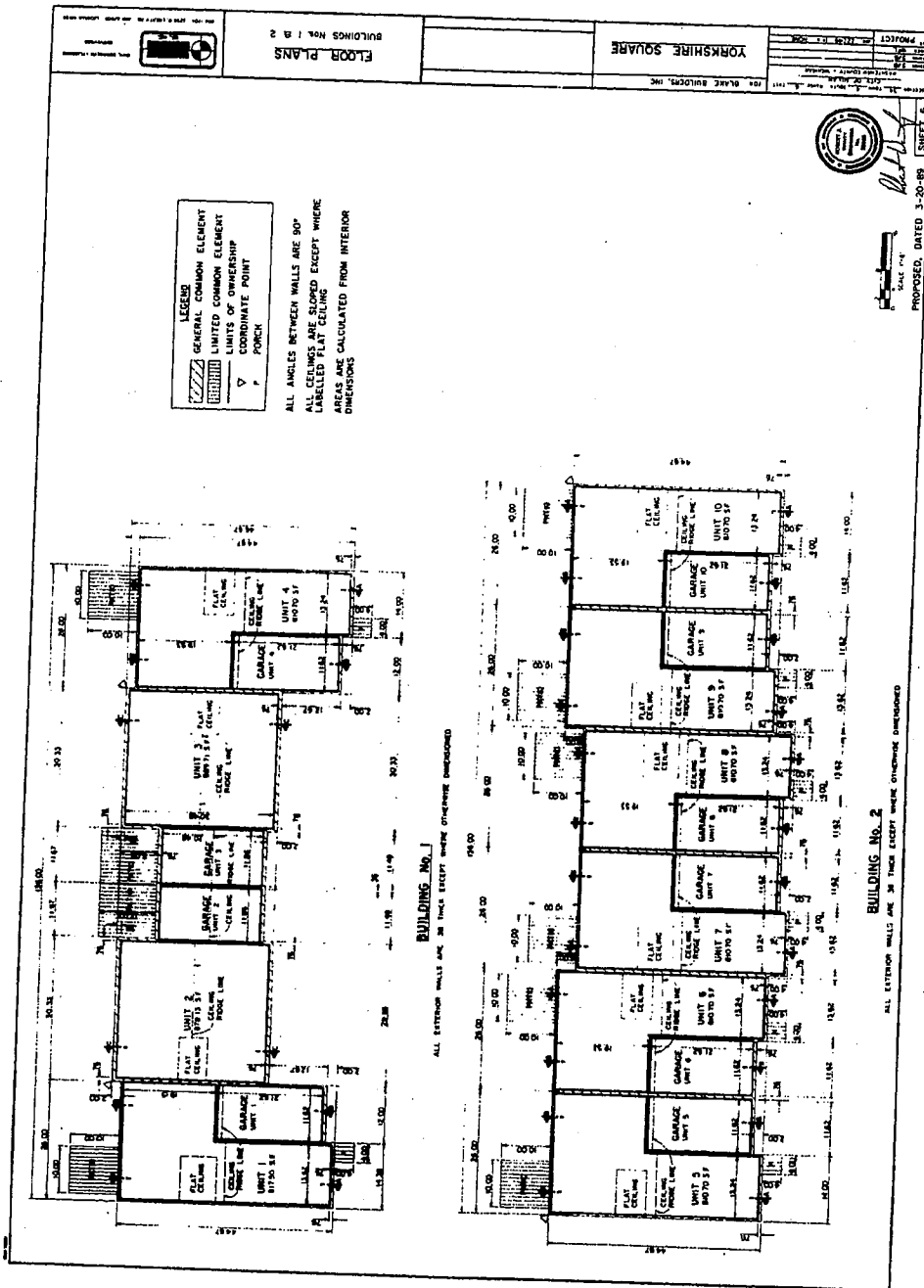




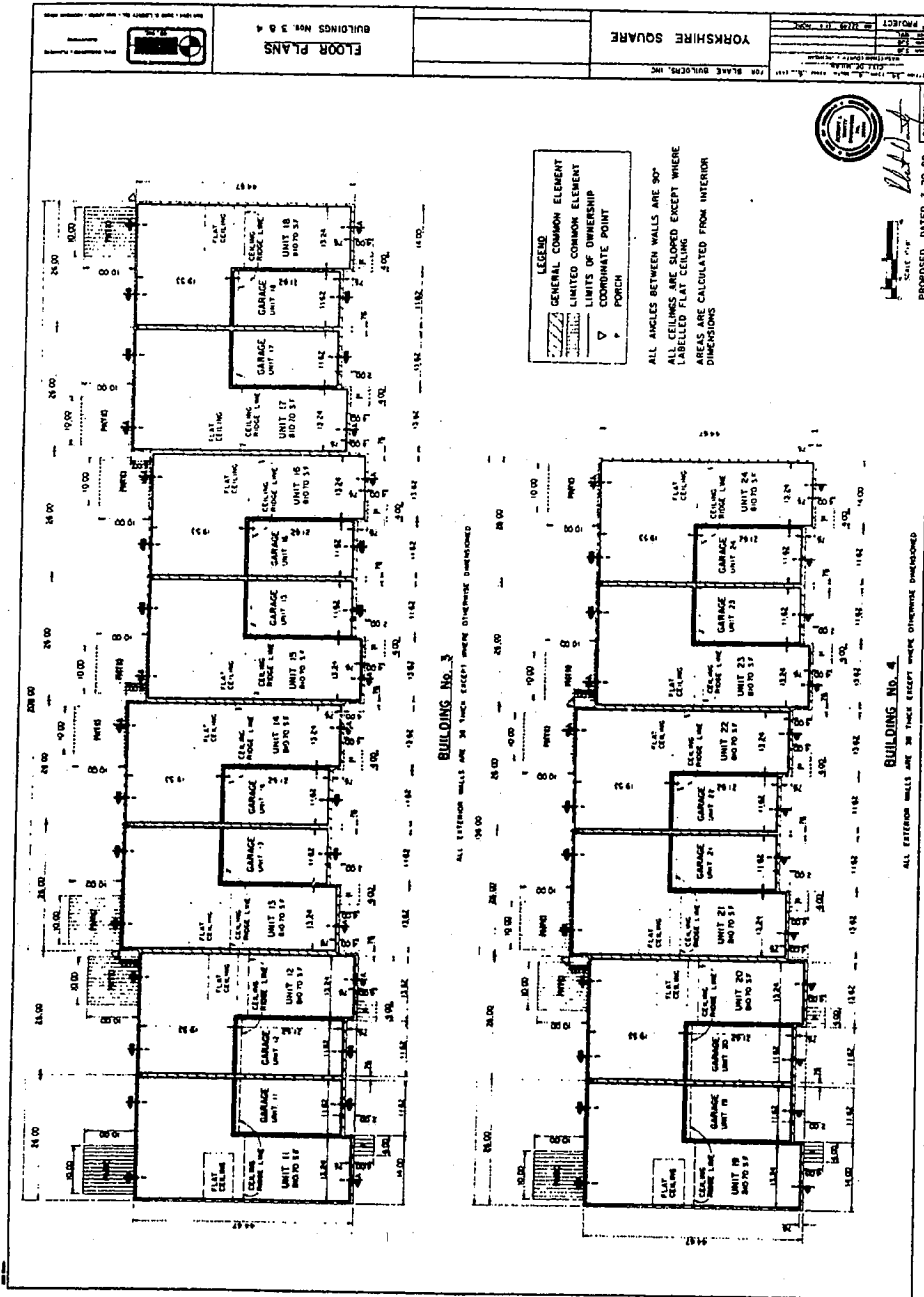
