

LIBER 6045PAGE 755  
MASTER DEED  
BARCLAY SQUARE  
(Act 229, Public Acts of 1963, as amended)

This Master Deed is made and executed on this 2nd day of January, 1973 by Southfield Construction Company, a Michigan corporation, hereinafter referred to as "Developer," whose office is situated at 25130 Southfield Road, Southfield, Michigan, represented herein by its President and Secretary who are fully empowered and qualified to act on behalf of the corporation, in pursuance of the provisions of the Michigan Horizontal Real Property Act as amended (being Section 559.2 of the Compiled Laws of 1948 and Act 229 of the Public Acts of 1963), hereinafter referred to as the "Act."

WITNESSETH:

WHEREAS, the Developer desires by recording this Master Deed, together with the Condominium Bylaws 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, described in Article II below, 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 Barclay Square as a condominium project under the Act and does declare that Barclay Square (hereinafter referred to as the "Condominium," "Project" 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 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 owing an interest in the said real property, their grantees, successors, heirs, executors, administrators and assigns. In furtherance of the establishment of said Condominium Project, it is provided as follows:

ARTICLE I  
TITLE AND NATURE

The Condominium Project shall be known as Barclay Square, Oakland County Condominium Subdivision Plan No. 127. The architectural plans for the project were approved by the City of Berkley, Michigan. The Condominium Project is established in accordance with the Act. The buildings and units contained in the Condominium, including the number, boundaries, dimensions, area and volume of each unit therein are set forth completely in the condominium Subdivision Plan attached as Exhibit "B" hereto. Each building contains individual units for resident 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 unit and shall have undivided and inseparable rights to share with other co-owners the common elements of the Condominium Project as are designated by the Master Deed.

ARTICLE II  
LEGAL DESCRIPTION

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

Lots 398, 399 and 414 of "Vinsetta Park Subdivision" of part of Sections 16 and 17, City of Berkley, Oakland County, Michigan, TIN, RII, as recorded in Liber 12, page 30, Oakland County Records.

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ARTICLE III  
DEFINITIONS

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

- a. The "Act" means the Michigan Horizontal Real Property Act, being Act 229 of the Public Acts of 1963, as amended.
- b. "Association" shall mean the non-profit corporation organized under Michigan law of which all co-owners shall be members which corporation shall administer, operate, manage and maintain the Condominium. Any action required of or permitted to the Association shall be exercisable by its Board of Directors unless specifically reserved by the Condominium Documents or the laws of the State of Michigan.
- c. Condominium Bylaws "means Exhibit "A" hereto, being the ByLaws setting forth the substantive rights and obligations of the co-owners and required by Section 2(k)(7) of the Act to be recorded as part of the Master Deed.
- d. "Association Bylaws" means the corporate Bylaws of Barclay Square Association. The Michigan non-profit corporation organized to manage, maintain and administer the Condominium.
- e. "Apartment" or "unit" each mean the enclosed space constituting a single complete residential unit in Barclay Square as such space may be described on Exhibit "B" hereto, and shall have the same meaning as the term "apartment" as defined in the Act.
- f. "Condominium Documents" wherever used means and includes this Master Deed and Exhibits "A" and "B" hereto, the Articles of Incorporation, Bylaws and the Rules and Regulations, if any, of the Association.
- g. "Condominium Project," "Condominium" or "Project" means Barclay Square as an approved Condominium Project established in conformity with the provisions of the Act.
- h. "Condominium Subdivision Plan" means Exhibit "B" hereto,
- i. "Co-owner" means a person, firm, corporation, partnership, association, trust or other legal entity or any combination thereof who or which owns one or more units in the Condominium Project. The term "owner," wherever used, shall be synonymous with the term "co-owner."
- j. "Condominium Premises" means and includes the land and the buildings, all improvements and structures thereof, and all easements, rights and appurtenances belonging to Barclay Square as described above.
- k. "Common Elements," where used without modification, shall mean both the general and limited common elements described in Article IV hereof.
- l. "Developer" shall mean Southfield Construction Company, which has made and executed this Master Deed, and its successors and assigns.
- m. Whenever any reference herein is made to ne gender, the same shall include a reference to any and all genders where the same would be appropriate similarly, whenever a reference is made herein to the singular, a reference shall also be included to the plural where the same would be appropriate.

