

PURCHASER INFORMATION BOOKLET

A CONDOMINIUM PROJECT IN ANN ARBOR, MICHIGAN

Barclay Development Company 2025 W. Long Lake Road Troy, MI 48098 (248) 641-3900

BARCLAY PARK

ANN ARBOR, MICHIGAN

Dear Purchaser:

Welcome to Barclay Park. The booklet includes the documents required by Michigan law for the formation of a Condominium. It will serve as a reference point for any questions you may have concerning the operation, maintenance and legal status of your Condominium Unit at Barclay Park.

Thank you for purchasing a Condominium Unit at Barclay Park.

Sincerely,

Lorne Zalesin Barclay Development Company

PURCHASER INFORMATION BOOKLET

FOR

BARCLAY PARK

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BARCLAY PARK

MASTER DEED

This Master Deed is made and executed on this 19th day of October, 1998, by Barclay Development Company, a Michigan Corporation, hereinafter referred to as "Developer", whose address is 2025 W. Long Lake Road, Suite 104, Troy, Michigan 48098, in pursuance of the provisions of the Michigan Condominium Act (being Act 59 of the Public Acts of 1978, as amended), hereinafter referred to as the "Act".

WITNESSETH:

WHEREAS, the Developer desires by recording this Master Deed, together with the 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 residential Condominium under the provisions of the Act.

NOW, THEREFORE, the Developer does, upon the recording hereof, establish Barclay Park as a Condominium under the Act and does declare that Barclay Park (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 matter utilized, subject to the provisions of the Act, and as same may be amended, 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 owning an interest in the Condominium Premises, their grantees, successors, heirs, personal representatives and assigns. In furtherance of the establishment of the Condominium, it is provided as follows:

Washtenaw County 1 reasurer

Tax Certificate No. 6619 SW

MASTER DEED

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ARTICLE I

TITLE AND NATURE

The Condominium shall be known as Barclay Park, Washtenaw County Condominium Subdivision Plan No. 305. The architectural plans and specifications for each Unit constructed or to be constructed in the Condominium have been or will be filed with the City of Ann Arbor, Washtenaw County, Michigan. The Condominium is established in accordance with the Act. The buildings and Units contained in the Condominium, including the number, boundaries, dimensions, volume and area of each Unit therein, and the approximate location of Units not yet constructed, and the designation of Common Elements as General Common Elements or Limited Common Elements are set forth completely in the Condominium Subdivision Plan attached as Exhibit "B" hereto and/or in Article IV of this Master Deed. Each building contains individual Units created 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. Each Co-owner in the Condominium shall have an exclusive right to his Unit and shall have an undivided and inseparable interest with the other Co-owners in the Common Elements of the Condominium and shall share with the other Co-owners the Common Elements of the Condominium as provided in this Master Deed. The provisions of this Master Deed, including, but without limitation, the purposes of the Condominium, shall not be construed to give rise to any warranty or representation, express or implied, as to the composition or physical condition of the Condominium, other than that which is expressly provided herein.

ARTICLE II

LEGAL DESCRIPTION

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

Commencing at the S 1/4 corner of Section 10, T2S, R6E, City of Ann Arbor, Washtenaw County, Michigan, thence N 89°56'13" E 1316.52 feet along the south line of said Section 10, thence N 00°11'20" W 661.18 feet along the centerline of Nixon Road (66.00 feet wide), and along the west line of the E ½ of the S.E. 1/4 of said Section 10 to the POINT OF BEGINNING, thence N 00°11'20" W 366.10 feet along the centerline of said Nixon Road and along the west line of the E ½ of the S.E. 1/4 of said Section 10; thence N 89°48'40" E 181.06 feet; thence S 79°37'49" E 250.00 feet; thence N 85°40'18" E 265.00 feet; thence S 84°02'35" E 247.14 feet;

thence N 81°39'12" E 140.00 feet; thence S 05°53'43" E 178.22 feet; thence S 50°33'38" E 23.66 feet; thence N 89°55'10" E 173.53 feet; thence S 00°04'50" E 142.50 feet; thence S 89°55'10" W 30.00 feet; thence N 00°04'50" W 112.50 feet; thence N 89°55'10" W 154.31 feet; thence N 50°33'38" W 4.08 feet; thence S 05°53'43" E 115.69 feet; thence S 89°55'10" W 1108.90 feet to the POINT OF BEGINNING, being a part of the E 1/2 of the S.E. 1/4 of Section 10, T2S, R6E, City of Ann Arbor, Washtenaw County, Michigan, containing 8.69 acres of land more or less, being subject to the rights of the public and any governmental unit over the westerly 33.00 feet and any other portion of the subject property used as Nixon Road, subject to all other lawful easements, restrictions, and right-of-ways of record and all governmental limitations.

09-10-400-001

ARTICLE III

DEFINITIONS

Certain terms are utilized not only in this Master Deed and Exhibits "A" and "B" hereto, but are or may be used in various other instruments such as, by way of example and not limitation, the Articles of Incorporation and rules and regulations of Barclay Park Association, a Michigan Nonprofit Corporation, and deeds, mortgages, liens, land contracts, easements and other instruments affecting the establishment of, or transfer of, interests in Barclay Park as a condominium. Wherever used in such documents or any other pertinent instruments, the terms set forth below shall be defined as follows:

Section 1. Act. "Act" means the Michigan Condominium Act, being Act 59 of the Public Acts of 1978, as amended.

Section 2. <u>Arbitration Association</u>. "Arbitration Association" means the American Arbitration Association or its successor.

Section 3. <u>Association</u>. "Association" means Barclay Park Association, which is the nonprofit 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.

Section 4. <u>Board of Directors or Board</u>. "Board of Directors" or "Board" means the Board of Directors of Barclay Park Association, a Michigan nonprofit corporation organized to manage, maintain and administer the Condominium.

- Section 5. <u>Bylaws</u>. "Bylaws" means Exhibit "A" hereto, being the Bylaws 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. The Bylaws shall also constitute the Corporate Bylaws of the Association as provided for under the Michigan Nonprofit Corporation Act.
- Section 6. <u>Common Elements</u>. "Common Elements", where used without modification, means both the General and Limited Common Elements, if any, described in Article IV hereof.
- Section 7. <u>Condominium Documents</u>. "Condominium Documents" wherever used means and includes this Master Deed and Exhibits "A" and "B" hereto, and the Articles of Incorporation, Bylaws and rules and regulations, if any, of the Association as all of the same may be amended from time to time.
- Section 8. <u>Condominium Premises</u>. "Condominium Premises" means and includes the land described in Article II above, and the buildings, improvements and structures thereon, and all easements, rights and appurtenances belonging to Barclay Park as described above.
- Section 9. <u>Condominium Project, Condominium or Project.</u> "Condominium Project", "Condominium" or "Project" means Barclay Park as a Condominium established in conformity with the provisions of the Act.
- Section 10. <u>Condominium Subdivision Plan</u>. "Condominium Subdivision Plan" means Exhibit "B" hereto.
- Section 11. <u>Construction and Sales Period</u>. "Construction and Sales Period" means 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 or for so long as the Developer continues to construct or proposes to construct additional Units in the Condominium, together with any applicable warranty period in regard to such Units.
- Section 12. <u>Co-owner</u>. "Co-owner" means a person, firm, corporation, partnership, limited liability company, limited liability partnership, association, trust or other legal entity or any combination thereof who or which own one or more Units in the Condominium, and shall include a land contract vendee. The term "Owner", wherever used, shall be synonymous with the term "Co-owner".
- Section 13. <u>Developer</u>. "Developer" means Barclay Development Company, a Michigan Corporation, which has made and executed this Master Deed, and its successors and assigns. Both successors and assigns shall always be deemed to be included within the term "Developer" whenever, however, and wherever such term is used in the Condominium Documents.

Section 14. First Annual Meeting. "First Annual Meeting" means the initial meeting at which non-Developer Co-owners are permitted to vote for the election of all directors and upon all other matters which may properly be brought before the meeting. Such meeting is to be held: (a) in the Developer's sole discretion after fifty (50%) percent of the Units which may be created are sold, or (b) mandatorily after the elapse of fifty-four (54) months from the date of the first Unit conveyance, or (c) mandatorily after seventy-five (75%) percent of all Units which may be created are sold, whichever first occurs.

Section 15. <u>Transitional Control Date</u>. "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.

Section 16. <u>Unit or Condominium Unit</u>. "Unit" or "Condominium Unit" each mean the enclosed space constituting a single complete residential Unit in Barclay Park as such space may be described in Exhibit "B" hereto and in Article V, Section 1 below, and shall have the same meaning as the term "Condominium Unit" as defined in the Act.

Other terms which may be utilized in the Condominium Documents and which are not defined hereinabove shall have the meanings as provided in the Act.

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

ARTICLE IV

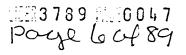
COMMON ELEMENTS

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

Section 1. General Common Elements. The General Common Elements are:

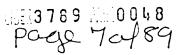
(a) <u>Land</u>. The land described in Article II hereof, including the roadway and drives, sidewalks, parking spaces not identified as Limited Common Elements and other common areas, when included as a part of the

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Condominium (subject to the rights of the public, if any, over any portions of rights-of-way). Notwithstanding the foregoing, the Association may, in its discretion, assign General Common Element parking spaces, if any, to individual Co-owners on an equitable basis as may be determined by the Board of Directors, subject to the provisions of Article VI, Section 8 of the Bylaws (Exhibit "A" hereto). Further, the Developer may, in its discretion, assign General Common element parking spaces to individual Co-owners on an equitable basis as may be determined by the Developer at any time during the Construction and Sales Period, which assignment shall supersede any assignment by the Association to the extent there is a conflict.

- (b) Clubhouse, Village Square Fountain, Sport Court, and Entryway. The clubhouse, Village Square Fountain, sport court and entryway located within the Condominium.
- (c) <u>Electrical</u>. The electrical transmission system throughout the Condominium, including that contained within Unit walls, up to the point of connection with, but not including, electrical fixtures, plugs and switches within any Unit.
- (d) <u>Telephone</u>. The telephone system throughout the Condominium up to the point of entry to each Unit.
- (e) <u>Gas.</u> The gas distribution system throughout the Condominium, including that contained within Unit walls, up to the point of connection with gas fixtures within any Unit.
- (f) Water Distribution System. The water pressure booster station and the water distribution system throughout the Condominium including that contained within Unit walls, up to the point of connection with the fixtures or their apparatuses (i.e. hoses, etc.) for and contained in an individual Unit.
- (g) <u>Sanitary Sewer</u>. The sanitary sewer system throughout the Condominium, including that contained within Unit walls, up to the point of connection with plumbing fixtures within any Unit.
- (h) <u>Telecommunications</u>. The telecommunications system, if and when it may be installed, up to, but not including, connections to provide service to individual Units.

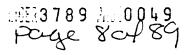


- (i) <u>Underground Lawn Irrigation System</u>. The underground lawn irrigation system throughout the Condominium.
- (j) <u>Site Lighting</u>. Any lights designed to provide illumination for the Condominium Premises as a whole.
- (k) <u>Storm Water Management System and Detention Area and Aerator</u>. The storm water management system throughout the Project including, without limitation, the detention area and aerator as depicted on Exhibit "B".
- (I) <u>Fire Suppression System</u>. The fire suppression system located in the Units, including, without limitation, pipes, fixtures and valves, throughout the Condominium.
- (m) <u>Foundations and Structural Components</u>. Foundations, supporting columns, Unit perimeter walls (excluding windows therein, but including doors), roofs, ceilings, and floor construction between Unit levels.
- (n) Other. Such other elements of the Condominium 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 Condominium.

Some or all of the utility lines, systems (including mains and service leads) and equipment, the cable television system, and the telecommunications system, if and when constructed, described above may be owned by the local public authority or by the company that is providing the pertinent service. Accordingly, such utility lines, systems and equipment, and the cable television and telecommunications systems, if and when constructed, shall be General Common Elements only to the extent of the Co-owners' interest therein, if any, and Developer makes no warranty whatsoever with respect to the nature or extent of such interest, if any.

Section 2. <u>Limited Common Elements</u>. The Limited Common Elements shall be subject to the exclusive use and enjoyment of the Co-owner or Co-owners of the Unit or Units to which the Limited Common Elements are appurtenant. The Limited Common Elements are as follows:

(a) <u>Porches, Concrete Steps and Walkways</u>. Each individual porch, and the concrete steps and walkways extending out from the Limited Common



Element porches attached to the Units in the Condominium shall be limited in use to the Co-owner(s) of the Unit(s) to which the porch(es), concrete steps and walkways are appurtenant, as depicted on Exhibit "B" hereto.

- (b) <u>Balconies and Terraces</u>. Each balcony and each terrace in the Condominium is restricted in use to the Co-owner of the Unit which opens onto said balcony or terrace as shown on Exhibit "B" hereto.
- (c) <u>Decks</u>. Each deck in the Condominium is restricted in use to the Coowner of the Unit which opens onto said deck as shown on Exhibit "B" hereto.
- (d) <u>Patios</u>. Each patio in the Condominium is restricted in use to the Coowner of the Unit which opens onto such patio as shown on Exhibit "B" hereto.
- (e) Garage Doors and Openers. The garage door, garage door mechanism, and electric garage door opener for each garage having the same shall be limited in use to the Co-owner of the Unit to which such garage is appurtenant.
- (f) <u>Exterior Lights</u>. The exterior light attached to each garage and the exterior light above each porch are limited in use to the Co-owner of the Unit to which said exterior lights and garage are appurtenant.
- (g) <u>Air Conditioner Compressors</u>. Each air conditioner compressor, if any, located outside any building shall be limited in use to the Co-owner of the Unit which such compressor services.
- (h) Gas Fireplaces, Venting and Combustion Chamber. The gas fireplace located in a Unit, if any, the venting system, and the fireplace combustion chamber shall be limited in use to the Co-owner of the Unit in which the gas fireplace is located.
- (i) <u>Sump Pumps and Sanitary Crocks</u>. Each sump pump and sanitary crock, if any, shall be limited in use to the Co-owner of the Unit which such sump pump and sanitary crock services.
- (j) <u>Unit Windows and Skylights</u>. Unit windows and skylights (if any), shall be limited in use to the Co-owners of Units which they service.

- (k) Interior Surfaces. The interior surfaces of Unit perimeter walls (including the interior surfaces of the doors), ceilings and floors contained within a Unit shall be subject to the exclusive use and enjoyment of the Co-owner of such Unit.
- Section 3. <u>Responsibilities</u>. The respective responsibilities for the maintenance, decoration, repair and replacement of the Common Elements are as follows:
 - (a) <u>Balconies and Terraces</u>. The costs of maintenance and decoration (but not repair or replacement) of the balcony or terrace referenced in Article IV, Section 2(b) hereinabove shall be borne by the Co-owner of the Unit to which such Limited Common Element is appurtenant. The responsibility for repair and replacement of each balcony and each terrace shall be borne by the Association.
 - (b) Decks. The cost of maintenance, repair and replacement of the Limited Common Element deck described in Article IV, Section 2 (c) above shall be borne by the Co-owner of the Unit which opens onto such Limited Common Element deck; provided, however, that the Association shall be responsible for mowing any unenclosed and unobstructed deck area which consists mainly of lawn. The deck maintenance schedule, stain type and/or color, wood type and any other pertinent procedures and/or materials may be specified by regulations promulgated by the Board of Directors of the Association, pursuant to the provisions of Article VI, Section 11 of the Bylaws (Exhibit "A" hereto) which shall be subject to the written approval of the Developer during the Construction and Sales Period pursuant to the provisions of Article VI, Section 16 of the Bylaws.
 - (c) Garage Doors and Openers. The costs of maintenance, repair and replacement of each garage door and garage door mechanism referenced in Article IV, Section 2(e) hereinabove shall be borne by the Association. The costs of maintenance, repair and replacement of each electric garage door opener referenced in Article IV, Section 2(e) hereinabove shall be borne by the Co-owner of the Unit to which such Limited Common Elements are appurtenant.
 - (d) <u>Exterior Lights</u>. The costs of electricity, maintenance, repair, and replacement of the two (2) Limited Common Element exterior lights referenced in Article IV, Section 2(f) hereinabove shall be borne by the Co-owner of the appurtenant Unit and garage.