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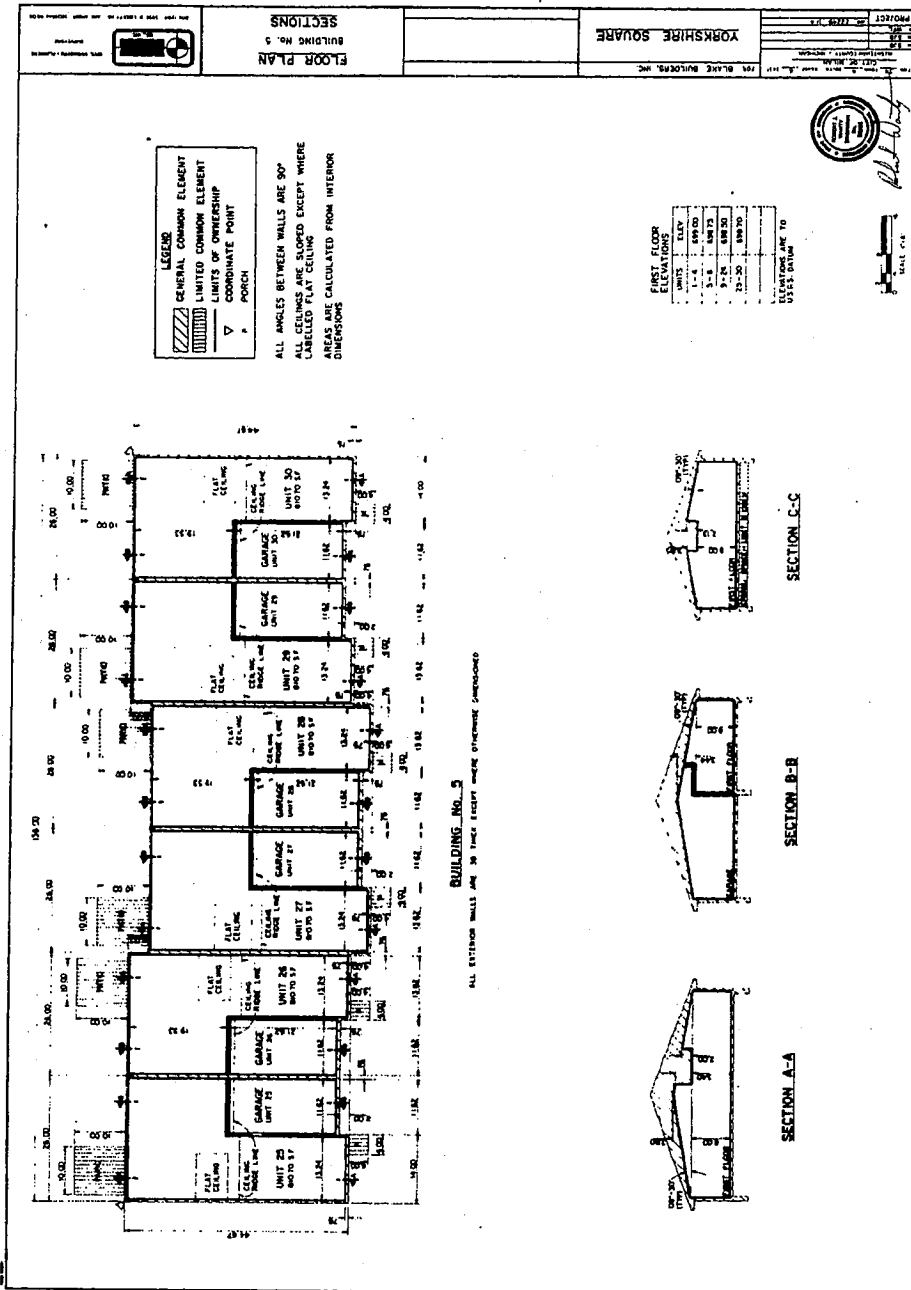