ARTICLE IV  
COMMON ELEMENTS

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

A. The general common elements are:

1. The Land described on page one hereof, including driveways, roads, sidewalks and unassigned parking spaces;
2. The electrical wiring network throughout the project (including that contained within unit walls) up to the point of connection with electrical fixtures within any unit;
3. The gas into network throughout the project (including that contained within unit walls) up to the point of connection with gas fixtures within any unit;
4. The telephone wiring network throughout the project;
5. The plumbing network throughout the project including that contained within unit walls, up to the point of connection with plumbing fixtures within any unit;
6. The water distribution system, sanitary sewer system and storm drainage system throughout the project;
7. Foundations, supporting columns, unit perimeter walls (including windows and doors therein) roads, ceilings, floor construction between unit levels and chimneys;
8. Such other elements of the project not herein designated as general or limited common elements which are not enclosed within the boundaries of an apartment, and which are intended for common use or necessary to the existence, upkeep and safety of the project.

B. The limited common elements are:

1. Common Corridors, vestibules, stairs, porches, hallways and basement storage area shall be limited in use to the owners of units in each building in which such common facilities are located; provided that the Association may, for convenience, assign one storage area to each apartment.
2. The interior surface of apartment perimeter walls (including windows and doors therein), ceilings and floors contained within an apartment shall be subject to the exclusive use and enjoyment of the co-owner of such apartment.

C. The costs of maintenance, repair and replacement of all general and limited common elements described above shall be borne by the Association except that the costs of decoration and maintenance (but not repair or replacement except in cases of co-owner fault of all limited common elements referred to in Article IV B(2) shall be borne by the co-owner of each apartment to which such limited common elements are appurtenant.

No co-owner shall use his apartment 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 apartment or the common elements.

ARTICLE V  
APARTMENT DESCRIPTION AND PERCENTAGE OF VALUE

Each apartment in the project is described in this paragraph with reference to the Subdivision and Site Plan of Barclay as surveyed by Professional Engineering Associates and attached hereto as Exhibit "B." Each apartment 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 percentage of value assigned to each apartment is 6.25% (Six and twenty-five hundredths percent). The percentage of value assigned to each apartment shall be determinative of the proportionate share of each respective co-owner in the proceeds and expenses of the administration and the value of such co-owner's vote at meetings of the Association of co-owners. The total value of the project is 100. The percentage of value allocated to each apartment may be changed only with the unanimous consent of all of the co-owners and all mortgages expressed in amendment to this Master Deed, duly approved and recorded.

#### ARTICLE VI EASEMENTS

In the event portion of an apartment or common element encroaches upon another apartment or common element due to shifting, selling or moving of a building, or due to survey errors. Or construction deviations, reciprocal easements shall exist for the maintenance of such encroachment for so long as such encroachment exists, and for maintenance thereof after rebuilding in the event of any destruction. There shall be easements to, through and over those portions of the land, structures, buildings, improvements and walls (including interior unit walls) contained therein for the continuing maintenance and repair of all utilities in the Condominium. There shall exist easements of support with respect to any unit interior wall which supports a common element.

#### ARTICLE VII EASEMENT RETAINED BY DEVELOPER

Developer reserves on behalf of itself, its successors and assigns, and all necessary workmen, an easement to enter into the property described in Article II to construct on a portion thereof a masonry wall in conformity with a Resolution passed by the City of Berkely Board of Appeals on September 18, 1972 regarding Application 766, This Waa, II the Developer exercises its right to enter and construct the same, will extend northerly a distance of 154.80 feet between Lots 398 and 397 of Vincetta Park Subdivision and thence easterly a distance of 52.25 feet to the existing alley, all as shown on the site plan presented to the City of Berkely for the issuance of building permits for Barclay Square. Developer reserves for the benefit of itself. Its successors and assign easements for the use of those roads, sidewalks and parking spaces reasonably necessary to facilitate the construction of the wall. Developer agrees that if it exercises its rights to utilize the above easement, and it disturbs any sidewalks, roads, parking spaces of landscaping, it will restore the same to substantially the condition existing immediately prior to such disturbance. Nothing contained herein shall in any way obligate the Developer to construct said wall unless it is under a duty to the City of Berkely to do so.