- (e) <u>Air Conditioner Compressors</u>. The costs of maintenance, repair and replacement of each air conditioner compressor referenced in Article IV, Section 2(g) hereinabove shall be borne by the Co-owner of the Unit to which such air conditioner compressor is appurtenant.
- (f) Gas Fireplaces, Venting and Combustion Chamber. The costs of maintenance, repair and replacement of the gas fireplace located within a Unit, if any, the venting system, and the fireplace combustion chamber in any Unit referenced in Article IV, Section 2(h) hereinabove shall be borne by the Co-owner of such Unit. Any maintenance, repair or replacement to said venting system must receive the prior written approval of the Association to ensure the safety of the structures and residents of the Condominium.
- (g) <u>Sump Pumps and Sanitary Crocks</u>. The costs of maintenance, repair and replacement of each sump pump and sanitary crock, if any, referenced in Article IV, Section 2(i) hereinabove shall be borne by the Co-owner of the Unit to which such Limited Common Elements are appurtenant.
- (h) Unit Windows and Skylights. The costs of maintenance, repair and replacement of all Unit windows and skylights (if any), referenced in Article IV, Section 2(j) hereinabove shall be borne by the Co-owner of the Unit to which such Limited Common Elements are appurtenant. The style and color of each window and skylight (if any) described herein shall be subject to the prior express written approval of the Board of Directors of the Association, pursuant to the provisions of Article VI, Section 3 of the Bylaws (Exhibit "A" hereto) and subject to the written approval of the Developer during the Construction and Sales Period pursuant to the provisions of Article VI, Section 16 of the Bylaws.
- (i) Interior Surfaces. The costs of decoration and maintenance (but not repair or replacement except in cases of Co-owner fault) of all surfaces referenced in Article IV, Section 2(k) hereinabove shall be borne by the Co-owner of each Unit to which such Limited Common Elements are appurtenant. Notwithstanding anything herein to the contrary, the costs of repair and replacement of any drywall damaged from the inside of the Unit shall be borne by the Co-owner of the Unit.
- (j) <u>Fire Suppression System</u>. The costs of maintenance, repair and replacement of the fire suppression system referenced in Article IV, Section 1(i) shall be borne by the Association. Co-owners shall grant the Association access necessary to inspect same, including, without

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limitation, pipes, fixtures and valves, and to perform its responsibilities of maintenance, repair and replacement thereon, as provided in the Bylaws attached hereto as Exhibit "A".

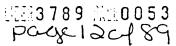
- (k) <u>Lawn Care Chemicals and Fertilizers</u>. Any utilization of lawn care chemicals and fertilizers shall be performed in such a manner so as to minimize impacts on the creeks and wetlands.
- (I) Storm Water Management System and Detention Area and Aerator. The costs of inspection, maintenance, repair and replacement of the storm water management system and the detention area and aerator referenced in Section 1 (k) hereinabove shall be borne by the Association.
- (m) Other Common Elements. The costs of maintenance, repair and replacement of all General and Limited Common Elements other than as described above shall be borne by the Association, subject to any provisions of the Bylaws (Exhibit "A" hereto) expressly to the contrary.
- (n) <u>Public Utilities</u>. Public utilities furnishing services such as electricity and telephone to the Condominium shall have access to the Common Elements and Condominium Units as may be reasonable for the reconstruction, repair or maintenance of such services, and any costs incurred in opening and repairing any wall of the Condominium to reconstruct, repair or maintain such service shall be borne by the individual Co-owners and/or by the Association, as the case may be, as set forth in the provisions of this Article IV, Section 3.

Section 4. <u>Use of Units and Common Elements</u>. No Co-owner shall use his Unit or the Common Elements in any manner inconsistent with the purposes of the Condominium or in any manner which will interfere with or impair the rights of any other Co-owner in the use and enjoyment of his Unit or the Common Elements.

ARTICLE V

UNIT DESCRIPTION AND PERCENTAGE OF VALUE

Section 1. <u>Description of Units</u>. Each Unit in the Condominium is described in this Section with reference to the Condominium Subdivision Plan of Barclay Park as surveyed by



Midwestern Consulting and which Plan is attached hereto as Exhibit "B". Each Unit shall include:

- (1) with respect to each Unit with a slab, all that space contained within the unfinished surface of the concrete slab and the interior finished unpainted walls and ceilings of the first floor;
- (2) with respect to each Unit with a crawl space, all that space contained within the interior surfaces of the crawl space floor and walls and the uncovered underside of the first-floor joists;
- (3) with respect to the lower levels of Units, all that space contained within the interior finished unpainted walls and ceilings and from the finished sub-floor (including the finished unpainted walls and ceilings and finished floor of the garages), and the interior stairwells;
- (4) with respect to the upper floors of Units, all that space contained within the interior finished unpainted walls and ceiling from the finished subfloor, and the interior stairwells: and
- (5) with respect to each Unit with an attic area, all that space contained within the wood trusses of the attic area;

all as shown on the floor plans and sections in Exhibit "B" hereto and delineated with heavy outlines. Each Unit which has a fireplace shall include the fireplace enclosure within the boundaries of a Unit. Notwithstanding anything hereinabove to the contrary, although within the boundaries of a Unit for purposes of computation of square footage in the Condominium Subdivision Plan, the Co-owner of a Unit shall not own or tamper with any structural components contributing to the support of the building in which such Unit is located, including but not limited to support columns, nor any pipes, wires, conduits, ducts, flues, shafts or public utility lines situated within such Unit which service the Common Elements or a Unit or Units in addition to the Unit where located. Easements for the existence, maintenance and repair of all such structural components shall exist for the benefit of the Association.

Section 2. Percentages of Value. The percentage of value assigned to each Unit was computed based upon the average square footages of the buildings, inclusive of the garages contained therein, exclusive of fireplaces and exclusive of the crawl spaces, with the resultant percentages reasonably adjusted to total precisely one hundred percent (100%). The percentage of value assigned to each Unit shall be determinative of each Co-owner's undivided interest in the Common Elements, the proportionate share of each respective Co-owner in the proceeds and expenses of administration and the value of such Co-owner's vote at meetings of the Association of Co-owners. Set forth below are:

- (1) Each Unit number as it appears on the Condominium Subdivision Plan.
- (2) The percentage of value assigned to each Unit.

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UNIT NO. ASSIGNED	% OF VALUE	UNIT NO. ASSIGNED	% OF VALUE	UNIT NO. ASSIGNED	% OF VALUE
1	.986	28	1.506	55	1.122
2	1.506	29	.986	56	1.225
3	.986	30	1.506	57	1.122
4	1.506	31	.986	58	1.225
5	.986	32	1.506	59	1.122
6	1.506	33	.986	60	1.225 ·
7	.986	34	1.506	61	1.122
8	1.506	35	.986	62	1.225
9	.986	36	1.506	63	1.122
10	1.506	37	.986	64	1.225
11	.986	38	1.506	65	1.122
12	1.506	39	.986	66	1.225
13	.986	40	1.506	67	1.122
14	1.506	41	1.801	68	1.225
15	.986	42	1.801	69	1.122
16	1.506	43	1.801	70	1.225
17	.986	44	1.801	71	1.122
18	1.506	45	1.801	72	1.225
19	.986	46	1.801	73	1.122
20	1.506	47	1.122	74	1.225
21	.986	48	1.225	75	1.122
22	1.506	49	1.122	76	1.225
23	.986	50	1.225	77	1.122
24	1.506	51	1.122	78	1.225
25	.986	52	1.225	79	1.801
26	1.506	53	1.122	TOTAL:	100.00
27	.986	54	1.225		

Section 3. <u>Modification of Units and Common Elements by Developer</u>. The size, location, nature, design or elevation of Units and/or General or Limited Common Elements

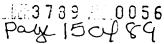
appurtenant or geographically proximate to any Units described in Exhibit "B", as same may be revised or amended from time to time, may be modified, in Developer's sole discretion, by amendment to this Master Deed effected solely by the Developer and its successors without the consent of any person so long as such modifications do not unreasonably impair or diminish the appearance of the Condominium or the privacy or other significant attribute or amenity of any Unit which adjoins or is proximate to the modified Unit or Limited Common Element. All of the Co-owners and mortgagees of Units and other persons interested or to become interested in the Condominium from time to time shall be deemed to have unanimously consented to such amendment or amendments to this Master Deed to effectuate the foregoing. All such interested persons irrevocably appoint Developer or its successors and assigns as agent and attorney for the purpose of execution of such amendment or amendments to the Master Deed and all other documents necessary to effectuate the foregoing.

Section 4. Relocation of Boundaries of Adjoining Units by Co-owners. Boundaries between adjoining Condominium Units may be relocated at the request of the Co-owners of such adjoining Condominium Units and upon approval of the affected mortgagees of these Units. Upon written application of the Co-owners of the adjoining Condominium Units, and upon the approval of said affected mortgagees, the Board of Directors of the Association shall forthwith prepare and execute an amendment to the Master Deed duly relocating the boundaries pursuant to the Condominium Documents and the Act. Such an amendment to the Master Deed shall identify the Condominium Units involved and shall state that the boundaries between those Condominium Units are being relocated by agreement of the Co-owners thereof and such amendment shall contain the conveyance between those Co-owners. All of the Co-owners and mortgagees of Units and other persons interested or to become interested in the Condominium from time to time shall be deemed to have irrevocably and unanimously consented to such amendment of this Master Deed to effectuate the foregoing. All such interested persons irrevocably appoint the Association, through its Board of Directors, as agent and attorney for the purpose of execution of such amendment to the Master Deed and all other documents necessary to effectuate the foregoing. amendment may be effected without the necessity of re-recording an entire Master Deed or the Exhibits thereto and may incorporate by reference all or any pertinent portions of this Master Deed and the Exhibits hereto. The amendment shall be delivered to the Co-owners of the Condominium Units involved upon payment by them of all reasonable costs for the preparation and recording thereof.

<u>ARTICLE VI</u>

EXPANSION OF CONDOMINIUM

Section 1. <u>Area of Future Development</u>. The Condominium Project established pursuant to the initial Master Deed of Barclay Park and consisting of seventy-nine (79) Units is intended to be the first phase of an expandable Condominium under the Act to contain units in its entirety two hundred eighty-three (283) Units. Additional Units, if any, will be constructed upon all or some portion or portions of the following described land:



Commencing at the S 1/4 corner of Section 10, T2S, R6E, City of Ann Arbor, Washtenaw County, Michigan, thence N 89°56'13" E 1316.52 feet along the South line of said Section 10, thence N 00°11'20" W 1027.27 feet along the centerline of Nixon Road (66.00 feet wide) and along the West line of the E 1/2 of the SE 1/4 of said Section 10 to the POINT OF BEGINNING, thence N 00°11'20" W 290.34 feet along the centerline of Nixon Road (66.00 feet wide) and along the west line of E 1/2 of the SE 1/4 of said Section 10; thence N 89°29'37" E 1319.16 feet along the North line of the N ½ of the SE 1/4 of the SE 1/4 of said Section 10; thence S 89°44'53" E 829.34 feet along the North line of the N ½ of the SW 1/4 of the SW 1/4 of Section 11, T2S, R6E, City of Ann Arbor, Washtenaw County, Michigan; thence S 00°00'00" E 294.21 feet; thence S 51°29'37" W 89.98 feet; thence S 38°30'23" E 20.94 feet; thence N 51°56'51" E 83.52 feet; thence Southeasterly 51.47 feet along the arc of a circular curve to the right, radius 44.87 feet, central angle 65°43'53", long chord S 85°19'04" E 48.69 feet; thence S 52°27'08" E 37.51 feet; thence S 26°06'40" E 92.82 feet; thence S 51°29'37" W 176.15 feet; thence N 90°00'00" W 155.43 feet; thence S 00°00'00" E 133.03 feet; thence N 89°36'10" W 662.48 feet; thence N 00°04'50" E 0.85 feet; thence S 89°55'10" W 33.44 feet; thence N. 00°04'50" W 142.50 feet; thence S 89°55'10" W 173.53 feet; thence N 50°33'38" W 23.66 feet; thence N 05°53'43" W 178.22 feet; thence S 81°39'12" W 140.00 feet; thence N 84°02'35" W 247.14 feet; thence S 85°40'18" W 265.00 feet; thence N 79°37'49" W 250.00 feet; thence S 89°48'40" W 181.06 feet to the POINT OF BEGINNING. Together with the following parcel of land, described as follows: Commencing at the S 1/4 corner of Section 10, T2S, R6E, City of Ann Arbor, Washtenaw County, Michigan, thence N 89°56'13" E 1316.52 feet along the South line of said Section 10, thence N 00°11'20" W 661.18 feet along the centerline of Nixon Road (66 feet wide), and along the west line of the E ½ of the SE 1/4 of said Section 10; thence N 89°55'10" E 1248.02 feet to the POINT OF BEGINNING; thence N 05°53'43" W 115.69 feet; thence S 50°33'38" E 4.08 feet; thence N 89°55'10" E 154.31 feet; thence S 00°04'50" E 112.50 feet; thence S 89°55'10" W 145.74 feet to the POINT OF BEGINNING. Being a part of the E ½ of the SE 1/4 of said Section 10, T2S, R6E, and a part of the W ½ of the SW 1/4 of said Section 11, T2S, R6E, City of Ann Arbor, Washtenaw County, Michigan, containing 23.89 acres of land more or less, being subject to the rights of the public and any governmental unit over the westerly 33.00 feet and any other portion of the subject property used as Nixon Road, subject to all other lawful easements, restrictions, and right-of-ways of record and all governmental limitations, and subject to rights, if any, of the State of Michigan, as to any part of the subject property, lying in the bed of bodies of water located on the subject property, as disclosed by the Washtenaw County Equalization Department Airflight Maps, and of the riparian owners and the public to use the surface, subsurface of said bodies of water, for purposes of navigation and recreation.

(hereinafter referred to as "Area of Future Development").

Section 2. Increase in Number of Units. Any other provisions of this Master Deed notwithstanding, the number of Units in the Condominium may, at the option of the Developer or its successors or assigns, from time to time, within a period ending no later than six (6) years from the date of recording this Master Deed, be increased by the addition to this Condominium of any portion of the Area of Future Development and the construction of residential Units thereon. This period may be extended with the prior approval of sixty-six and two-thirds (66-2/3%) of all Co-owners eligible to vote. The location, nature, appearance, design (interior and exterior) and structural components of all such additional Units as may be constructed thereon shall be determined by the Developer in its sole discretion. The percentage of land to be devoted to additional residential Units will be the maximum permitted

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by the City Ann Arbor. One hundred percent (100%) of all additional Unit areas will be devoted to residential use.

Section 3. Expansion Not Mandatory. Nothing herein contained shall in any way obligate Developer to enlarge the Condominium beyond the phase established by this Master Deed and Developer (or its successors and assigns) may, in its discretion, establish all or a portion of said Area of Future Development as a rental development, a separate Condominium Project (or Projects), or any other form of development, or retain same as raw land. There are no restrictions on the election of the Developer to expand the Condominium other than as explicitly set forth herein. There is no obligation on the part of the Developer to add to the Condominium all or any portion of the Area of Future Development described in this Article VI nor is there any obligation to add portions thereof in any particular order nor to construct particular improvements thereon in any specific locations.

ARTICLE VII

CONTRACTION OF CONDOMINIUM

Section 1. Contractible Area. Although the Condominium established pursuant to this Master Deed of Barclay Park consists of seventy-nine (79) Units, the Developer hereby reserves the right to contract the size of the Condominium so as to contain ten (10) Units or more, by withdrawing Units 11-79 from the Condominium (labeled "need not be built" on the Condominium Subdivision Plan attached hereto as Exhibit "B" and hereinafter referred to as "Contractible Area"). Developer reserves the right to use a portion of the land so withdrawn to establish, in its sole discretion, a rental development, a separate condominium project (or projects), any other form of development, or retain same as raw land. Developer further reserves the right, subsequent to such withdrawal by prior to six (6) years from the date of recording this Master Deed, to expand the Project so reduced to include all or any portion of the land so withdrawn.

Section 2. <u>Decrease in Number of Units</u>. Any other provisions of this Master Deed to the contrary notwithstanding, the number of Units in this Condominium Project may, at the option of the Developer or its successors or assigns, from time to time, within a period no later than six (6) years from the date of recording this Master Deed, be reduced to no less than ten (10) Units by withdrawing any portion, or all, of the Contractible Area from the Condominium. This period may be extended with the prior approval of sixty-six and two-thirds percent (66-2/3%) of all Co-owners in number and in value who are eligible to vote. There are no restrictions on the election of the Developer to contract the size of the Condominium other than as explicitly set forth herein. There is no obligation on the part of the Developer to withdraw portions of the Contractible Area from the Condominium in any particular order.

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ARTICLE VIII

CONVERTIBLE AREA

Section 1. <u>Convertible Area</u>. The Developer intends to construct the Units in the Condominium as indicated on the Condominium Subdivision Plan (Exhibit "B" hereto). However, the Developer hereby reserves the right to convert the General Common Element areas immediately adjacent to the Units and/or immediately adjacent to the Limited Common Elements as the need arises in order to make reasonable changes to Unit types and sizes, Limited Common Element sizes, and to increase or decrease the immediately adjacent common area sizes accordingly. The Developer further hereby reserves the right to create additional Limited Common Elements within any portion of the Condominium and/or to designate those Common Elements therein which may be subsequently assigned as Limited Common Elements.

Section 2. <u>Time Period in Which to Exercise Option to Convert</u>. The Developer's option to convert certain areas of the Condominium as provided in Section 1 above shall expire six (6) years from the date of recording of this Master Deed and may be exercised at one time or at different times within said six (6) year period as the Developer, in its sole discretion, may elect. This period may be extended with the prior approval of sixty-six and two-thirds (66-2/3%) of all Co-owners eligible to vote.

Section 3. No Additional Units to be Created in Convertible Area. No additional Units shall be added to the Condominium as a result of the exercise of the Developer's option to convert the Condominium reserved in Section 1 above, since the Developer's right to convert the Condominium is limited solely to the right to reasonably alter types, sizes, and boundaries of the Units and the common areas and/or to create additional Common Elements as provided in Section 1 above.