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FIRST AMENDMENT TO MASTER DEED OF
YORKSHIRE SQUARE

Yorkshire Square Condominium Association, a Michigan non-profit corporation, whose address is P. O. Box 52, Milan, Michigan, being charged with the management and administration of Yorkshire Square, a condominium project established pursuant to the Master Deed thereof dated March 23, 1989, and recorded April 7, 1989, in Liber 2307, Pages 912 through 966, inclusive, Washtenaw County Records, and known as Washtenaw County Condominium Subdivision Plan No. 111, hereby amends paragraph FOURTH(3) of the Master Deed of Yorkshire Square pursuant to the authority reserved in paragraph TENTH(2) of said Master Deed, and with the affirmative vote of more 2/3 of the co-owners in Yorkshire Square, for the purpose of amending the said paragraph FOURTH(3) as follows:

1. Upon recording of this First Amendment to Master Deed in the Office of the Washtenaw County Register of Deeds, paragraph FOURTH(3) of the Master Deed of Yorkshire Square shall be amended to read henceforth as follows:

FOURTH:

(3) The convertible areas are:

(a) Convertible areas extend off the rear of certain units as shown on Exhibit "B" to permit construction and installation of decks and patios as may be approved by the Association pursuant to Section 3, ARTICLE VI, of the Condominium By-Laws. Any deck or patio located within a convertible area shall be a limited common element appurtenant to the unit to which it is attached. The Developer reserves the right to construct and install decks and patios as it may deem appropriate within convertible areas, and approval by the Association shall not be required so long as the Developer owns a unit within the condominium project.

(b) The patios shown on Exhibit "B" as limited common elements are convertible areas where alteration may be approved by the Association pursuant to Section 3, ARTICLE VI, of the Condominium By-Laws. Such alteration may include the enclosure of the open space occupied by the limited common element patio and its conversion into part of the appurtenant condominium unit. The Association shall be responsible for the preparation and recording of any necessary amendment to the Master Deed. The co-owner(s) requesting a change shall reimburse the Association for all expenses involved. The Association shall calculate a new percentage of value surcharge for each converted condominium unit to reflect accurately a fair, just and equitable share

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for the co-owner of the increased administrative expenses
resulting from such improvement.

Dated: December 4, 1995.

WITNESSES:

Frank L. Carver
Frank L. Carver
Sherry L. Craig
Sherry L. Craig

Yorkshire Square Condominium
Association

By: G. David Rorrer
David Rorrer, President
AKA G. David Rorrer

STATE OF MICHIGAN)
) SS
COUNTY OF WASHTENAW)

The foregoing First Amendment to Master Deed of Yorkshire Square was
acknowledged before me this 4th day of December, 1995, by
David Rorrer, President of Yorkshire Square Condominium Association, a
Michigan non-profit corporation, on behalf of said corporation.

Sherry L. Craig
Sherry L. Craig, Notary Public
Washtenaw County, Michigan
My Commission Expires: 7-27-96

This document prepared by and
when recorded return to:
Karl R. Frankena
Conlin, McKenney & Philbrick, P.C.
700 City Center Building
Ann Arbor, Michigan 48104
313/761-9000

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COUNTY CLERK'S OFFICE