#### ARTICLE VIII AMENDEMENT

The Condominium Project shall not be vacated or revoked or any of the provisions of this Master Deed or Exhibit "B" amended (but not Exhibit "A" hereto which may be amended as therein provided) unless all of the co-owners and the mortgages of all of the mortgages covering the apartments unanimously agree to such termination, revocation, abandonment or amendment by duly approved and recorded instruments; FURTHER, unless all holders of first mortgages on individual units in the project have given their prior written approval, the Association shall not partition or subdivide any unit or the common elements of the project; PROVIDED HOWEVER, that prior to the first annual meeting of members of the Association, the Developer may with the approval of the Michigan Department of Commerce (but 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 Bylaws attached hereto as Exhibit "A" as do not materially affect any rights of any co-owner in the project. The holder of any first mortgage covering any apartment in the project shall be entitled to 30 days' written notice prior to the effective date of any amendment to the Master Deed or to Exhibit "B,"

EXHIBIT A  
CONDOMINIUM BYLAWS  
BARCLAY SQUARE

ARTICLE I  
ASSOCIATION OF CO-OWNERS

Section 1. Barclay Square, a condominium project, located in the City of Berkely, Oakland Country, 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 elements, easements and affairs of the condominium project in accordance with the Master Deed, these Bylaws, the Articles of Incorporation, Bylaws and duly adopted Rules and Regulations of the Association, and the laws of the State of Michigan. All co-owners in the Condominium project and all persons using or entering upon or acquiring any interest in any apartment 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 apartment in the Condominium.
- (c) Except as limited in these Bylaws, each co-owner shall be entitled to one vote for each apartment owned when voting by number and one vote, the value of which shall equal the total of the percentages allocated to the apartments owned by such co-owner as set forth in Article V of the Master Deed, when voting by value. Voting shall be any value except in those instances when voting is specifically required to be both in value and in 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 an apartment in the condominium project to the Association. No co-owner, other than the developer, shall be entitled to vote prior to the first Annual Meeting of Members held in accordance with Section a 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.
- (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 apartment or apartments 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 this 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 Bylaws of the Association. Notice of time, place and subject matter of all meetings as provided in the corporate Bylaws 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 (35%) percent 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 required herein to require a greater quorum. The written vote of any person furnished at or prior to any duty 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 (50%) percent in value of those qualified to vote and present in person or by proxy (or written vote if applicable) at a given meeting of the members of the Association. Whenever provided specifically herein, a majority may be required to exceed the simple majority hereinabove set forth and may require such majority 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 Bylaws.

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

Section 4. The affairs of the Association shall be governed by a Board of Directors, all of whom shall serve without compensation and who must be members of the Association except for the First Board of Directors, designated in the Articles of Incorporation of the Association and any successors thereto elected by the developer prior 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 duties or provisions of or relating to directors, not inconsistent with the following, shall be provided by the Association Bylaws.

- a. The Board of Directors shall have all powers and duties necessary for the administration of the affairs of the Association and may do all acts and things as are not prohibited by the Condominium Documents or required thereby to be exercised and done by the co-owners. In addition to the foregoing general duties imposed by these Bylaws, or any further duties which may be imposed by resolution of the members of the Association or which may be set forth in the Association Bylaws, the Board of Directors shall be responsible specifically for the following:
  1. Management and administration of the affairs of and maintenance of the condominium project and the common elements thereof.
  2. To collect assessments from the members of the Association and to use the proceeds thereof for the purposes of the Association.
  3. To carry insurance and collect and allocate the proceeds thereof.
  4. To rebuild improvements after casualty.
  5. To contract for or 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, operate, manage, sell, convey, assign, mortgage or lease any real or personal property (including any apartment in the condominium and easements, rights-of-way and licenses) on behalf of the Association in furtherance of any of the purposes of the Association, including (but without limitation) the lease or purchase of any apartment in the condominium for use by a resident manager.
  7. To borrow money and issue evidences of indebtedness in furtherance of any and all of the purposes of the business of the Association, and to secure the same by mortgage, pledge, or other lien, on property owned by the Association; provided, however, that any such action shall also be approved by affirmative vote of more than sixty (60%) percent of all of the members of the Association in number and in value.
  8. To make rules and regulations in accordance with Article VI, Section 10 of those Bylaws.