ARTICLE IX

OPERATIVE PROVISIONS

Any expansion, contraction or conversion in the Project pursuant to Articles VI, VII, or VIII above shall be governed by the provisions as set forth below:

Section 1. Amendment of Master Deed and Modification of Percentages of Value. Such expansion, contraction or conversion of this Condominium Project shall be given effect by an appropriate amendment or amendments to this Master Deed in the manner provided by law, which amendment or amendments shall be prepared by and at the discretion of the Developer or its successors and assigns and in which the percentages of value set forth in Article V hereof shall be proportionately readjusted in order to preserve a total value of one hundred percent (100%) for the entire Condominium resulting from such amendment or

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amendments to this Master Deed. The precise determination of the readjustment in the percentages of value shall be made within the sole judgment of Developer. Such readjustments, however, shall reflect a continuing reasonable relationship among percentages of value based upon the method of original determination of percentages of value for the Condominium.

Section 2. Redefinition of Common Elements. Such amendment or amendments to the Master Deed shall also contain such further definitions and redefinitions of General or Limited Common Elements as may be necessary to adequately describe, serve and provide access to the additional parcel or parcels being added, withdrawn or converted in Barclay Park by such amendment pursuant to Articles VI, VII, or VIII above. In connection with any such amendment(s), Developer shall have the right to change the nature of any Common Element previously included in the Condominium for any purpose reasonably necessary to achieve the purposes of said Articles, including, but not limited to, the connection of roadway(s) in the Condominium to any roadways that may be located on, or planned for the parcel or parcels of the Area of Future Development or the Contractible Area withdrawn from the Condominium, and to provide access to any Unit that is located on, or planned for said parcel or parcels of the Area of Future Development or the Contractible Area from the roadway(s) located in the Condominium.

Section 3. <u>Consolidating Master Deed</u>. A Consolidating Master Deed shall be recorded pursuant to the Act when the Condominium is finally concluded as determined by Developer in order to incorporate into one set of instruments all successive stages of development. The Consolidating Master Deed, when recorded, shall supersede the previously recorded Master Deed and all amendments thereto.

Section 4. Consent of Interested Persons. All of the Co-owners and mortgagees of Units and other persons interested or to become interested in the Condominium from time to time shall be deemed to have irrevocably and unanimously consented to such amendment or amendments to this Master Deed to effectuate the purposes of Articles VI, VII, or VIII above and to any proportionate reallocation of percentages of value of existing Units which Developer or its successors and assigns may determine necessary in conjunction with such amendment or amendments. All such interested persons irrevocably appoint Developer or its successors and assigns as agent and attorney for the purpose of execution of such amendment or amendments to the Master Deed and all other documents necessary to effectuate the foregoing. Such amendments may be effected without the necessity of rerecording the entire Master Deed or the Exhibits hereto and may incorporate by reference the entire Master Deed or the Exhibits hereto and any pertinent portions of this Master Deed and the Exhibits hereto.

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ARTICLE X

EASEMENTS

Section 1. <u>Easement for Maintenance of Encroachments and Utilities</u>. In the event any portion of a Unit or Common Element encroaches upon another Unit or Common Element due to shifting, settling or movement 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.

Section 2. Easement Retained by Developer Over Roads and Other Common Elements. Developer reserves for the benefit of itself, its successors and assigns, and all future owners of the land described in Article VI or any portion or portions thereof, including any land that may be withdrawn from time to time as reserved in Article VII above, an easement for the unrestricted use of all roads in the Condominium for the purpose of ingress and egress to and from all or any portion of the parcel described in Article VI or any portion or portions thereof, including any land withdrawn from the Condominium from time to time pursuant to Article VII hereinabove, and which lies outside the Condominium. All expenses of maintenance, repair, replacement and resurfacing of any road referred to in this Article X, Section 2 shall be shared by this Condominium and any developed portions of the land described in Article VI or any portion or portions thereof, including any land withdrawn from the Condominium from time to time as reserved in Article VII above, and whose closest means of access to a public road is over such road or roads. The Co-owners of this Condominium shall be responsible from time to time for payment of a proportionate share of said expenses, which share shall be determined by multiplying such expenses times a fraction, the numerator of which is the number of dwelling Units in this Condominium, and the denominator of which is comprised of the number of such Units plus all of the dwelling Units in any land described in Article VI or any portion or portions thereof, including any land that may be withdrawn from time to time as reserved in Article VII above, which lies outside this Condominium and whose closest means of access to a public road is over such road.

Section 3. Easement for Ingress and Egress Over Roadway and Sidewalks for the General Public. A non-exclusive easement to traverse the sidewalks and the roadway in the Condominium by pedestrians and vehicles for the purpose of ingress and egress to access the public park located adjacent to the easterly end of the Area of Future Development of this Condominium Project has been created in favor of the general public as depicted on Exhibit "B" hereto. The Association shall assume all rights and obligations of the Developer as Grantor under the Ingress and Egress Easement Over Barclay Way to Access City of Ann Arbor Park Lands upon recordation of said Easement.

Section 4. Reservation of Right to Dedicate Public Right-of Way Over Roadway or to Transfer Title. The Developer reserves the right at any time during the Construction and Sales Period, and the Association shall have the right thereafter, to dedicate to the public a right-ofway of such width as may be required by the local public authority over any or all of the roadway in Barclay Park shown as a General Common Element in the Condominium Subdivision Plan or to transfer title of the roadway to the local public authority. Any such rightof-way dedication or transfer of title may be made by the Developer or the Association, as the case may be, without the consent of any Co-owner, mortgagee or other person and shall be evidenced by an appropriate amendment to this Master Deed and to the Condominium Subdivision Plan hereto, recorded in the Washtenaw County Records. All of the Co-owners and mortgagees of Units and other persons interested or to become interested in the Condominium from time to time shall be deemed to have irrevocably and unanimously consented to such amendment or amendments of this Master Deed to effectuate the foregoing right-of-way dedication or transfer of title. This right of dedication and transfer of title in no way whatsoever obligates the Developer to construct or install the roadway in a manner suitable for acceptance of such dedication by the appropriate municipal authority.

Section 5. Easement Retained by Developer to Tap Into Utilities, Detention Area(s). and for Surface Drainage. Developer also hereby reserves for the benefit of itself, its successors and assigns, and all future owners of the land described in Article VI, including any land that may be withdrawn from time to time as reserved in Article VII above, or any portion or portions thereof, perpetual easements to utilize, tap, tie into, extend, and enlarge all utility mains located on the Condominium Premises, including, but not limited to, telephone, electric, water, gas, cable television, video text, broad band cable, satellite dish, earth antenna and other telecommunications systems, storm and sanitary sewer mains and detention area(s). In the event that the Developer, its successors and assigns, utilizes, taps, ties into, extends or enlarges any utilities located on the Condominium Premises, it shall be obligated to pay all of the expenses reasonably necessary to restore the Condominium Premises to their state immediately prior to such utilization, tapping, typing in, extension or enlargement. expenses of maintenance, upkeep, repair and replacement of the utility mains described in this Article X, Section 5 shall be shared by this Condominium and any developed portions of the land described in Article VI, including any land withdrawn from time to time as reserved in Article VII above, which are served by such utility mains. The Co-owners of this Condominium shall be responsible, from time to time, for payment of a proportionate share of said expenses, which share shall be determined by multiplying said expenses times a fraction, the numerator of which is the number of dwelling Units in this Condominium, and the denominator of which is comprised of the number of such Units plus all completed Units on the land described in Article VI, including any land withdrawn from time to time as reserved in Article VII above, which are serviced by such utility mains and detention area(s); provided, however, that the foregoing expenses are to be so paid and shared only if such expenses are not borne by a governmental agency or public utility; provided, further, that the expense sharing shall be applicable only to the utility mains and all expenses of maintenance, upkeep, repair and replacement of utility leads shall be borne by the Association to the extent such leads are located in the Condominium and by the owner or owners, or any association of owners, as the

case may be, of the land described in Article VI, including any land withdrawn from time to time as reserved in Article VII above, upon which are located the Units which such lead or leads service. Developer also hereby reserves for the benefit of itself, its successors and assigns, a perpetual easement to modify the landscaping and/or grade in any portion of the Condominium Premises in order to preserve and/or facilitate surface drainage in a portion or all of the land described in Article VI, including any land withdrawn from time to time as reserved in Article VII above. The Developer, its successors and assigns, shall bear all costs of such modifications. Any such modification to the landscaping and/or grade in the Condominium Premises under the provisions of this Article X, Section 5, shall not impair the surface drainage in this Condominium.

Section 6. Barclay Park Site Development Agreement. This Condominium is subject to special maintenance restrictions contained in the Barclay Park Site Development Agreement entered into between the Developer and the City of Ann Arbor, dated October 7, 1998, recorded in Liber 3779, Pages 0501-0506, Washtenaw County Records, as may be amended from time to time. Maintenance requirements are imposed by the Barclay Park Site Development Agreement upon the Association including, without limitation, with regard to lawn care chemicals and fertilizers, as is further described in Article IV, Section 3(k) hereinabove. The Association is also responsible for perpetual maintenance of the General Common Element storm water detention facilities depicted on Exhibit "B" hereto. Any proposed changes to the storm water detention facilities must be approved by the City of Ann Arbor Building Department. If there is a failure to properly maintain the inlet and detention areas, the City of Ann Arbor may serve notice on the Association requiring it to commence and complete the maintenance stated in the notice within the times set forth in the notice. The City may cause the work to be completed at the expense of the Association if the work is not completed within the time set forth in the notice. That portion of the cost of the maintenance work attributable to each condominium Unit shall be a lien on the property and may be collected as a single lot assessment as provided in the Ann Arbor City Ordinances.

Section 7. Reservation of Right to Grant Easements for Utilities. The Developer reserves the right at any time during the Construction and Sales Period, and the Association shall have the right thereafter, to grant easements for utilities over, under and across the Condominium to appropriate governmental agencies or public utility companies and to transfer title of the utilities to governmental agencies or to utility companies. Any such easement or transfer of title may be conveyed by the Developer without the consent of any Co-owner, mortgagee or other person and shall be evidenced by an appropriate amendment to this Master Deed and to Exhibit "B" hereto, recorded in the Washtenaw County Register of Deeds. All of the Co-owners and mortgagees of Units and other persons interested or to become interested in the Project from time to time shall be deemed to have irrevocably and unanimously consented to such amendments to this Master Deed as may be required to effectuate the foregoing grant of easement or transfer of title.

Section 8. <u>Grant of Easements by Association</u>. The Association, acting through its lawfully constituted Board of Directors (including any Board of Directors acting prior to the First

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Annual Meeting), shall be empowered and obligated to grant such easements, licenses, rights-of-entry and rights-of-way over, under, and across the Condominium Premises for utility purposes, access purposes or other lawful purposes as may be necessary for the benefit of the Condominium; subject, however, to the approval of the Developer so long as the Construction and Sales Period has not expired.

Section 9. Association and Developer Easements for Maintenance, Repair and Replacement. The Developer, the Association, and all public or private utilities shall have such easements over, under, across and through the Condominium Premises, including all Units and Common Elements, as may be necessary to fulfill any responsibilities of maintenance, repair, decoration, replacement or upkeep which they or any of them are required or permitted to perform under the Condominium Documents or by law or to respond to any emergency or common need of the Condominium. These easements include, without any implication of limitation, the right of the Association to obtain access during reasonable hours and upon reasonable notice to water meters, sprinkler controls and valves, fire suppression system components, and other Common Elements located within any Unit or its appurtenant Limited Common Elements. Neither the Developer nor the Association shall be liable to the owner of any Unit or any other person, in trespass or in any other form of action, for the exercise of rights pursuant to the provisions of this Section or any other provision of the Condominium Documents which grant such easements, rights of entry or other means of access. Failure of the Association (or the Developer) to take any such action shall not be deemed a waiver of the Association's (or the Developer's) right to take any such action at a future time. All costs incurred by the Association or the Developer in performing any responsibilities which are required, in the first instance to be borne by any Co-owner, shall be assessed against such Co-owner and shall be due and payable with his installment of the annual assessment next falling due; further, the lien for nonpayment shall attach as in all cases of annual assessments and such assessments may be enforced by the use of all means available to the Association under the Condominium Documents and by law for the collection of annual assessments including, without limitation, legal action and foreclosure of the lien securing payment as provided for in Article II of the Bylaws (Exhibit "A" hereto) and the Act.

Section 10. <u>Telecommunications Agreements</u>. The Association, acting through its duly constituted Board of Directors and subject to the Developer's approval during the Construction and Sales Period, shall have the power to grant such easements, licenses and other rights of entry, use and access and to enter into any contract or agreement, including wiring agreements, utility agreements, right-of-way agreements, access agreements and multi-Unit agreements and, to the extent allowed by law, contracts for sharing of any installation or periodic subscriber service fees as may be necessary, convenient or desirable to provide for telecommunications, videotext, broad band cable, satellite dish, antenna, multichannel multipoint distribution service and similar services (collectively "Telecommunications") to the Condominium or any Unit therein. Notwithstanding the foregoing, in no event shall the Board of Directors enter into any contract or agreement or grant any easement, license or right of entry or do any other act or thing which will violate any provision of any Federal, State or local law or ordinance. Any and all sums paid by any Telecommunications or any other company

or entity in connection with such service, including fees, if any, for the privilege of installing same, or sharing periodic subscriber service fees, shall be receipts affecting the administration of the Condominium within the meaning of the Act and shall be paid over to and shall be the property of the Developer during the Construction and Sales Period and, thereafter, the Association.

Section 11. <u>Sharing of Expenses</u>. For purposes of this Article X, the calculation of any fraction for the sharing of pertinent expenses according to the number of Units in this Condominium and the future owners of the land described in Article VI or any portion or portions thereof, including any land that may be withdrawn from time to time as reserved in Article VII above, shall include only those Units for which a certificate of occupancy has been issued by the City.

ARTICLE XI

AMENDMENT

This Master Deed and the Condominium Subdivision Plan (Exhibit "B" to said Master Deed) may be amended with the consent of sixty-six and two-thirds percent (66-2/3%) of all of the Co-owners in number and in value, except as hereinafter set forth:

Section 1. <u>Modification of Units or Common Elements</u>. No Unit dimension may be modified without the consent of the Co-owner or mortgagee of such Unit nor may the nature or extent of Limited Common Elements or the responsibility for maintenance, repair or replacement thereof be modified in any material way without the written consent of the Co-owner or mortgagee of any Unit to which the same are appurtenant.

Section 2. <u>Mortgagee Consent</u>. Whenever a proposed amendment would materially alter or change the rights of mortgagees generally, then such amendment shall require the approval of sixty-six and two-thirds percent (66-2/3%) of all mortgagees of record, allowing one (1) vote for each mortgage held.

Section 3. <u>By Developer.</u> Prior to one (1) year after expiration of the Construction and Sales Period described in Article III, Section 11 above, the Developer may, without the consent of any Co-owner or any other person, amend this Master Deed and the Condominium Subdivision Plan 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-owners or mortgagees in the Condominium, including, but not limited to, amendments for the purpose 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 and/or any other agency of the Federal government or of the State of Michigan.

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Section 4. Change in Percentage of Value. The value of the vote of any Co-owner and corresponding proportion of common expenses assessed against such Co-owner shall not be modified without the written consent of such Co-owner and his mortgagee nor shall the percentage of value assigned to any Unit be modified without like consent, except as provided in Article V, Section 7(c) of the Bylaws and except as provided in Article V, Article VI and Article VII hereof.

Section 5. <u>Termination</u>, <u>Vacation</u>, <u>Revocation and Abandonment</u>. The Condominium may not be terminated, vacated, revoked or abandoned without the written consent of the Developer (during the Construction and Sales Period) together with eighty percent (80%) of the non-Developer Co-owners, in number and in value, and as otherwise allowed by law.

Section 6. <u>Developer Approval</u>. During the Construction and Sales Period, Article V, Article VI, Article VII, Article IX, Article X and this Article XI 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. During the time period referenced in the preceding sentence, no other portion of this Master Deed, nor the Bylaws attached hereto as Exhibit "A", nor the Subdivision Plan attached hereto as Exhibit "B" may be amended in any manner so as to materially affect and/or impair the rights of the Developer, unless said amendment has received the prior written consent of the Developer. No easements created under the Condominium Documents may be modified or obligations with respect thereto varied without the consent of each owner benefitted thereby.

ARTICLE XII

ASSIGNMENT AND COMPLIANCE

Any or all of the rights and powers granted or reserved to the Developer in the Condominium Documents or by law, including the power to approve or disapprove any act, use or proposed action or any other matter or thing, may be assigned by the Developer to any other entity or to the Association. Any such assignment or transfer shall be made by appropriate instrument in writing duly recorded in the Office of the Washtenaw County Register of Deeds. In the event that any provision of this Master Deed conflicts with any provision of the Bylaws and Condominium Subdivision Plan, the provisions of the Master Deed shall govern.

WITNESSES:

BARCLAY DEVELOPMENT COMPANY,

A Michigan Corporation

M Katherine Michael

Lorne Zalesin, Vice President

Téresa McWilliams

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STATE OF MICHIGAN)
) ss
COUNTY OF OAKLAND)

On this $\cancel{\square^{\text{M}}}$ day of October, 1998, the foregoing Master Deed was acknowledged before me by Lorne Zalesin, Vice President of Barclay Development Company, a Michigan Corporation, on behalf of said Corporation.

M. Katherine Michael, Notary Public

Oakland County, Michigan

My Commission Expires: 11/6/99

Master Deed Drafted by:
When Recorded Return to:
ROBERT M. MEISNER, ESQ.
MEISNER & ASSOCIATES, P.C.
30200 Telegraph Road, Suite 467
Bingham Farms, Michigan 48025-4506
(248) 644-4433

RMM/MKM:server\BarclayPark\MasterDeed 10.19.98

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BARCLAY PARK

EXHIBIT "A"

BYLAWS

ARTICLE I

ASSOCIATION OF CO-OWNERS

Barclay Park, a residential Condominium located in the City of Ann Arbor. County of Washtenaw, State of Michigan, shall be administered by an Association of Co-owners which shall be a nonprofit corporation, hereinafter called the "Association", organized under the applicable laws of the State of Michigan, and responsible for the management, maintenance, operation and administration of the Common Elements. easements and affairs of the Condominium in accordance with the Master Deed, these Bylaws, the Articles of Incorporation, and duly adopted rules and regulations of the Association, and the laws of the State of Michigan. These Bylaws shall constitute both the Bylaws referred to in the Master Deed and required by Section 3(8) of the Act and the Bylaws provided for under the Michigan Nonprofit Corporation Act. Each Co-owner. including the Developer, shall be a member of the Association and no other person or entity shall be entitled to membership. The share of a Co-owner in the funds and assets of the Association cannot be assigned, pledged or transferred in any manner except as an appurtenance to his Unit in the Condominium. A Co-owner selling a Unit shall not be entitled to any refund whatsoever from the Association with respect to any reserve or other asset of the Association. The Association shall keep current copies of the Master Deed, all amendments to the Master Deed and other Condominium Documents for the Condominium available at reasonable hours to Co-owners, prospective purchasers and prospective mortgagees of Units in the Condominium. All Co-owners in the Condominium and all persons using or entering upon or acquiring any interest in any Unit therein or the Common Elements thereof shall be subject to the provisions and terms set forth in the aforesaid Condominium Documents.

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ARTICLE II

ASSESSMENTS

All expenses arising from the management, administration and operation of the Association in pursuance of its authority and responsibilities as set forth in the Condominium Documents and the Act shall be levied by the Association against the Units and the Co-owners thereof in accordance with the following provisions:

Section 1. <u>Assessments for Common Elements</u>. All costs incurred by the Association in satisfaction of any liability arising within, caused by, or connected with the Common Elements or the administration of the Condominium shall constitute expenditures affecting the administration of the Condominium, and all sums received as the proceeds of, or pursuant to, a policy of insurance securing the interest of the Co-owners against liabilities or losses arising within, caused by, or connected with the Common Elements or the administration of the Condominium shall constitute receipts affecting the administration of the Condominium within the meaning of Section 54(4) of the Act.

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

Budget. The Board of Directors of the Association shall establish an (a) annual budget in advance for each fiscal year and such budget shall project all expenses for the forthcoming year which may be required for the proper operation, management and maintenance of the Condominium, including a reasonable allowance for contingencies and reserves. Failure or delay of the Board of Directors to prepare or adopt a budget for any fiscal year shall not constitute a waiver or release in any manner of a Unit Co-owner's obligation to pay the allocable share of the common expenses as herein provided whenever the same shall be determined and, in the absence of any annual budget or adjusted budget, each Unit Co-owner shall continue to pay each monthly or other periodic installment at the monthly or periodic rate established for the previous fiscal year until notified of the monthly or periodic payment which is due more than ten (10) days after such new annual or adjusted budget is adopted. An adequate reserve fund for maintenance, repair and replacement of those Common Elements that must be replaced on a periodic basis shall be established in the budget and must be funded by regular monthly payments as set forth in Section 3 below rather than by additional or special assessments. At a minimum, the reserve fund shall be equal to ten (10%) percent of the Association's current annual budget on a

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noncumulative basis. Since the minimum standard required by this Section may prove to be inadequate for this particular Condominium, the Association of Co-owners should carefully analyze the Condominium to determine if a greater amount should be set aside, or if additional reserve funds should be established for other purposes from time to time. The funds contained in such reserve fund shall be used for major repairs and replacements of Common elements. The Board of Directors may establish such other reserve funds as it may deem appropriate from time to time. Upon adoption of an annual. budget by the Board of Directors, copies of said budget shall be delivered to each Co-owner and the assessment for said year shall be established based upon said budget, although the delivery of a copy of the budget to each Co-owner shall not affect the liability of any Co-owner for any existing or future assessments. Should the Board of Directors at any time determine, in the sole discretion of the Board of Directors: (1) that the assessments levied are or may prove to be insufficient to pay the costs of operation, management, maintenance and capital repair of the Condominium, (2) to provide replacements of existing Common Elements, (3) to provide additions to the Common Elements not exceeding Twenty-Five Thousand Dollars (\$25,000.00), in the aggregate, annually, or (4) in the event of emergencies, the Board of Directors shall have the authority to increase the general assessment or to levy such additional or special assessment or assessments without Co-owner approval as it shall deem to be necessary. The Board of Directors shall also have the authority, without Co-owner consent, to levy assessments pursuant to the provisions of Article V, Section 5 hereof. The discretionary authority of the Board of Directors to levy general, additional or special assessments pursuant to this subsection shall rest solely with the Board of Directors for the benefit of the Association and the members thereof, and shall not be enforceable by any creditors of the Association or the members thereof.

(b) Special Assessments. Special assessments, other than those referenced in subsection (a) of this Section 2, subject to Article VI of these Bylaws, 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 an aggregate cost exceeding \$25,000.00 per year, (2) assessments to purchase a Unit upon foreclosure of the lien for assessments described in Section 5 hereof, or (3) assessments for any other appropriate purpose not elsewhere herein described. Special

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assessments referred to in this subsection (b) (but not including those assessments referred to in subsection 2(a) above which may be levied in the sole discretion of the Board of Directors) shall not be levied without the prior approval of more than sixty percent (60%) of all Co-owners, in number and in value. The authority to levy assessments pursuant to this subsection is solely for the benefit of the Association and the members thereof and shall not be enforceable by any creditors of the Association or the members thereof.

Section 3. Apportionment of Assessments; Default in Payment. Unless otherwise provided herein, all assessments levied against the Co-owners to cover expenses of administration shall be apportioned among and paid by the Co-owners in accordance with the percentage of value allocated to each Unit in Article V of the Master Deed, without increase or decrease for the existence of any rights to the use of Limited Common Elements appurtenant to a Unit. Any unusual expenses of administration, as may be determined in the sole discretion of the Board of Directors, which benefit less than all of the Condominium Units in the Condominium may be specially assessed against the Condominium Unit or Condominium Units so benefitted and may be allocated to the benefitted Condominium Unit or Units in the proportion which the percentage of value of the benefitted Condominium Unit bears to the total percentages of value of all Condominium Units so specially benefitted. Annual assessments as determined in accordance with Article II, Section 2(a) above shall be payable by the Co-owners in twelve (12) equal monthly installments, commencing with acceptance of a Deed to, or a land contract purchaser's interest in, a Unit, or with the acquisition of fee simple title to a Unit The payment of an assessment shall be in default if such by any other means. assessment, or any part thereof, is not paid to the Association in full on or before the due date for such payment. A late charge in the amount of \$15.00 per month, or such other amount as may be determined by the Board of Directors, effective upon fifteen (15) days notice to the members of the Association, shall be assessed automatically by the Association upon any assessment in default until paid in full. Such late charge shall not be deemed to be a penalty or interest upon the funds due to the Association but is intended to constitute a reasonable estimate of the administrative costs and other damages incurred by the Association in connection with the late payment of assessments. Assessments in default shall bear interest at the rate of seven (7%) percent per annum or such higher rate as may be allowed by law until paid in full. Payments on account of installments of assessments in default shall be applied first, to any late charges on such installments; second, to costs of collection and enforcement of payment, including reasonable attorney's fees as the Association shall determine in its sole discretion and finally to installments in default in order of their due dates, earliest to latest.

Each Co-owner (whether one or more persons) shall be, and remain, personally liable for the payment of all assessments (including late charges and costs of collection and enforcement of payment) pertinent to his Unit which may be levied while

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

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

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

Each Co-owner, and every other person who from time to time has any interest in the Condominium, shall be deemed to have granted to the Association the unqualified right to elect to foreclose such lien either by judicial action or by advertisement. The provisions of Michigan law pertaining to foreclosure of mortgages by judicial action and by advertisement, as the same may be amended from time to time, are incorporated herein by reference for the 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 Condominium, 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 delinguent and to receive, hold and distribute the proceeds of such sale in accordance with the priorities established by applicable law. The Association, acting on behalf of all Co-owners, may bid in at the foreclosure sale, and acquire, hold, lease, mortgage or Each Co-owner of a Unit in the Condominium convey the Condominium Unit. 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 a money judgment shall be commenced, nor shall any notice of foreclosure by

advertisement be published, until the expiration of ten (10) days after mailing, by first class mail, postage prepaid, addressed to the delinquent Co-owner(s) at his or their last known address of a written notice that one or more installments of the annual assessment and/or a portion or all of a special or additional assessment levied against the pertinent Unit is or are delinquent and that the Association may invoke any of its remedies hereunder if the default is not cured within ten (10) days after the date of mailing. Such written notice shall be accompanied by a written Affidavit of an authorized representative of the Association that sets forth (i) the Affiant's capacity to make the Affidavit, (ii) the statutory and other authority for the lien, (iii) the amount outstanding (exclusive of interest, costs, attorney fees. and future assessments), (iv) the legal description of the subject Unit(s), and (v) the 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 Condominium is located prior to commencement of any foreclosure proceeding, but it need not have been recorded as of the date of mailing as aforesaid. If the delinquency is not cured within the ten (10) day period, the Association may take such remedial action as may be available to it hereunder or under Michigan law. In the event the Association elects to foreclose the lien by advertisement, the Association shall so notify the Co-owner and shall inform the Co-owner that he may request a judicial hearing by bringing suit against the Association.

The expenses incurred in collecting unpaid assessments, including interest, costs, actual attorney's fees (not limited to statutory fees) 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, and/or in the event of default by any Co-owner in the payment of any installment and/or portion of any additional or special assessment levied against his Unit, or any other obligation of a Co-owner which, according to these Bylaws, may be assessed and collected from the responsible Co-owner in the manner provided in Article II hereof, the Association shall have the right to declare all unpaid installments of the annual assessment for the applicable fiscal year (and for any future fiscal year in which said delinquency continues) and/or all unpaid portions or installments of the additional or special assessment, if applicable, immediately due and payable. The Association also may discontinue the furnishing of any utility or other services to a Co-owner in default upon seven (7) days written notice to such Co-owner of its intention to do so. A Co-owner in default shall not be entitled to utilize any of the General Common Elements of the Condominium, shall not be entitled to vote at any meeting of the Association, or sign any petition for any purpose prescribed by the Condominium Documents or by law, and shall not be entitled to run for election or serve as a director or be appointed or serve as an officer of the Association so long as such default continues; provided, however, this provision shall not operate to deprive any Co-owner of ingress or egress to and from his Unit. In a judicial foreclosure action, a receiver may be appointed to collect a reasonable rental for the Unit from the Co-owner thereof or any persons claiming under him as provided by the Act.

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Section 6. <u>Liability of Mortgagee</u>. Notwithstanding any other provisions of the Condominium Documents, the holder of any first mortgage covering any Unit in the Condominium which comes into possession of the 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 in regard to said first mortgage, shall take the property free of any claims for unpaid assessments or charges against the mortgaged Unit which accrue prior to the 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 7. Developer's Responsibility For Assessments. The Developer of the Condominium, although a member of the Association, shall not be responsible at any time for payment of the Association assessments, except with respect to completed and occupied Units that it owns. A completed Unit is one with respect to which a Certificate of Occupancy has been issued by the City of Ann Arbor. Certificates of Occupancy may be obtained by the Developer at such times prior to actual occupancy as the Developer, in its discretion, may determine. An occupied Unit is one which is occupied as a residence. The Developer shall independently pay all direct costs of maintaining completed Units for which it is not required to pay Association assessments and shall not be responsible for any payments whatsoever to the Association in connection with such Units. For instance, the only expense presently contemplated that the Developer might be expected to pay is a pro rata share of snow removal and other maintenance from time to time as well as a pro rata share of any administrative costs which the Association might incur from time to time. Any assessments levied by the Association against the Developer for other purposes shall be void without Developer's consent. The Developer shall not be responsible at any time for payment of Condominium assessments 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. Notwithstanding the foregoing, the Developer shall be responsible to fund any deficit or shortage of the Association arising prior to the date of the First Annual Meeting resulting from the Developer's responsibility for assessments, as provided in this Section. The Developer shall, in no event, be liable for any assessment levied in whole or in part to purchase any Unit or to finance any litigation or other claims against the Developer, its directors, officers, agents, principals, assigns, affiliates and/or the first Board of Directors of the Association or any directors of the Association appointed by the Developer, or any cost of investigating and preparing such litigation or claim or any similar or related costs.

Section 8. <u>Property Taxes and Special Assessments</u>. All property taxes and special assessments levied by any public taxing authority shall be assessed in accordance with Section 131 of the Act.

Section 9. <u>Personal Property Tax Assessment of Association Property</u>. The Association shall be assessed as the person or entity in possession of any tangible

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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 10. <u>Construction Lien</u>. A construction lien otherwise arising under Act No. 497 of the Michigan Public Acts of 1980, as amended, shall be subject to Section 132 of the Act.

Section 11. Statement as to Unpaid Assessments. Pursuant to the provisions of the Act, the purchaser of any Condominium Unit may request a statement of the Association as to the outstanding amount of any unpaid Association assessments thereon, whether annual, additional or special, and related collection costs. Upon written request to the Association, accompanied by a copy of the executed purchase agreement pursuant to which the purchaser holds the right to acquire the Unit, the Association shall provide a written statement of such unpaid assessments and related collection or other costs as may exist or a statement that none exist, which statement shall be binding upon the Association for the period stated therein. Upon the payment of that sum within the period stated, the Association's lien for assessments as to such Unit shall be deemed satisfied; provided, however, that the failure of a purchaser to request such statement at least five (5) days prior to the closing of the purchase of such Unit shall render any unpaid assessments together with interest, costs, and attorneys' fees incurred in the collection thereof, and the lien securing same fully enforceable against such purchaser and the Unit itself, to the extent provided by the Act. Under the Act, unpaid assessments constitute a lien upon the Unit and the proceeds of sale thereof prior to all claims except real property taxes and first mortgages of record having priority. The Association may charge such reasonable amounts for preparation of such a statement as the Association shall, in its discretion, determine.

ARTICLE III

ARBITRATION

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

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between the parties that the judgment of any Circuit Court of the State of Michigan may be rendered upon any award rendered pursuant to such arbitration.

Section 2. <u>Judicial Relief</u>. 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. <u>Election of Remedies</u>. Election by the parties to any such disputes, claims or grievances to submit such disputes, claims or grievances to arbitration shall preclude such parties from litigating such disputes, claims or grievances in the Courts.

Section 4. Co-owner Approval for Civil Actions Against Developer and First Board of Directors. Any civil action proposed by the Board of Directors on behalf of the Association to be initiated against the Developer, its agents or assigns, and/or the First Board of Directors of the Association or other Developer-appointed Directors, for any reason, shall be subject to approval by a vote of sixty-six and two-thirds percent (66%) of all Co-owners, in number and in value, and notice of such proposed action must be given in writing to all Co-owners in accordance with Article VII hereinbelow. Such vote may only be taken at a meeting of the Co-owners and no proxies or absentee ballots shall be permitted to be used, notwithstanding the provisions of Article VII hereinbelow.

ARTICLE IV

INSURANCE

Section 1. Extent of Coverage. The Association shall carry a standard "all risk" insurance policy, which includes, among other things, fire and extended coverage, vandalism and malicious mischief and liability insurance, and worker's compensation insurance, if applicable, pertinent to the ownership, use and maintenance of the Common Elements of the Condominium, and such insurance, other than title insurance, shall be carried and administered in accordance with the following provisions.

(a) Responsibilities of Association and of Co-owners. All such insurance shall be purchased by the Association for the benefit of the Association, and the Co-owners and their mortgagees, as their interests may appear, and provision shall be made for the issuance of certificates of mortgagee endorsements to the mortgagees of Co-owners. Each Co-owner shall obtain insurance coverage at his own expense upon his Unit. It shall be each Co-owner's responsibility to determine by personal investigation or from his own insurance advisor the nature and extent of insurance coverage adequate to recompense him for his foreseeable losses and thereafter to obtain

insurance coverage for his personal property and any additional fixtures, equipment and trim (as referred to in subsection (b) below) located within his Unit or elsewhere on the Condominium and for his personal liability for occurrences within his Unit or upon Limited Common Elements appurtenant to his Unit and also for alternative living expense in the event of fire, and the Association shall have absolutely no responsibility for obtaining such coverages. Co-owner shall file a copy of such insurance policy, or policies, including all endorsements thereon, or, in the Association's discretion, certificates of insurance or other satisfactory evidence of insurance, with the Association in order that the Association may be assured that such insurance coverage is in effect. The Association, as to all policies which it obtains, and all Co-owners, as to all policies which they obtain, shall use their best efforts to see that all property and liability insurance carried by the Association or any Co-owner shall contain appropriate provisions whereby the insurer waives its right of subrogation as to any claims against any Co-owner or the Association.