(9) 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.

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

(b) The Board of Directors may 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 1, 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 of the members of the Association. In the event the Board of Directors does employ a professional management agent, the Board of Directors shall give the holder of any first mortgage covering any apartment in the project at least 30 days' written notice prior to the effective date of any change in professional management agent of the Condominium project.

(c) All of the actions (including, without limitation, the adoption of these Bylaws and any Rules and Regulations for the corporation, and any undertakings or contracts entered into with others on behalf of the corporation) 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 Bylaws 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 this Association in furtherance of the provisions and purposes of the Condominium Documents and not inconsistent therewith. Offices may be compensated but only upon the affirmative vote of more than sixty (60%) percent 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 Developer and may be called at any time after fifty (50%) in value and in number of all units in the Condominium have been sold and the purchasers thereof qualified as members of the Association. In no event, however, shall said First Annual Meeting be held later than one hundred twenty (120) days after eighty (80%) percent of all units in the Condominium have been sold and the purchasers thereof qualified as members of the Association or December 31, 1974 whichever first occurs, Developer may call meetings of members of the Association for informative or other appropriate purpose prior to the first annual meeting of members and no such meeting shall be set by the Board of Directors, and at least fifteen (15) days written notice thereof shall be given to each co-owner. Thereafter, an annual meeting shall be held each year on such date as is specified in the Association Bylaws.

## 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 possessed in common by the co-owners, and personal property taxes 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 Sections 13 and 15 of Public Act 229 of 1963, as amended, and all sums received as proceeds of, or pursuant to, any policy of insurance carried by the Association securing the interests of the co-owners against liabilities or losses arising within, caused by or connected with the common elements or the administration of the Condominium shall be receipts of administration.

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

(a) The Board of Directors of the Association shall establish an annual budget in advance for each fiscal year and such budget shall project all expenses for the forthcoming year which may be required for the proper operation, management and maintenance of the Condominium project,

Including a reasonable allowance for contingencies and reserves. Upon adoption of an annual budget by the Board of Directors, copies of said budget shall be delivered to each co-owner and the assessment for said year shall be established based upon said budget, although the delivery of a copy of the budget to each co-owner shall not affect the liability of any co-owner for any existing or future assessments. The requirement of establishing and furnishing a budget shall not apply to the First Board of Directors serving prior to the First Meeting of Members held in accordance with Article I, Section 6 hereof. Should the Board of Directors, at any time determine, in the sole discretion of the Board of Directors: (1) that the assessments leveled are or may prove to be insufficient to pay the costs of operation and management of the Condominium, (2) to provide replacements or existing common elements, (3) to provide additions to the common elements not exceeding \$500.00 annually, or (4) in the event of emergencies, the Board of Directors shall have the authority to increase the general assessment or to levy such additional assessment or assessments as it shall deem to be necessary.

(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 capital improvements for additions of a cost exceeding \$500.00 per year, (2) assessments to purchase an apartment for use as a resident manager's apartment or (4) 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 poor approval of more than sixty (60%) percent of all co-owners in value and in number.

Section 4. All assessments levied against the co-owners to cover expenses of administration shall be apportioned among and paid by the co-owners in accordance with the percentage of value allocated to each apartment in Article V of the Master Deed without increase or decrease for the existence of any rights to the use of limited common elements apartment. Assessments shall be due and payable at such times as the Association shall determine, commencing with acceptance of a deed to an apartment or with acquisition of fee simple title to an apartment 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. Assessments in default shall bear interest at the rate of seven (7%) percent per annum until paid in full. Each co-owner (whether one or more persons) shall be, and remain, personally liable for the payment of all assessments pertinent to his apartment which may be levied while such co-owner is the owner thereof.

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 apartment.