(b) Insurance of Common Elements. All Common Elements of the Condominium shall be insured against fire and other perils covered by a standard extended coverage endorsement, in an amount equal to the current insurable replacement value, excluding foundation and excavation costs, as determined annually by the Board of Directors of the Association in consultation with the Association's insurance carrier and/or its representatives in light of commonly employed methods for the reasonable determination of replacement costs. Such coverage shall be effected upon an agreed-amount basis for the entire Condominium with appropriate inflation riders in order that no co-insurance provisions shall be invoked by the insurance carrier in a manner that will cause loss payments to be reduced below the actual amount of any loss (except in the unlikely event of total Project destruction if the insurance proceeds failed, for some reason, to be equal to the total cost of replacement). All information in the Association's records regarding insurance coverage shall be made available to all Co-owners upon request and reasonable notice during normal business hours so that Co-owners shall be enabled to judge the adequacy of coverage and, upon the taking of due Association procedures, to direct the Board at a properly constituted meeting, to change the nature and extent of any applicable coverages, if so determined. Upon such annual re-evaluation and effectuation of coverage, the Association shall notify all Co-owners of the nature and extent of all changes in coverages. Such coverage shall also include

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interior walls within any Unit and the pipes, wires, conduits and ducts contained therein and shall further include all fixtures, equipment and trim within a Unit which were furnished with the Unit as standard items in accord with the plans and specifications thereof as are on file with the City (or such replacements thereof as do not exceed the cost of such standard items). It shall be each Co-owner's responsibility to obtain insurance coverage for all fixtures, equipment, trim and other items or attachments within the Unit or any Limited Common Elements appurtenant thereto which were installed in addition to said. standard items (or as replacements for such standard items to the extent that replacement cost exceeded the original cost of such standard items) whether installed originally by the Developer or subsequently by the Co-owner, and the Association shall have no responsibility whatsoever for obtaining such coverage unless agreed specifically and separately between the Association and the Co-owner in writing; provided, however, that any such agreement between the Association and the Co-owner shall provide that any additional premium cost to the Association attributable thereto shall be assessed to and borne solely by said Co-owner and collected as part of the assessments against said Co-owner under Article II hereof. This provision shall not preclude the Association from obtaining such coverage on its own initiative.

- (c) <u>Premium Expenses</u>. All premiums on insurance purchased by the Association pursuant to these Bylaws shall be expenses of administration.
- (d) Proceeds of Insurance Policies. Proceeds of all insurance policies owned by the Association shall be received by the Association, held in a separate account and distributed to the Association, and the Co-owners and their mortgagees as their interests may appear; provided, however, whenever repair or reconstruction of the Condominium shall be required as provided in Article V of these Bylaws, the proceeds of any insurance received by the Association as a result of any loss requiring the repair or reconstruction shall be applied for such repair or reconstruction and in no event shall hazard insurance proceeds be used for any purpose other than repair, replacement or reconstruction of the Condominium unless all of the institutional holders of first mortgages on Units in the Condominium have given their prior written approval.

Section 2. <u>Authority of Association to Settle Insurance Claims</u>. Each Co-owner, by ownership of a Unit in the Condominium, 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 workers' compensation insurance, if applicable, pertinent to the Condominium, his Unit and the Common Elements appurtenant thereto with such insurer as may, from time to time, provide such insurance for the Condominium. 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 same to the Association, the Co-owners and respective mortgagees, as their interests may appear (subject always to the Condominium Documents), to execute releases of liability and to execute all documents and to do all things on behalf of such Co-owners and the Condominium as shall be necessary or convenient to the accomplishment of the foregoing.

ARTICLE V

RECONSTRUCTION OR REPAIR

Section 1. Responsibility for Reconstruction or Repair. In the event 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) Partial Damage. In the event the damaged property is a Common Element or a Unit, the property shall be rebuilt or repaired if any Unit in the Condominium is tenantable, unless it is determined by 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 for such termination.
- (b) Total Destruction. In the event the Condominium is so damaged that no Unit is tenantable, the damaged property shall not be rebuilt and the Condominium shall be terminated, unless eighty percent (80%) or more of all of the Co-owners, in number and in value, agree to reconstruction by vote or in writing within ninety (90) days after the destruction and such termination shall also have received the approval of at least fifty-one percent (51%) of those holders of first mortgages on Condominium Units who have requested the Association to notify them of any proposed action that requires the consent of a specified percentage of first mortgagees.

Section 2. Repair in Accordance With Master Deed, Etc. Any such reconstruction or repair shall be substantially in accordance with the Master Deed and the

plans and specifications for the Condominium to a condition as comparable as possible to the condition existing prior to damage unless the Co-owners shall unanimously decide otherwise.

Section 3. <u>Co-owner and Association Responsibilities</u>. In the event the damage is only to a part of a Unit which is the responsibility of a Co-owner to maintain and repair, it shall be the responsibility of the Co-owner to repair such damage in accordance with Section 4 hereof. In all other cases, the responsibility for reconstruction and repair shall be that of the Association in accordance with Section 5 of this Article V.

Section 4. Co-owner Responsibility for Repair. Each Co-owner shall be responsible for the reconstruction, repair and maintenance of windows and skylights, if any, appurtenant to his Unit and of the interior of his Unit, including, but not limited to, floor coverings, wall coverings, window shades, draperies, interior walls (but not any Common Elements therein which are otherwise designated as the responsibility of the Association in Article IV, Section 3 of the Master Deed), interior trim, furniture, light fixtures and all appliances (including their hoses or other apparatuses), whether free-standing or built-in. In the event that damage to interior walls within a Co-owner's Unit, or to pipes, wire, conduits, ducts or other Common Elements therein, or to any fixtures, equipment and trim which are standard items within a Unit is covered by insurance held by the Association, then the reconstruction or repair shall be the responsibility of the Association in accordance with Section 5 of this Article V. If any other interior portion of a Unit is covered by insurance held by the Association for the benefit of the Co-owner, the Co-owner shall be entitled to receive the proceeds of insurance relative thereto and if there is a mortgagee endorsement, the proceeds shall be payable to the Co-owner and the mortgagee jointly. In the event of substantial damage to or destruction of any Unit or any part of the Common Elements, the Association promptly shall so notify each institutional holder of a first mortgage lien on any of the Units in the Condominium.

Section 5. Association Responsibility for Repair. Except as provided in Section 4 hereof, the Association shall be responsible for the maintenance, repair and reconstruction of the Common Elements (except as specifically otherwise provided in the Master Deed). In no event shall the Association be responsible for any damage to the contents of a Condominium Unit and/or any personal property of the Co-owner. 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 place the damaged property in a condition as good as that existing before the damage. If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction or repair required to be performed by the Association, or if at any time during such reconstruction or repair, or upon completion of such reconstruction or repair, the funds for the payment of the costs thereof are insufficient, assessments shall be made against all Co-owners, except as may otherwise be permitted in the Bylaws, 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, which may be collected in accordance with Article II herein. This provision shall not be construed to require replacement of mature trees and vegetation with equivalent trees or vegetation.

Section 6. <u>Timely Reconstruction and Repair</u>. If damage to Common Elements or a Unit adversely affects the appearance of the Condominium, the Association or Co-owner responsible for the reconstruction, repair and maintenance thereof shall proceed with replacement of the damaged property without delay, and shall complete such replacement within six (6) months after the date of the occurrence which caused damage to the property.

Section 7. <u>Eminent Domain</u>. Section 133 of the Act and the following provisions shall control upon any taking by eminent domain:

- Taking of Entire Unit. In the event of any taking of an entire Unit by eminent domain, the award for such taking shall be paid to the owner of such Unit and the mortgagee thereof, as their interests may appear. After acceptance of such award by the owner and his mortgagee, they shall be divested of all interest in the Condominium. In the event that any condemnation award shall become payable to any Co-owner whose Unit is not wholly taken by eminent domain, then such award shall be paid by the condemning authority to the Co-owner and his mortgagee, as their interests may appear.
- (b) Taking of Common Elements. If there is any taking of any portion of the Condominium other than any Unit, the condemnation proceeds relative to such taking shall be paid to the Co-owners and their mortgagees in proportion to their respective interests in the Common Elements and the affirmative vote of more than fifty percent (50%) of all of the Co-owners, in number and in value, shall determine whether to rebuild, repair or replace the portion so taken or to take such other action as they deem appropriate.
- Continuation of Condominium After Taking. In the event the Condominium continues after taking by eminent domain, then the remaining portion of the Condominium shall be resurveyed and the Master Deed amended accordingly, and, if any Unit shall have been taken, then Article V of the Master Deed shall also be amended to reflect such taking and to proportionately readjust the percentages of value of the remaining Co-owners based upon the continuing value of the Condominium of one hundred (100%) percent. Such amendment may be effected by an officer of the Association duly

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authorized by the Board of Directors without the necessity of execution or specific approval thereof by any Co-owner.

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

Section 8. Mortgages Held By FHLMC: Other Institutional Holders. In the event any mortgage in the Condominium is held by the Federal Home Loan Mortgage Corporation ("FHLMC") then, upon request therefor by FHLMC, the Association shall give it written notice at such address as it may, from time to time, direct of any loss to or taking of the Common Elements of the Condominium if the loss or taking exceeds \$10,000.00 in amount or if damage to a Condominium Unit covered by a mortgage purchased in whole or in part by FHLMC exceeds \$1,000.00. The Association shall provide such other reasonable notice as may be required, from time to time, by other institutional holders of mortgages upon Units.

Section 9. <u>Priority of Mortgagee Interests</u>. Nothing contained in the Condominium Documents shall be construed to give a Condominium Unit owner, or any other party, priority over any rights of first mortgagees of Condominium Units pursuant to their mortgages in the case of a distribution to Condominium Unit owners of insurance proceeds or condemnation awards for losses to or a taking of Condominium Units and/or Common Elements.

ARTICLE VI

RESTRICTIONS

Section 1. Residential Use. No Unit in the Condominium shall be used for other than residential purposes and the Common Elements shall only be used for purposes consistent with those set forth in this Section 1. No residential Unit shall be used for commercial or business purposes; provided, however, that this shall not be deemed to ban a Co-owner from operating a home-based business which does not have any on-site employees other than Unit residents, does not produce odors, noises, or other affects noticeable outside of the Unit, and does not involve the manufacture of goods or sale of goods from inventory. A child care facility licensed by the State of Michigan shall be permitted to the extent that it complies with any laws governing same. The Association may also provide a Unit or a Common Element to be used by a janitor, or resident

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manager, as the case may be. The provisions of this Section shall not be construed to prohibit a Co-owner from maintaining a personal professional library, keeping personal, professional or business records or handling personal business or professional telephone calls in that Co-owner's Unit.

Section 2. Leasing and Rental.

- Right to Lease. A Co-owner may lease his Unit for the same (a) purposes set forth in Section 1 of this Article VI; provided that written disclosure of such lease transaction is submitted to the Board of Directors of the Association in the manner specified in subsection (b) below. No Co-owner shall lease less than an entire Unit in the Condominium and no tenant shall be permitted to occupy except under a written lease, the initial term of which is at least twelve (12) months, unless specifically approved in writing by the Association. Such written lease shall (i) require the lessee to comply with the Condominium Documents and rules and regulations of the Association; (ii) provide that failure to comply with the Condominium Documents and rules and regulations constitutes a default under the lease, and (iii) provide that the Board of Directors has the power to terminate the lease or to institute an action to evict the tenant and for money damages after fifteen (15) days prior written notice to the Condominium Unit Co-owner, in the event of a default by the tenant in the performance of the lease. The Board of Directors may suggest or require a standard form lease for use by Unit Co-owners. Each Co-owner of a Condominium Unit shall, promptly following the execution of any lease of a Condominium Unit, forward a conformed copy thereof to the Board of Directors. Under no circumstances shall transient tenants be accommodated. "Transient tenant" is someone who occupies a Unit for less than the minimum period required above regardless of whether or not compensation is paid. The terms of all leases, occupancy agreements and occupancy arrangements shall incorporate, or be deemed to incorporate, all of the provisions of the Condominium Documents. Tenants and nonCo-owner occupants shall comply with all of the conditions of the Condominium Documents and all leases, rental agreements, and occupancy agreements shall so state. The Developer may lease any number of Units in the Condominium and for such term(s) as it, in its discretion, may elect.
- (b) <u>Leasing Procedures</u>. A Co-owner, including the Developer, desiring to rent or lease a Unit shall disclose that fact in writing to the Association at least ten (10) days before presenting a lease form to a potential lessee of the Unit and, at the same time, shall supply the

Association with a copy of the exact lease form for its review for its compliance with the Condominium Documents. Co-owners who do not live in the Unit they own must keep the Association informed of their current correct address and phone number(s). If the Developer desires to rent Units before the Transitional Control Date, it shall notify either the Advisory Committee or each Co-owner in writing. The Board of Directors may charge such reasonable administrative fees for reviewing, approving, and monitoring lease transactions in accordance with this Article VI, Section 2 as the Board, in its discretion, may establish. Any such administrative fees shall be assessed to and collected from the leasing Co-owner in the same manner as the collection of assessments under Article II hereof. This provision shall also apply to occupancy agreements.

- (c) <u>Violation of Condominium Documents by Tenants or NonCo-owner Occupants</u>. If the Association determines that the tenant or nonCo-owner occupant has 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 or nonCo-owner occupant.
 - (2) The Co-owner shall have fifteen (15) days after receipt of such notice to investigate and correct the alleged breach by the tenant or nonCo-owner occupant or advise the Association that a violation has not occurred.
 - (3) If after fifteen (15) days the Association believes that the alleged breach is not cured or may be repeated, it may institute on its own behalf or derivatively by the Co-owners on behalf of the Association, if it is under the control of the Developer, an action for 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 subsection may be by summary proceeding. The Association may hold both the tenant or nonCo-owner occupant and the Co-owner liable for any damages caused by the Co-owner or tenant or nonCo-owner occupant in connection with the Condominium Unit or the Condominium and for actual legal fees and costs incurred by

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the Association in connection with legal proceedings hereunder.

Arrearage in Condominium Assessments. When a Co-owner is in arrearage to the Association for assessments, the Association may give written notice of the arrearage to a tenant or nonCo-owner occupant occupying a Co-owner's Condominium Unit under a lease, rental or occupancy agreement and the tenant or nonCo-owner occupant, after receiving the notice, shall deduct from rental payments due the Co-owner the arrearage and future assessments as they fall due and pay them to the Association. The deductions shall not be a breach of the rental agreement, lease or occupancy agreement by the tenant or nonCo-owner occupant. The form of lease used by any Co-owner shall explicitly contain the foregoing provisions.

Section 3. Alterations and Modifications of Units and Common Elements.

- (a) No Co-owner shall make alterations in exterior appearance or make structural modifications to his Unit (including interior walls through or in which there exist easements for support or utilities) or make changes in any of the Common Elements, Limited or General, without the express written approval of the Developer during the Construction and Sales Period, and, thereafter, the Board of Directors (which approval shall be in recordable form), including, without limitation, exterior painting, lights, aerials or antennas (except those antennas referred to in Section 3(b) below), awnings, doors, shutters, newspaper holders, mailboxes, hot tubs and jacuzzis, basketball backboards or other exterior attachments or modifications, nor shall any Co-owner damage or make modifications or attachments to walls between Units which in any way impair sound conditioning provisions. Notwithstanding having obtained such approval by the Board of Directors, the Co-owner shall obtain any required building permits and shall, otherwise, comply with all building requirements of the City. The Board may only approve such modifications as do not impair the soundness, safety, utility or appearance of the Condominium Project. No attachment, appliance or other item may be installed which is designed to kill or repel insects or other animals by light or humanly audible sound.
- (b) Notwithstanding the provisions of Section 3(a) above, the following three (3) types and sizes of antennas may be installed in the Unit or on limited common element areas for which the Co-owner has direct

or indirect ownership and exclusive use or control, subject to the provisions of this Section and any written rules and regulations promulgated by the Board of Directors of the Association under Article VI, Section 11 of these Bylaws: (1) Direct broadcast satellite antennas ("Satellite Dishes") one meter or less in diameter; (2) Television broadcast antennas of any size; and (3) Multi-point distribution service antennas (sometimes called wireless cable or MDS antennas) one meter or less in diameter. Antenna installation on general common element areas is prohibited. The rules and regulations promulgated by the Board of Directors governing installation, maintenance or use of antennas shall not impair reception of an acceptable quality signal, unreasonably prevent or delay installation, maintenance or use of an antenna, or unreasonably increase the cost of installing, maintaining or using an antenna. Such rules and regulations may provide for, among other things, placement preferences, screening and camouflaging or painting of antennas. Such rules and regulations may contain exceptions or provisions related to safety, provided that the safety rationale is clearly articulated therein. Antenna masts, if any, may be no higher than necessary to receive acceptable quality signals, and may not extend more than twelve (12) feet above the roofline without preapproval, due to safety concerns. A Co-owner desiring to install an antenna must notify the Association prior to installation by submitting a notice in the form prescribed by the Association. If the proposed installation complies with this Section 3(b) and all rules and regulations regarding installation and placement of antennas, installation may begin immediately; if the installation will not comply, or is in any way not routine in accordance with this Section and the rules and regulations, then the Association and Co-owner shall meet promptly and within seven (7) days after receipt of the notice by the Association, if possible, to discuss the installation. The Association may prohibit Coowners from installing the aforementioned satellite dishes and/or antennas if the Association provides the Co-owner(s) with access to a central antenna facility that does not impair the viewers' rights under Section 207 of the Federal Communication Commission ("FCC") rules. This Section is intended to comply with the rule governing antennas adopted by the FCC effective October 14, 1996, as amended by Order on Reconsideration released September 25, 1998, and is subject to review and revision to conform to any changes in the content of the FCC rules or the Telecommunications Act of 1996, and this Section may be modified through rules and regulations promulgated by the Board of Directors pursuant to Section 11 of this Article VI.

The Co-owner shall be responsible for the maintenance and repair of (c) any such modification or improvement. In the event that the Co-owner fails to maintain and/or repair said modification or improvement to the satisfaction of the Association, the Association may undertake to maintain and/or repair same and assess the Co-owner the costs thereof and collect same from the Co-owner in the same manner as provided for the collection of assessments in The Co-owner shall indemnify and hold the Article II hereof. Association harmless from and against any and all costs, damages,. and liabilities incurred in regard to said modification and/or improvement and (except with respect to antennas referred to in Section 3(b) above) shall be obligated to execute a Modification Agreement, if requested by the Association, as a condition for approval of such modification and/or improvement. No Co-owner shall in any way restrict access to any plumbing, water line, water line valves, water meter, sprinkler system valves, fire suppression system or any element which affects an Association responsibility in any way. Should access to any facilities of any sort be required, the Association may remove any coverings or attachments of any nature that restrict such access and will have no responsibility for repairing, replacing or reinstalling any materials, whether or not installation thereof has been approved hereunder, that are damaged in the course of gaining such access, nor shall the Association be responsible for monetary damages of any sort arising out of actions taken to gain necessary access.

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

Section 5. <u>Pets.</u> No animal, including household pets, shall be maintained by any Co-owner unless specifically approved in writing by the Association, except that a Co-owner may maintain one (1) domesticated dog or cat in his Condominium Unit. No

animal may be kept or bred for any commercial purpose. Any animal shall have such care and restraint so as not to be obnoxious or offensive on account of noise, odor or unsanitary conditions. No animal may be permitted to run loose at any time upon the Common Elements and any animal shall at all times be leashed and attended in person by some responsible person while on the Common Elements, Limited or General. The Board of Directors may, in its discretion, designate certain portions of the General Common Elements of the Project wherein such animals may be walked and/or exercised and the Board of Directors may, in its discretion, designate certain portions of the General Common Elements of the Condominium wherein dog runs may be constructed. Nothing herein contained shall be construed to require the Board of Directors to so designate a portion of the General Common Elements for the walking and/or exercising of animals and/or for the construction of dog runs. No savage or dangerous animal shall be kept and any Co-owner who causes any animal to be brought or kept upon the premises of the Condominium shall indemnify and hold harmless the Association for any loss, damage or liability (including costs and attorney fees) which the Association may sustain as a result of the presence of such animal on the premises, whether or not the Association has given its permission therefor, and the Association may assess and collect from the responsible Co-owner such losses and/or damages in the manner provided in Article II hereof. Each Co-owner shall be responsible for collection and disposition of all fecal matter deposited by any pet maintained by such Co-owner. No dog which 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 a reasonable additional assessment to be collected in the manner provided in Article II of these Bylaws in the event that the Association determines such assessment necessary to defray the maintenance cost to the Association of accommodating animals within the Condominium. The Association shall have the right to require that any pets be registered with it and may adopt such additional reasonable rules and regulations with respect to animals as it may deem proper. The Association may, after notice and hearing, 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 or by any applicable rules and regulations of the Association. The Association may also assess fines for such violation of the restrictions imposed by this Section or by any applicable rules and regulations of the Association. The term "animal" or "pet" as used in this Section 5 shall not include small domesticated animals which are constantly caged, such as small birds or fish.

Section 6. <u>Aesthetics</u>. 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. Garage doors shall be kept closed at all times except as may be reasonably necessary to gain access to or from any garage. No unsightly condition shall be maintained on any patio, deck, porch, balcony, terrace or other Limited Common Element, and only furniture and equipment consistent with the normal and reasonable use of such areas shall be permitted to remain there during seasons when such areas are reasonably in use and no furniture

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or equipment of any kind shall be stored thereon during seasons when such areas are not reasonably in use, except as may be provided in 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. There shall be no outdoor cooking or barbecues except in areas designated therefor by the Board of Directors. Nothing herein contained shall be construed to require the Board of Directors to so designate an area for outdoor cooking or barbecues. In general, no activity shall be carried on nor condition maintained by the Co-owner either in his Unit or upon the Common Elements, which is detrimental to the appearance of the Condominium.

Section 7. Common Element Maintenance. Porches, steps, walkways, patios, decks, deck areas, balconies and terraces 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, except as may be provided by duly adopted rules and regulations of the Condominium. Outdoor furniture may be maintained in the Limited Common Element patio and deck areas, balconies and terraces appurtenant to the Units during the season when such outdoor furniture is reasonably in use. Use of any amenities in the Condominium may be limited to such times and in such manner as the Association shall determine by duly adopted regulations; provided, however, that use of any amenities in the Condominium shall be limited to resident Co-owners who are members in good standing of the Association and to the tenants, land contract purchasers and/or other nonCo-owner occupants of Condominium Units in which the Co-owner does not reside; provided, further, however, that the nonresident Co-owners of such Condominium Units are members in good standing of the Association.

Section 8. Vehicles. No house trailers, commercial vehicles, boat trailers, boats, camping vehicles, camping trailers, mobile homes, dune buggies, motor homes, all terrain vehicles, snowmobiles, snowmobile trailers or vehicles, other than automobiles, motorcycles, vehicles and trucks which are designed and used primarily for personal transportation purposes, may be parked or stored upon the premises of the Condominium, unless enclosed in the Co-owner's garage with the door closed or in such other area as may be specifically approved by the Association or parked in an area specifically designated therefor by the Association. Nothing herein contained shall be construed to require the Association to approve the parking or storage of such vehicles or to designate an area therefor. The Association shall not be responsible for any damages, costs or other liability arising from any failure to approve the parking or storage of such vehicles or to designate an area therefor. A Co-owner may not maintain more than two (2) vehicles upon the premises of the Condominium unless the Board of Directors specifically approves in writing otherwise. Co-owners must park their vehicles in their garage first and any second

vehicle maintained by a Co-owner with a one (1) car garage may be parked in the General Common Element parking area, unless the Board of Directors has specifically approved otherwise in writing and/or as may otherwise be set forth in rules and regulations promulgated pursuant to Article VI, Section 11 hereof. Garage doors shall be kept closed when not in use. Any non-assigned parking areas shall be reserved for the general use of the members and their guests. Commercial vehicles and trucks (except trucks designed and used primarily for personal transportation as herein provided) shall not be parked in or about the Condominium (except as above provided) unless while making deliveries or pick-ups in the normal course of business. For purposes of this Section, "commercial vehicle" means any vehicle that has any one of the following characteristics: (a) more than two (2) axles; (b) gross vehicle weight rating in excess of 10,000 pounds; (c) visibly equipped with or carrying equipment or materials used in a business; or (d) carrying a sign advertising or identifying a business. Noncommercial trucks such as Suburbans, Blazers, Bravadas, Jeeps, GMC's/Jimmy's, pickups, vans, and similar vehicles that are designed and used primarily for personal transportation shall be permissible, except as may be otherwise prohibited herein. Nonoperational vehicles or vehicles with expired license plates shall not be parked or stored on the Condominium Premises without the written permission of the Board of Directors. Nonemergency maintenance or repair of motor vehicles shall not be permitted on the Condominium Premises. In the event that there arises a shortage of parking spaces, the Association or the Developer, as the case may be, may allocate or assign available General Common Element parking spaces, from time to time, on an equitable basis, in accordance with Article IV, Section 1(a) of the Master Deed. The Association may cause vehicles parked or stored in violation of this Section to be removed from the Condominium Premises and the cost of such removal may be assessed to and collected from the Co-owner of the Unit responsible for the presence of the vehicle in the manner provided in Article II hereof without liability to the Association. Co-owners shall, if the Association shall require, register with the Association all vehicles maintained on the Condominium Premises. The Board of Directors may promulgate reasonable rules and regulations governing the parking of vehicles in the Condominium consistent with the provisions hereof.

Section 9. <u>Draperies and Curtains</u>. All window treatments, draperies and/or curtains installed in windows in the Condominium shall have neutral liners so as to maintain a uniform appearance when viewed from the exteriors of the Units.

Section 10. <u>Advertising</u>. No signs or other advertising devices shall be displayed which are visible from the exterior of a Unit or on the Common Elements, including "For Sale" signs and "Open" signs, without written permission from the Association and, during the Construction and Sales Period, from the Developer.

Section 11. <u>Regulations</u>. Reasonable rules or regulations consistent with the Act, the Master Deed and these Bylaws, concerning the use and operation of the Condominium may be made and amended from time to time by the Board of Directors of

the Association, including the First Board of Directors (or its successors appointed by the Developer prior to the First Annual Meeting of the entire Association held as provided in Article X, Section 2 of these Bylaws). Copies of all such rules and/or 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 rule or 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, except that the Co-owners may not revoke any rule or regulation prior to the First Annual Meeting of the entire Association.

Section 12. Right of Access of Association. The Association or its duly authorized agents shall have access to each Unit and any Limited Common Elements appurtenant thereto from time to time, during reasonable working hours, upon notice to the Co-owner thereof, as may be necessary for the maintenance, repair or replacement of any of the Common Elements. This right of access shall include, without any implication of limitation, the right of the Association to obtain access during reasonable hours and upon reasonable notice to water meters, sprinkler controls and valves, fire suppression system, including, without limitation, pipes, fixtures and valves, and other Common Elements located within any Unit or its appurtenant Limited Common Elements for monitoring, inspection, maintenance, repair or replacement thereof. The Association or its agents shall also have access to each Unit and any Limited Common Elements appurtenant thereto at all times without notice as may be necessary to make emergency repairs to prevent damage to the Common Elements or to another Unit and/or to protect the safety and/or welfare of the inhabitants of the Condominium. It shall be the responsibility of each Co-owner to provide the Association means of access to his Unit and any Limited Common Elements appurtenant thereto during all periods of absence and in the event of the failure of such Co-owner to provide means of access, the Association may gain access in such manner as may be reasonable under the circumstances, including without notice, and shall not be liable to such Co-owner for any necessary damage to his Unit and any Limited Common Elements appurtenant thereto caused thereby or for repair or replacement of any doors or windows damaged in gaining such access.

Section 13. <u>Landscaping</u>. 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, or as may be provided in rules and regulations governing same as may be promulgated by the Board of Directors and/or Architectural Control Committee from time to time, subject to the written approval of the Developer as required in Section 15 hereinbelow.

Section 14. <u>Disposition of Interest in Unit by Sale or Lease</u>. No Co-owner may dispose of a Unit in the Condominium, or any interest therein, by a sale or lease without complying with the following terms or conditions:

- Notice to Association: Co-owner to Provide Condominium Documents (a) to Purchaser or Tenant. A Co-owner intending to make a sale or lease of a Unit in the Condominium, or any interest therein, shall give written notice of such intention delivered to the Association at its registered office and shall furnish the name and address of the intended purchaser or lessee and such other information as the Association may reasonably require. Prior to the sale or lease of a Unit, the selling or leasing Co-owner shall provide a copy of the Condominium Master Deed (including Exhibits "A" and "B" thereto) and any amendments to the Master Deed, the Articles of Incorporation and any amendment thereto, and the rules and regulations, as amended, if any, to the proposed purchaser or lessee. In the event a Co-owner shall fail to notify the Association of the proposed sale or lease or in the event a Co-owner shall fail to provide the prospective purchaser or lessee with a copy of the Master Deed and other documents referred to above, such Co-owner shall be liable for all costs and expenses, including attorney fees, that may be incurred by the Association as a result thereof or by reason of any noncompliance of such purchaser or lessee with the terms, provisions and restrictions set forth in the Master Deed; provided, however, that this provision shall not be construed so as to relieve the purchaser or lessee of his obligations to comply with the provisions of the Condominium Documents.
- (b) Developer and Mortgagees not Subject to Section. The Developer shall not be subject to this Section 14 in the sale or, except to the extent provided in Article VI, Section 2(b), the lease of any Unit in the Condominium which it owns, nor shall the holder of any mortgage which comes into possession of a Unit pursuant to the remedies provided in the mortgage, or foreclosure of the mortgage, or deed in lieu of foreclosure, be subject to the provisions of this Section 14.

Section 15. <u>Co-owner Maintenance</u>. Each Co-owner shall maintain his Unit and any Limited Common Elements appurtenant thereto for which he has maintenance responsibility in a safe, clean and sanitary condition. Each Co-owner shall also use due care to avoid damaging any of the Common Elements including, but not limited to, the telephone, water, plumbing, electrical or other utility conduits and systems and any other elements in any Unit which are appurtenant to or which may affect any other Unit. Each Co-owner shall be responsible for damages or costs to the Association, or to other Co-owners, as the case may be, resulting from negligent damage to or misuse of any of the Common Elements by him, or his family, guests, tenants, land contract purchasers, agents or invitees, unless such damages or costs are covered by insurance carried by the Association in which case there shall be no such responsibility (unless full reimbursement

to the Association is excluded by virtue of a deductible provision, in which case the responsible Co-owner shall bear the expense to the extent of the deductible amount). Any costs or damages to the Association or to other Co-owners, as the case may be, may be assessed to and collected from the responsible Co-owner in the manner provided in Article II hereof. The Co-owners shall have the responsibility to report to the Association any Common Element which has been damaged or which is otherwise in need of maintenance, repair or replacement.

Section 16. Reserved Rights of Developer. During the Construction and Sales Period, as same is defined in Article III, Section 11 of the Master Deed, no buildings, fences, decks, wood privacy screens, patios, walls, 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, material, 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 or 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 plan 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, who will be requested to bear the maintenance, repair and/or repair responsibility for same and any adjoining properties under development or proposed to be developed by the Developer. The purpose of this Section is to assure the continued maintenance of the Condominium as an attractive and harmonious residential development, and shall be binding upon both the Association and upon all Co-owners.

Section 17. <u>Developer's Rights to Furtherance of Development and Sale.</u>

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, or of the Association in furtherance of its powers and purposes set forth herein and in its Articles of Incorporation as the same may be amended from time to time. Notwithstanding anything to the contrary elsewhere herein contained, the Developer shall have the right to maintain a sales office, a business office, a construction office, model Units, storage areas and reasonable parking incident to the foregoing and such access to, from and over the Condominium as may be reasonable to enable development and sale of the entire Condominium by Developer and/or the development, sale or lease of other off-site property by Developer or its affiliates, and Developer may continue to do so during the entire

Construction and Sales Period and the warranty period applicable to any Unit in the Condominium. The Developer shall restore the area so utilized to habitable status upon termination of use.

Section 18. Enforcement of Bylaws. The Condominium shall at all times be maintained in a manner consistent with the highest standards of an attractive, 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 Bylaws and to charge the cost thereof to the Association as an expense of administration. The Developer shall have the right, but not the obligation, to enforce these Bylaws throughout the Construction and Sales Period notwithstanding that it may no longer own a Unit in the Condominium, which right of enforcement may include (without limitation) an action to restrain the Association or any Co-owner from any activity prohibited by these Bylaws. Unless the Developer has given its written consent, the failure or delay of the Developer to enforce these Bylaws shall not constitute a waiver of the right of the Developer to enforce the Bylaws in the future. The provisions of this Section 18 shall not be construed to be a warranty or representation of any kind regarding the physical condition of the Condominium.

Section 19. <u>Assessment of Costs of Enforcement</u>. Any and all costs, damages, expenses and/or attorneys fees incurred by the Association, or the Developer, as the case may be, in enforcing any of the restrictions set forth in this Article VI and/or rules and regulations promulgated by the Board of Directors of the Association under Article VI, Section 11 of these Bylaws, and any costs, expenses, and attorneys' fees incurred in collecting said costs, damages, and any expenses incurred as a result of the conduct of less than all those entitled to occupy the Condominium Project, or by their licensees or invitees, may be assessed to and collected from the responsible Co-owner in the manner provided in Article II hereof.

ARTICLE VII

JUDICIAL ACTIONS AND CLAIMS

Actions on behalf of and against the Co-owners shall be brought in the name of the Association. Subject to the express limitations on actions in these Bylaws and in the Association's Articles of Incorporation, the Association may assert, defend or settle claims on behalf of all Co-owners in connection with the Common Elements of the Condominium. As provided in the Articles of Incorporation of the Association and these Bylaws, the commencement of any civil action (other than one to enforce these Bylaws or collect

delinquent assessments) shall require the approval of a sixty-six and two-thirds percent (66 2/3%) of all Co-owners, in number and in value, and shall be governed by the requirements of this Article VII. The requirements of this Article VII will ensure that the Co-owners are fully informed regarding the prospects and likely costs of any civil action the Association proposes to engage in, as well as the ongoing status of any civil actions actually filed by the Association. These requirements are imposed in order to reduce both the cost of litigation and the risk of improvident litigation, and in order to avoid the waste of the Association's assets in litigation where reasonable and prudent alternatives to the litigation exist. Each Co-owner and the Developer shall have standing to sue to enforce the requirements of this Article VII. The following procedures and requirements apply to the Association's commencement of any civil action other than an action to enforce these Bylaws or to collect delinquent assessments:

Section 1. <u>Board of Directors' Recommendation to Co-owners.</u> The Association's Board of Directors shall be responsible in the first instance for recommending to the Co-owners that a civil action be filed, and supervising and directing any civil actions that are filed.