Section 6. The Association may enforce collection of delinquent assessments by suit at law for a money judgment or by foreclosure of the lien securing payment in the same manner that real estate mortgages may be foreclosed by action under Michigan law. In an action for foreclosure, a receiver may be appointed to collect a reasonable rental for the apartment from the co-owner thereof or any persons claiming under him. The expenses incurred in collecting unpaid assessments including interest, costs and attorney's 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 apartment. The Association may also discontinue the furnishing of any utilities or other services to a co-owner in default upon seven (7) days' written notice to such co-owner of its intent to do so. A co-owner in default shall not be entitled to vote at any meeting of the Association so long as such default continues.

Section 7. Notwithstanding any other provisions of the condominium documents, the holder of any first mortgage covering any apartment in the project which comes into possession of the apartment pursuant to the remedies provided in the mortgage or by deed (or assignment) in lieu of foreclosure, shall take the property free of any claims for unpaid assessments or charges against the mortgaged unit which accrue prior to the time such holder comes into possession of the 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 unit).

Section 8. During the period up to the time of the First Annual Meeting of Members held in accordance with the provision 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. 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 apartments owned by Developer at the time the expense is incurred.

to the total number of apartments in the Condominium. In no event shall Developer be responsible for payment, until after said first Annual Meeting of any assessments, except with respect to occupied units owned by it. "Occupied Unit" shall mean a unit used as a residence. "Completed Apartment" shall mean a unit with respect to which a certificate of occupancy has been issued by the local public authority.

### ARTICLE III ARBITRATION

Section 1. Disputed, claims, or grievances arising out of or relating to the interpretation or the application of the Condominium Documents, or any disputes, claims or grievances arising among or between co-owners and the Association shall, upon the election, and written consent of the parties to any 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. The Commercial Arbitration Rules of the America Arbitration Association as amended and in effect from time to time hereafter shall be applicable to any such arbitration.

Section 2. 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 litigation such dispute, claim or grievance in the courts.

### ARTICLE IV INSURANCE

Section 1. The Association shall carry fire and extended coverage, vandalism and malicious mischief and liability insurance, and workmen's compensation insurance, if applicable, pertinent to the ownership, use and maintenance of the common elements of the Condominium project, and much 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 mortgages, as their interests may appear, and provision shall be made for the issuance of certificates of mortgages endorsements to the mortgages of co-owners. Each co-owner may obtain insurance coverage at his own expense upon his apartment. It shall be each co-owner's responsibility to obtain insurance coverage for his personal property located within his apartment or elsewhere on the Condominium and for his personal liability for occurrences within his apartment or upon limited common elements appurtenant to his apartment, and also for alternative living expense. In event of fire, and the Association shall have absolutely no responsibility for obtaining such coverages. The Association and all co-owners shall use their best efforts to see that all property and liability insurance carried by the Association or any co-owner shall contain appropriate provisions whereby the insurer waives its right of subrogation as to any claims against any co-owner or the Association.

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

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

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

Section 2. Each owner, by ownership of an appointment in the Condominium project, shall be deemed to appoint the Association as his true and lawful attorney-in-fact to act in connection with all matters concerning the maintenance of fire and extended coverage, vandalism and malicious mischief, liability insurance and workmen's compensation insurance, if applicable, pertinent to the Condominium project, his apartment 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 premium therefor, to collect proceeds and to distribute the same to the Association, the co-owners and respective mortgages, as their interests may appear (subject always to the Condominium Documents), to execute releases of liability and to execute all documents and to do all things on behalf of such co-owner and the Condominium as shall be necessary or convenient to the accomplishment of the foregoing.

## ARTICLE V RECONSTRUCTION OR REPAIR

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

- a. If the damaged property is a common element or an apartment, the property shall be rebuilt or repaired if any apartment in the condominium is tenantable, unless it is determined that the condominium shall be terminated.
- b. If the condominium is so damaged that no apartment is tenantable, the damaged property shall not be rebuilt unless seventy-five (75%) percent or more of the co-owners in value and in number agree to reconstruction by vote or in writing within ninety (90) days after the destruction.

Section 2. Any such reconstruction or repair shall be substantially in accordance with the Master Deed and the plans and specifications for the project to a condition as comparable as possible to the condition existing prior to damage unless the co-owners shall unanimously decide otherwise.