Section 2. <u>Litigation Evaluation Meeting.</u> Before an attorney is engaged for purposes of filing a civil action on behalf of the Association, the Board of Directors shall call a special meeting of the Co-owners ("litigation evaluation meeting") for the express purpose of evaluating the merits of the proposed civil action. The written notice to the Co-owners of the date, time and place of the litigation evaluation meeting shall be sent to all Co-owners not less than twenty (20) days before the date of the meeting and shall include the following information copied onto 8-1/2" x 11" paper:

- (a) A certified resolution of the Board of Directors setting forth in detail the concerns of the Board of Directors giving rise to the need to file a civil action and further certifying that:
 - (1) it is in the best interests of the Association to file a lawsuit;
 - (2) that at least one member of the Board of Directors has personally made a good faith effort to negotiate a settlement with the putative defendant(s) on behalf of the Association, without success;
 - (3) litigation is the only prudent, feasible and reasonable alternative; and
 - (4) the Board of Directors' proposed attorney for the civil action is of the written opinion that litigation is the Association's most reasonable and prudent alternative.

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- (b) A written summary of the relevant experience of the attorney ("litigation attorney") the Board of Directors recommends be retained to represent the Association in the proposed civil action, including the following information:
 - (1) the number of years the litigation attorney has practiced law; and
 - (2) the name and address of every condominium and homeowner association for which the attorney has filed a civil action in any court, together with the case number, county and court in which each civil action was filed.
- (c) The litigation attorney's written estimate of the amount of the Association's likely recovery in the proposed lawsuit, net of legal fees, court costs, expert witness fees and all other expenses expected to be incurred in the litigation.
- (d) The litigation attorney's written estimate of the cost of the civil action through a trial on the merits of the case ("total estimated cost"). The total estimated cost of the civil action shall include the litigation attorney's expected fees, court costs, expert witness fees, and all other expenses expected to be incurred in the civil action.
- (e) The litigation attorney's proposed written fee agreement.
- (f) The amount to be specially assessed against each Unit in the Condominium to fund the estimated cost of the civil action both in total and on a monthly per Unit basis, as required by Section 6 of this Article VII.
- (g) The litigation attorney's legal theories for recovery of the Association.

Section 3. <u>Independent Expert Opinion</u>. If the lawsuit relates to the condition of any of the Common Elements of the Condominium, the Board of Directors shall obtain a written independent expert opinion as to reasonable and practical alternative approaches to repairing the problems with the Common Elements, which shall set forth the estimated costs and expected viability of each alternative. In obtaining the independent expert opinion required by the preceding sentence, the Board of Directors shall conduct its own investigation as to the qualifications of any expert and shall not retain any expert recommended by the litigation attorney or any other expert recommended by the litigation attorney or any other attorney with whom the Board of Directors consults. The purpose of the independent expert opinion is to avoid any potential confusion regarding the condition

of the Common Elements that might be created by a report prepared as an instrument of advocacy for use in a civil action. The independent expert opinion will ensure that the Co-owners have a realistic appraisal of the condition of the Common Elements, the likely cost of repairs to or replacement of the same, and the reasonable and prudent repair and replacement alternatives. The independent expert opinion shall be sent to all Co-owners with the written notice of the litigation evaluation meeting.

Section 4. <u>Fee Agreement with Litigation Attorney.</u> The Association shall have a written fee agreement with the litigation attorney, and any other attorney retained to handle the proposed civil action. The Association shall not enter into any fee agreement that is a combination of the retained attorney's hourly rate and a contingent fee arrangement unless the existence of the agreement is disclosed to the Co-owners in the text of the Association's written notice to the Co-owners of the litigation evaluation meeting.

Section 5. <u>Co-owner Vote Required.</u> At the litigation evaluation meeting, the Co-owners shall vote on whether to authorize the Board of Directors to proceed with the proposed civil action and whether the matter should be handled by the litigation attorney. The commencement of any civil action by the Association (other than a suit to enforce these Bylaws or collect delinquent assessments) and the retention of the litigation attorney shall require the approval of sixty-six and two-thirds percent (66 2/3%) of all Co-owners, in number and in value. In the event the litigation attorney is not approved, the entire litigation attorney evaluation and approval process set forth in Section 2 hereinabove and in this Section 5 shall be conducted prior to the retention of another attorney for this purpose. Any proxies to be voted at the litigation evaluation meeting must be signed at least seven (7) days prior to the litigation evaluation meeting.

Section 6. <u>Litigation Special Assessment.</u> All legal fees incurred in pursuit of any civil action that is subject to Section 1 through 10 of this Article VII shall be paid by special assessment of the Co-owners ("litigation special assessment"). Notwithstanding anything to the contrary herein, the litigation special assessment shall be approved at the litigation evaluation meeting by sixty-six and two-thirds percent (66-2/3%) of all Co-owners in the amount of the estimated total cost of the civil action. If the litigation attorney proposed by the Board of Directors is not retained, the litigation special assessment shall be in an amount equal to the estimated total cost of the civil action, as estimated by the attorney actually retained by the Association. The litigation special assessment shall be apportioned to the Co-owners in accordance with their respective percentage of value interests in the Condominium and shall be collected from the Co-owners on a monthly basis. The total amount of the litigation special assessment shall be collected monthly over a period not to exceed twenty-four (24) months.

Section 7. <u>Attorney's Written Report.</u> During the course of any civil action authorized by the Co-owners pursuant to this Article VII, the retained attorney shall submit

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a written report ("attorney's written report") to the Board of Directors every thirty (30) days setting forth:

- (a) The attorney's fees, the fees of any experts retained by the attorney or the Association, and all other costs of the litigation during the thirty (30) day period immediately preceding the date of the attorney's written report ("reporting period").
- (b) All actions taken in the civil action during the reporting period, together with copies of all pleadings, court papers and correspondence filed with the court or sent to opposing counsel during the reporting period.
- (c) A detailed description of all discussions with opposing counsel during the reporting period, written and oral, including, but not limited to, settlement discussions.
- (d) The costs incurred in the civil action through the date of the written report, as compared to the attorney's estimated total cost of the civil action.
- (e) Whether the originally estimated total cost of the civil action remains accurate.

Section 8. <u>Monthly Board Meetings.</u> The Board of Directors shall meet monthly during the course of any civil action to discuss and review:

- (a) the status of the litigation;
- (b) the status of settlement efforts, if any; and
- (c) the attorney's written report.

Section 9. Changes in the Litigation Special Assessment. If, at any time during the course of a civil action, the Board of Directors determines that the originally estimated total cost of the civil action or any revision thereof is inaccurate, the Board of Directors shall immediately prepare a revised estimate of the total cost of the civil action. If the revised estimate exceeds the litigation special assessment previously approved by the Co-owners, the Board of Directors shall call a special meeting of the Co-owners to review the status of the litigation, and to allow the Co-owners to vote on whether to continue the civil action and increase the litigation special assessment. The meeting shall have the same quorum and voting requirements as a litigation evaluation meeting.

Section 10. <u>Disclosure of Litigation Expenses</u>. The attorneys' fees, court costs, expert witness fees and all other expenses of any civil action filed by the Association ("litigation expenses") shall be fully disclosed to Co-owners in the Association's annual budget. The litigation expenses for each civil action filed by the Association shall be listed as a separate line item captioned "litigation expenses" in the Association's annual budget.

ARTICLE VIII

MORTGAGES

Section 1. Notice to Association. Any Co-owner who mortgages his Unit shall notify the Association of the name and address of the mortgagee, and the Association shall maintain such information in a book entitled "Mortgages of Units". The Association shall report any unpaid assessments due from the Co-owner of such Unit to the holder of any first mortgage covering such Unit and co-owners shall be deemed to specifically authorized said action pursuant to these Bylaws. The Association shall give to the holder of any first mortgage covering any Unit in the Condominium written notification of any other default in the performance of the obligations of the Co-owner of such Unit that is not cured within sixty (60) days.

Section 2. <u>Insurance</u>. The Association shall notify each mortgagee 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.

Section 3. <u>Notification of Meetings</u>. Upon request submitted to the Association, any institutional holder of a first mortgage lien on any Unit in the Condominium shall be entitled to receive written notification of every meeting of the members of the Association and to designate a representative to attend such meeting.

<u>ARTICLE IX</u>

VOTING

Section 1. <u>Vote</u>. Except as limited in these Bylaws, each Co-owner shall be entitled to one (1) vote for each Condominium Unit owned when voting by number and one (1) vote, the value of which shall equal the total of the percentages allocated to the Units owned by such Co-owner as set forth in Article V 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 in number and in value.

Section 2. <u>Eligibility to Vote</u>. No Co-owner, other than the Developer, shall be entitled to vote at any meeting of the Association until he has presented a deed or other evidence of ownership of a Unit in the Condominium 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 Article X, Section 2, except as specifically provided in Article X, Section 2. The vote of each Co-owner may be cast only by the individual representative designated by such Co-owner in the notice required in Section 3 of this Article IX below or by a proxy given by such individual representative except as otherwise provided herein in Article III, Section 4 hereinabove. The Developer shall be the only person entitled to vote at a meeting of the Association until the First Annual Meeting of members and shall be entitled to vote during such period notwithstanding the fact that the Developer may own no Units at some time or from time to time during such period. At and after the First Annual Meeting, the Developer shall be entitled to vote for each Unit which it owns.

Section 3. <u>Designation of Voting Representative</u>. Each Co-owner shall file a written notice with the Association designating the individual representative who shall vote at meetings of the Association, sign petitions and receive all notices and other communications from the Association on behalf of such Co-owner. Such notice shall state the name, address and telephone number of the individual representative designated, the number or numbers of the Condominium Unit or Units owned by the Co-owner, and the name, address and telephone number of each person, firm, corporation, limited liability partnership, limited liability company, 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, but shall not be permitted to serve as an officer or director of the Association.

Section 4. Quorum. 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 provided herein to require a greater quorum or where voting in person is required by the Bylaws. The written absentee ballot of any person furnished at or prior to any duly called meeting at which meeting said person is not otherwise present in person or by proxy shall be counted in determining the presence of a quorum with respect to the question upon which the ballot is cast except where prohibited herein.

Section 5. <u>Voting</u>. Votes may be cast in person or by proxy or by a written absentee ballot duly signed by the designated voting representative not present at a given meeting in person or by proxy, except as otherwise provided herein in Article III, Section 4, hereinabove. Proxies and any absentee ballots 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.

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Section 6. <u>Majority</u>. 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 absentee ballot, if applicable) at a given meeting of the members of the Association. Whenever provided specifically herein, the requisite affirmative vote may be required to exceed the simple majority hereinabove set forth and may require a designated percentage in both number and value of all Co-owners and may require that votes be cast in person.

ARTICLE X

<u>MEETINGS</u>

Section 1. <u>Place of Meeting</u>. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the Co-owners as may be designated by the Board of Directors. Meetings of the Association shall be conducted in accordance with Roberts Rules of Order, or some other generally recognized manual of parliamentary procedure, when not otherwise in conflict with the Condominium Documents (as defined in the Master Deed) or the laws of the State of Michigan.

Section 2. First Annual Meeting. The First Annual Meeting of 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 number of the Units that may be created in Barclay Park have been conveyed and the purchasers thereof qualified as members of the Association. In no event, however, shall such meeting be called later than one hundred twenty (120) days after the conveyance of legal or equitable title to nonDeveloper Co-owners of seventy-five percent (75%) in number of all Units that may be created or fifty-four (54) months after the first conveyance of legal or equitable title to a nonDeveloper Co-owner of a Unit in the Condominium, whichever first occurs. The Developer may call meetings of members 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 such 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. The phrase "Units that may be created" as used in this paragraph and elsewhere in the Condominium Documents refers to the maximum number of Units which the Developer is permitted under the Condominium Documents to include in the Condominium.

Section 3. <u>Annual Meetings</u>. Annual meetings of members of the Association shall be held in the month of May each succeeding year after the year in which the First Annual Meeting is held, on such date and at such time and place as shall be

determined by the Board of Directors; provided, however, that the second annual meeting shall not be held sooner than eight (8) months after the date of the First Annual Meeting. At such meetings there shall be elected by ballot of the Co-owners a Board of Directors in accordance with the requirements of Article XII of these Bylaws. The Co-owners may also transact at annual meetings such other business of the Association as may properly come before them.

Section 4. <u>Special Meetings</u>. It shall be the duty of the President to call a special meeting of the Co-owners as directed by resolution of the Board of Directors. The President shall also call a special meeting upon a petition signed by one-third (1/3) of the Co-owners in number presented to the Secretary of the Association, but only after the First Annual Meeting has been held or at the request of the Developer. A Co-owner must be eligible to vote at a meeting of members to validly sign a petition. Notice of any special meeting shall state the time and place of such meeting and the purposes thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 5. Notice of Meetings. It shall be the duty of the Secretary (or other Association officer in the Secretary's absence) to serve a notice of each annual or special meeting, stating the purpose thereof as well as of the time and place where it is to be held, upon each Co-owner of record, at least ten (10) days but not more than sixty (60) days prior to such meeting, except for the Litigation Evaluation Meeting which notice requirements are prescribed in Article VII, Section 2, hereinabove. The mailing, postage prepaid, of a notice to the representative of each Co-owner at the address shown in the notice required to be filed with the Association by Article IX, Section 3 of these Bylaws shall be deemed notice served. Any member may, by written waiver of notice signed by such member, waive such notice, and such waiver, when filed in the records of the Association, shall be deemed due notice.

Section 6. <u>Adjournment</u>. If any meeting of Co-owners cannot be held because a quorum is not in attendance, the Co-owners who are present may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called to attempt to obtain a quorum.

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

Section 8. Action Without Meeting. Any action which may be taken at a meeting of the members of the Association (except for the election or removal of directors) may be taken without a meeting, with or without prior notice, by written consent of the members, except for litigation referenced in Article III and Article VII above. Written consents may be solicited in the same manner as provided in Section 4 above for the giving of notice of meetings of members. Such solicitation may specify the percentage of consents necessary to approve the action, and the time by which consents must be received in order to be counted. The form of written consents shall afford an opportunity to consent (in writing) to each matter and shall provide that, where the member specifies his or her consent, the vote shall be cast in accordance therewith. Approval by written consent shall be constituted by receipt within the time period specified in the solicitation of a number of written consents which equals or exceeds the minimum number of votes which would be required for approval if the action were taken at a meeting at which all members entitled to vote were present and voted.

Section 9. Consent of Absentees. The transactions of any meeting of members, either annual or special, except the litigation evaluation meeting discussed in Article VII hereinabove, however called and noticed, shall be as valid as though made at a meeting duly held after regular call and notice, if a quorum be present either in person or by proxy or by absentee ballot; and if, either before or after the meeting, each of the members not present in person or by proxy, or absentee ballot, signs a written waiver of notice, or a consent to the holding of such meeting, or an approval of the minutes thereof. All such waivers, consents, or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 10. <u>Minutes: Presumption of Notice</u>. Minutes or a similar record of the proceedings of meetings of members, when signed by the President or Secretary, shall be presumed truthfully to evidence the matters set forth therein. A recitation in the minutes of any such meeting that notice of the meeting was properly given shall be prima facie evidence that such notice was given.

ARTICLE XI

ADVISORY COMMITTEE

Within one (1) year after conveyance of legal or equitable title to the first Unit in the Condominium to a purchaser or within one hundred twenty (120) days after conveyance to purchasers of one-third (1/3) of the Units that may be created, whichever first occurs, the Developer shall cause to be established an Advisory Committee consisting of at least three (3) nonDeveloper Co-owners. The Committee shall be established and perpetuated in any manner the Developer deems advisable, except that if more than fifty percent (50%) in number of the nonDeveloper Co-owners petition the Board of Directors

for an election to select the Advisory Committee, then an election for such purpose shall be held. The purpose of the Advisory Committee shall be to facilitate communications between the temporary Board of Directors and the other Co-owners and to aid in the transition of control of the Association from the Developer to the Co-owners. A chairman of the Committee shall be selected by the members. The Advisory Committee shall cease to exist automatically when the nonDeveloper Co-owners have the voting strength to elect a majority of the Board of Directors of the Association. The Developer may remove and replace at its discretion at any time any member of the Advisory Committee who has not been elected thereto by the Co-owners.

ARTICLE XII

BOARD OF DIRECTORS

Section 1. Qualifications of Directors. The affairs of the Association shall be governed by a Board of Directors, all of whom must be members in good standing of the Association or officers, partners, trustees, employees or agents of members of the Association except for the first Board of Directors designated in the Articles of Incorporation of the Association and any successors thereto appointed by the Developer. Directors shall serve without compensation.

Section 2. Election of Directors.