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

Section 4. Each co-owner shall be responsible for the reconstruction, repair and maintenance of the interior of his apartment, including, but not limited to, floor coverings, wall coverings, window shades, draperies. Interior walls (but not any common elements therein), interior trim, furniture, light fixtures and all appliances, whether standing 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 in accordance with Section 5. If any other interior portion of a unit is covered by insurance held by the Association for the benefit of the co-owner, the co-owner shall be entitled to receive the proceeds of insurance relative thereto and if there is a mortgage endorsement, the proceeds shall be payable to the co-owner and the mortgage jointly.

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

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

- (a) In the event of any taking of an entire apartment by eminent domain, the co-owner of such apartment shall be entitled to receive the award for such taking and after acceptance thereof,

he and his mortgage shall be divested of all interest in the Condominium project. In the event that any condemnation award shall become payable to any co-owner whose apartment 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 apartment 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 apartment to the owner thereof.

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

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

## ARTICLE VI RESTRICTIONS

Section 1. No apartment in the condominium shall be used for other than single-family residence purposes (except that persons not of the same immediate family residing together may occupy an apartment with written consent of the Board of Directors which consent shall be unreasonably withheld) and the common elements shall be used only for purposes consistent with the use of single-family residences. A family shall mean one person or a group of two or more persons related by bonds of consanguinity, marriage, or legal adoption.

Section 2. No co-owner shall make alterations in exterior appearance or make structural modifications to his apartment (including interior walls through or in which there exist easements or 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 appearance of the Condominium.

Section 3. No immoral, improper, unlawful or offensive activity shall be carried on in any apartment or upon the common elements, limited or general, nor shall anything be done which may be 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 apartment or on the common elements anything that will increase the rate of insurance on the Condominium without the written approval of the Association and each co-owner shall pay to the Association the increased cost of insurance premiums resulting from any such activity or the maintenance of any such condition.

Section 4. Any pets kept in the condominium shall have such care and restraint as not to be obnoxious on account of noise, color or unsanitary conditions. No savage or dangerous animal shall be kept. No animal may be permitted to run loose upon the common elements and any animal shall at all times be attended by some responsible person while on the common elements. Any person who causes or permits an animal to be brought or kept on the condominium property shall indemnify and hold harmless the Association for any loss, damage or liability which the Association may sustain as a result of the presence of such animal on the condominium property.

Section 5. The common elements, limited or general, shall not be used for storage of supplies, materials, personal property or trash or refuse of any kind, except as provided in 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 a co-owner either in his apartment or upon the common elements, which spoils the appearance of the Condominium.

Section 6. Sidewalks, yards, landscaped areas, driveways, roads, parking areas, and porches shall not be obstructed in any way not shall they be used for purposes other than for which they are reasonably and obviously intended. No bicycles, vehicles, chairs or benches may be left unattended on or about the common elements. Use of any recreational facilities in the condominium by children may be limited to such times and in such manner as the Association shall determine by duly adopted regulations.

Section 7. No house trailers, commercial vehicles, boat trailers, boats, camping vehicles, camping trailers, snowmobiles, snowmobile trailers or vehicles other than automobiles may be parked or stored upon the premises of the Condominium, unless parked in an area specifically designated therefor by the Association. 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. In the event that there arises a shortage of parking spaces, the Association may allocate or assign parking spaces from time to time on an equitable basis.

Section 8. 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 9. No signs or other advertising devices shall be displayed which are visible from the exterior of an apartment or on the common elements, including "For Sale" signs, without written permission from the Association and the Developer.

Section 10. Reasonable regulations consistent with the Act, the Master Deed and these Bylaws, concerning the use of the 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 1, Section 6 of these Bylaws. All copies of such regulation or amendment thereto shall be furnished to all co-owners and shall become effective thirty (30) days after mailing or delivery thereof to the designated voting representative of each co-owner. Any such regulation or amendment may be revoked at any time by the affirmative vote of more than fifty (50%) percent of all co-owners in number and in value except that the co-owners may not revoke any regulations or amendment prior to said first annual meeting of the entire Association.

Section 11. The Association or its duly authorized agents shall have access to each apartment from time to time, during reasonable working hours, upon notice to the co-owner thereof, as may be necessary for the maintenance, repair or replacement of any of the common elements. The Association or its agents shall also have access to each apartment at all times without notice as may be necessary to make emergency repairs to prevent damage to the common elements or to another apartment. It shall be the responsibility of each co-owner to provide the Association means of access to his apartment 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 apartment caused thereby or for repair or replacement of any doors or windows damaged in gaining such access.

Section 12. No co-owner shall perform any landscaping or plant any trees, shrubs or flowers or place any ornamental materials upon the common elements, unless approved by the Association in writing.

Section 13. Each co-owner shall maintain his apartment 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 conducts and systems and any other elements in any apartment which are appurtenant to or which may affect any other apartment. 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 is excluded by virtue of a deductible amount). Any costs or damages to the Association may be assessed to and collected from the responsible co-owner in the manner provided in Article II hereof.

Section 14. 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 development and sales period as defined hereinafter, or of the Association in furtherance of its powers and purposes set forth herein and in its Articles of Association and Bylaws as the same may be amended from time to time. For the purpose of this Section, the development and sales period shall be deemed to continue so long as Developer owns any apartment which offers for sale. Until all apartments in the entire Condominium project are sold by Developer, Developer shall have the right to maintain a sales office, a business office, a construction office, model apartments, storage areas, reasonable parking incident to the foregoing and such access to all over the project as may be reasonable to enable development and sale of the entire project by Developer.

ARTICLE VII  
MORTGAGES

Section 1. Any co-owner who mortgages his apartment shall notify the Association of the name and address of the mortgage, and the Association shall maintain such information in a book entitled "Mortgages of Apartments." The Association may, at the written request of a mortgagee of any such apartment, report any unpaid assessments due from the co-owner of such apartment. The Association shall give to the holder of any first mortgage covering any unit in the project written notification of any default in the performance of the obligations of the co-owner of such apartment that is not cured within 30 days.

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

ARTICLE VIII  
AMENDMENTS

Section 1. Amendments to these Bylaws may be proposed by the Board of Directors of the Association acting upon the vote of the majority of the Directors or by one-third or more in number of the members or by instrument in writing signed by them.

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

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

Section 4. Prior to the first annual meeting of members, these Bylaws may be amended by the First Board of Directors upon proposal of amendments by Developer without approval from any person other than the Michigan Department of Commerce to make such amendments shall not increase or decrease the benefits or obligations, or materially affect the rights of any member of the Association.

Section 5. Any amendment to these Bylaws (but not the Association Bylaws) shall become effective upon approval of the same by the State of Michigan and, at least 30 days after giving written notice of the proposed amendment to the holder of any first mortgage covering any apartment in the project, recording of such amendment in the Office of the Register of Deeds in the county where the condominium is located.

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

ARTICLE IX  
COMPLIANCE

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

ARTICLE X  
DEFINITIONS

All terms used herein shall have the same meaning as set forth in the Master Deed to which these Bylaws are affected as an Exhibit or as set forth in the Act.

ARTICLE XI  
REMEDIES FOR DEFAULT

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

- a. Failure to comply with any of the terms or provisions of the Condominium Documents shall be grounds for relief, which may include without intending to limit the same, an action to recover sums due for damages, injunctive relief, foreclosure of lien (if default in payment of assessment) or any combination thereof, and such relief may be sought by the Association, or, if appropriate, by an aggrieved co-owner or co-owners.
- b. In any proceedings arising because of an alleged default by any co-owner, the Association, if successful, shall be entitled to recover the costs of the proceedings and such reasonable attorney's 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 attorney's fees.
- c. The violation of any of the provisions of the Condominium Documents shall also give the Association or its duly authorized agents the right. In addition to the right set forth above, to enter upon the common elements, limited or general, or into any apartment, 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.

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

Section 3. All rights, remedies, and privileges granted to the Association or any co-owner or co-owners pursuant to any items, provisions, covenants, or conditions of the aforesaid Condominium Documents shall be deemed to be cumulative and the exercise of any one or more shall not be deemed to constitute an election of remedies, nor shall it preclude the party thus exercising the same from exercising such other and additional rights, remedies or privileges as may be available to such party at law or in equity.

## ARTICLE XII

### SEVERABILITY

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