- (a) First Board of Directors. The first Board of Directors shall be comprised of one (1) person and such first Board of Directors, or its successors as selected by the Developer, shall manage the affairs of the Association until the appointment of the first nonDeveloper Co-owners to the Board. Immediately prior to the appointment of the first nonDeveloper Co-owner to the Board, the Board shall be increased in size to five (5) persons. Thereafter, elections for nonDeveloper Co-owner directors shall be held as provided in subsections (b) and (c) below. The directors shall hold office until their successors are elected and hold their first meeting.
- (b) Appointment of NonDeveloper Co-owners to Board Prior to First Annual Meeting. Not later than one hundred twenty (120) days after the conveyance of legal or equitable title to nonDeveloper Co-owners of twenty-five percent (25%) in number of the Units that may be created, one (1) of the five (5) 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 fifty percent (50%) in number of the Units that may be

created, two (2) of the five (5) directors shall be elected by nonDeveloper Co-owners. When the required number of conveyances has been reached, the Developer shall notify the nonDeveloper Co-owners and request that they hold a meeting and elect the required director or directors, as the case may be. Upon certification by the Co-owners to the Developer of the directors so elected, the Developer shall then immediately appoint such director or directors to the Board to serve until the First Annual Meeting of members unless he is removed pursuant to Section 7 of this Article or he resigns or becomes incapacitated.

(c) <u>Election of Directors at and After First Annual Meeting</u>.

- (i) Not later than one hundred twenty (120) days after conveyance of legal or equitable title to nonDeveloper Co-owners of seventy-five percent (75%) in number of the Units, the nonDeveloper Co-owners shall elect all directors on the Board, except that the Developer shall have the right to designate one (1) director as long as the Developer owns and offers for sale at least ten percent (10%) in number of the Units in the Condominium or as long as ten percent (10%) in number of the Units remain that may be created. Whenever the required conveyance level is achieved, a meeting of Co-owners shall be properly convened to effectuate this provision, even if the First Annual Meeting has already occurred.
- (ii) Regardless of the percentage of Units which have been conveyed, upon the expiration of fifty-four (54) months after the first conveyance of legal or equitable title to a nonDeveloper Co-owner of a Unit in the Condominium, the nonDeveloper Co-owners have the right to elect a number of members of the Board of Directors equal to the percentage of Units they own, and the Developer has the right to elect a number of members of the Board of Directors 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 (i) above. Application of this subsection does not require a change in the size of the Board of Directors.

- (iii) If the calculation of the percentage of members of the Board of Directors that the nonDeveloper Co-owners have the right to elect under subsection (ii), or if the product of the number of the members of the Board of Directors multiplied by the percentage of Units held by the nonDeveloper Co-owners under subsection (b) results in a right of nonDeveloper Co-owners to elect a fractional number of members of the Board of Directors, 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 of Directors 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 of Directors. Application of this subsection shall not eliminate the right of the Developer to designate one (1) director as provided in subsection (i).
- (iv) Except as provided in Article XII, Section 2(c)(ii), at the First Annual Meeting, three (3) directors shall be elected for a term of two (2) years and two (2) directors shall be elected for a term of one (1) year. At such meeting, all nominees shall stand for election as one slate and the three (3) persons receiving the highest number of votes shall be elected for a term of two (2) years and the two (2) persons receiving the next highest number of votes shall be elected for a term of one (1) year. At each annual meeting held thereafter, either two (2) or three (3) directors shall be elected, depending upon the number of directors whose terms expire. After the First Annual Meeting, the term of office (except for two (2) directors elected at the First Annual Meeting) of each director shall be two (2) years. The directors shall hold office until their successors have been elected and hold their first meeting.
- (v) Once the Co-owners have acquired the right hereunder to elect a majority of the Board of Directors, annual meetings of Co-owners to elect directors and conduct other business shall be held in accordance with the provisions of Article X, Section 3 hereof.

Section 3. <u>Powers and Duties</u>. The Board of Directors shall have the 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.

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Section 4. Other Duties. In addition to the foregoing duties imposed by these Bylaws or any further duties which may be imposed by resolution of the members of the Association, the Board of Directors shall be responsible specifically for the following:

- (a) To manage and to administer the affairs of, and to maintain, the Condominium and the Common Elements thereof.
- (b) To levy and collect assessments against and from the Co-owner members of the Association and to use the proceeds thereof for the purposes of the Association.
- (c) To carry insurance and to collect and to allocate the proceeds thereof.
- (d) To rebuild improvements after casualty.
- (e) To contract for and employ persons, firms, corporations or other agents to assist in the management, operation, maintenance and administration of the Condominium.
- (f) To acquire, maintain and improve, and to buy, operate, manage, sell, convey, assign, mortgage or lease any real or personal property (including any Unit in the Condominium and easements, rights of way and licenses) on behalf of the Association in furtherance of any of the purposes of the Association.
- (g) To grant easements, rights of entry, rights of way, and licenses to, through, over, and with respect to Association property and/or the Common Elements of the Condominium on behalf of the members of the Association in furtherance of any of the purposes of the Association and to dedicate to the public any portion of the Common Elements of the Condominium; provided, however, that, subject to the provisions of the Master Deed, any such action shall also be approved by affirmative vote of more than sixty percent (60%) in number and in value of all Co-owners. The aforestated sixty percent (60%) approval requirement shall not apply to sub-paragraph (h) below.
- (h) To grant such easements, licenses and other rights of entry, use and access, and to enter into any contract or agreement, including wiring agreements, utility agreements, right of way agreements, access agreements and multi-unit agreements, and to the extent allowed by law, contracts for sharing of any installation or periodic subscriber fees as may be necessary, convenient or desirable to provide for

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telecommunications, videotext, broad band cable, satellite dish, antenna, multichannel multipoint distribution service and similar services (collectively "Telecommunications") to the Condominium or any Unit therein. Notwithstanding the foregoing, in no event shall the Board of Directors enter into any contract or agreement or grant any easement, license or right of entry or do any other act or thing which would violate any provision of any federal, state or local law or ordinance. Any and all sums paid by any Telecommunications or any other company or entity in connection with such service, including fees, if any, for the privilege of installing same, or sharing periodic subscriber service fees, shall be receipts affecting the administration of the Condominium, within the meaning of the Act, except that same shall be paid over to and shall be the property of the Developer during the Construction and Sales Period and, thereafter, the Association.

- (i) To borrow money and issue evidences of indebtedness in furtherance of any and all of the purposes 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 percent (60%) of all of Co-owners, unless same is a letter of credit and/or appeal bond for litigation.
- (j) To make and enforce reasonable rules and regulations in accordance with Article VI, Section 11 of these Bylaws and such other applicable provisions and to make and enforce resolutions and policies in furtherance of any or all of the purposes of the Association or of the Condominium Documents.
- (k) 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 by the Condominium Documents required to be performed by the Board.
- (I) To make rules and regulations and/or to enter into agreements with institutional lenders the purposes of which are to obtain mortgage financing for Unit Co-owners which is acceptable for purchase by the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association and/or any other agency of the Federal government or the State of Michigan or to satisfy the requirements of the United States Department of Housing and Urban Development.

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

Section 5. Management Agent. 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, but which shall not be a Co-owner or resident or affiliated with a Co-owner or resident) at a 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 Sections 3 and 4 of this Article, 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. In no event shall the Board be authorized to enter into any contract with a professional management agent, or any other contract providing for services by the Developer, sponsor or builder, in which the maximum term is greater than three (3) years or which is not terminable by the Association upon ninety (90) days written notice thereof to the other party, and no such contract shall violate the provisions of Section 55 of the Act.

Section 6. <u>Vacancies</u>. Vacancies in the Board of Directors which occur after the Transitional Control Date caused by any reason other than the removal of a director by a vote of the members of the Association shall be filled by vote of the majority of the remaining directors, even though they may constitute less than a quorum, except that the Developer shall be solely entitled to fill the vacancy of any director whom it is permitted in the first instance, under these Bylaws, to designate. Vacancies among nonDeveloper Co-owner elected directors which occur prior to the Transitional Control Date may be filled only through election by nonDeveloper Co-owners and shall be filled in the manner specified in Section 2(b) of this Article.

Section 7. Removal. Except for directors appointed by the Developer, at any regular or special meeting of the Association duly called with due notice of the removal action proposed to be taken, any one (1) or more of the directors may be removed with or without cause by the affirmative vote of more than fifty percent (50%) in number and in value of all of the Co-owners eligible to vote and a successor may then and there be elected to fill the vacancy thus created. Any director whose removal has been proposed by the Co-owners shall be given an opportunity to be heard at the meeting. The Developer may remove and replace any or all of the directors appointed by it at any time or from time to time in its sole discretion. Any director elected by the nonDeveloper Co-owners to serve before the First Annual Meeting of members may be removed before the First Annual Meeting by the nonDeveloper Co-owners in the same manner set forth in this Section 7 above for removal of directors generally.

Section 8. <u>First Meeting</u>. The first meeting of the newly elected Board of Directors shall be held within ten (10) days of election at such place as shall be fixed by the directors at the meeting at which such directors were elected, and no notice shall be

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necessary to the newly elected directors in order legally to constitute such meeting, providing a majority of the whole Board shall be present.

Section 9. <u>Regular Meetings</u>. Regular meetings of the Board of Directors may be held at such times and places as shall be determined from time-to-time by a majority of the Board of Directors, but at least two (2) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each director, personally, by mail, telephone or telegraph, at least five (5) days prior to the date named for such meeting.

Section 10. <u>Special Meetings</u>. Special meetings of the Board of Directors may be called by the President upon three (3) days' notice to each director, given personally, by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of two (2) directors.

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

Section 12. Quorum. At all meetings of the Board of Directors, a majority of the directors shall constitute a quorum for the transaction of business, and the acts of the majority of the directors at a meeting at which a quorum is present shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, there is less than a quorum present, the majority of those persons may adjourn the meeting to a subsequent time upon twenty-four (24) hours' prior written notice delivered to all directors not present. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice. The joinder of a director in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such director for purposes of determining a quorum.

Section 13. Closing of Board of Directors' Meetings to Members; Privileged Minutes. The Board of Directors, in its discretion, may close a portion or all of any meeting of the Board of Directors to the members of the Association or may permit members of the Association to attend a portion or all of any meeting of the Board of Directors. Any member of the Association shall have the right to inspect, and make copies of, the minutes of the meetings of the Board of Directors; provided, however, that no member of the Association shall be entitled to review or copy any minutes of meetings of the Board of Directors to the extent that said minutes reference privileged communications between the Board of

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Directors and counsel for the Association, or any other matter to which a privilege against disclosure pertains under Michigan Statute, common law, the Michigan Rules of Evidence, or the Michigan Court Rules.

Section 14. <u>Action by Written Consent</u>. Any action permitted to be taken by the Board of Directors at a meeting of the Board shall be valid if consented to in writing by the requisite majority of the Board of Directors.

Section 15. Actions of First Board of Directors Binding. All of the actions (including, without limitation, the adoption of these Bylaws and any rules and regulations, policies or resolutions 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 appointed 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 Annual Meeting of members or at any subsequent annual meeting of members, provided that 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 16. <u>Fidelity Bonds</u>. The Board of Directors shall require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be expenses of administration.

ARTICLE XIII

OFFICERS

Section 1. Officers. The principal officers of the Association shall be a President, who shall be a member of the Board of Directors, a Vice-President, Secretary and a Treasurer. Both the President and the Vice-President must be members of the Association; other officers may, but need not be, members of the Association. Any such members serving as officers shall be in good standing of the Association. The directors may appoint an Assistant Treasurer and an Assistant Secretary and such other officers as in their judgment may be necessary. Any two (2) offices except that of President and Vice-President may be held by one (1) person. Officers shall be compensated only upon the affirmative vote of more than sixty percent (60%) in number and in value of all Coowners.

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

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

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

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

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

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

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

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ARTICLE XIV

SEAL

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

ARTICLE XV

FINANCE

Section 1. Records. The Association shall keep detailed books of account showing all expenditures and receipts of administration, and which shall specify the maintenance and repair expenses of the Common Elements and any other expenses incurred by or on behalf of the Association and the Co-owners. The nonprivileged Association books, records, and contracts concerning the administration and operation of the Condominium shall be open for inspection by the Co-owners and their mortgagees during reasonable working hours, subject to such reasonable inspection procedures as may be established by the Board of Directors from time to time. The Association shall prepare and distribute to each Co-owner at least once a year a financial statement, the contents of which shall be defined by the Association. The books of account shall be audited at least annually 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. Any institutional holder of a first mortgage lien on any Unit in the Condominium shall be entitled to receive a copy of such annual audited financial statement within ninety (90) days following the end of the Association's fiscal year upon request therefor. The cost of any such audit and any accounting expenses shall be expenses of administration.

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

Section 3. <u>Depositories</u>. The funds of the Association shall be initially deposited in such bank or savings association as may be designated by the directors and shall be withdrawn only upon the check or order of such officers, employees or agents as are designated by resolution of the Board of Directors from time-to-time. The funds may be invested from time-to-time in accounts or deposit certificates of such banks or savings associations as are insured by the Federal Deposit Insurance Corporation and may also

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be invested in interest-bearing obligations of the United States Government or in such other depositories as may be adequately insured in the discretion of the Board of Directors.

ARTICLE XVI

INDEMNIFICATION OF OFFICERS AND DIRECTORS; DIRECTORS' AND OFFICERS' INSURANCE

Section 1. Indemnification of Directors and Officers. Every director and every officer of the Association (including the First Board of Directors and any other director and/or officer of the Association appointed by the Developer) shall be indemnified by the Association against all expenses and liabilities, including actual and reasonable counsel fees and amounts paid in settlement incurred by or imposed upon him in connection with any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative and whether formal or informal, including actions by or in the right of the Association, 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 as otherwise prohibited by law; provided that, in the event of any claim for reimbursement or indemnification hereunder based upon a settlement by the director or officer seeking such reimbursement or indemnification, the indemnification herein shall apply only if the Association (with the director seeking reimbursement abstaining) approves such settlement and reimbursement as being in the best interest 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. At least ten (10) days prior to payment of any indemnification which it has approved, the Association shall notify all Co-owners thereof.

Section 2. <u>Directors' and Officers' Insurance</u>. The Association shall provide liability insurance for every director and every officer of the Association for the same purposes provided above in Section 1 and in such amounts as may reasonably insure against potential liability arising out of the performance of their respective duties. With the prior written consent of the Association, a director or an officer of the Association may waive any liability insurance for such director's or officer's personal benefit or other applicable statutory indemnification. No director or officer shall collect for the same expense or liability under Section 1 above and under this Section 2; however, to the extent that the liability insurance provided herein to a director or officer was not waived by such director or officer and is inadequate to pay any expenses or liabilities otherwise properly indemnifiable under the terms hereof, a director or officer shall be reimbursed or indemnified only for such excess amounts under Section 1 hereof or other applicable statutory indemnification.

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ARTICLE XVII

AMENDMENTS

Section 1. <u>Proposal</u>. 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 (1/3) or more of the Co-owners in number by instrument in writing signed by them.

Section 2. <u>Meeting</u>. Upon any such amendment being proposed, a meeting for consideration of the same shall be duly called in accordance with the provisions of these Bylaws.

Section 3. <u>Voting</u>. These Bylaws may be amended by the Co-owners at any regular annual meeting or a special meeting called for such purpose by an affirmative vote of not less than sixty-six and two-thirds percent (66-2/3%) in number and in value of all Co-owners and upon the approval of sixty-six and two-thirds percent (66-2/3%) of the mortgagees, with each mortgagee to have one (1) vote for each mortgage held. During the Construction and Sales Period, these Bylaws may not be amended in any manner so as to materially affect and/or impair the rights of the Developer, unless said amendment has received the prior written consent of the Developer. Notwithstanding anything to the contrary, no amendment may be made to Article III, Section 4, and Article VII of these Bylaws at any time without the written consent of the Developer.

Section 4. <u>By Developer</u>. Prior to the Transitional Control Date, these Bylaws may be amended by the Developer without approval from any other person so long as any such amendment does not materially alter or change the rights of a Co-owner or mortgagee, including, but not limited to, amendments for the purpose 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 and/or any other agency of the Federal government or the State of Michigan.

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

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

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ARTICLE XVIII

COMPLIANCE

The Association of Co-owners and all present or future Co-owners, tenants, land contract purchasers, or any other persons acquiring an interest in or using the facilities of the Condominium in any manner are subject to and shall comply with the Act, as amended, and with the Condominium Documents, and the mere acquisition, occupancy or rental of any Unit or an interest therein or the utilization of or entry upon the Condominium Premises shall signify that the Condominium Documents are accepted and ratified. In the event the Condominium Documents conflict with the provisions of the Act, the Act shall govern. In the event any provision of these Bylaws conflicts with any provision of the Master Deed, the provisions of the Master Deed shall govern.

ARTICLE XIX

DEFINITIONS

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

ARTICLE XX

REMEDIES FOR DEFAULT

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

- (a) <u>Legal Action</u>. Failure to comply with any of the terms and provisions of the Condominium Documents or the Act, including any of the rules and regulations promulgated by the Board of Directors of the Association hereunder, shall be grounds for relief, which may include without intending to limit the same, an action to recover sums due for damages, injunctive relief, foreclosure of lien (if default in payment of assessment) or any combination thereof, and such relief may be sought by the Association or, if appropriate, by an aggrieved Co-owner or Co-owners.
- (b) Recovery of Costs. In the event of a default of the Condominium Documents by a Co-owner, nonCo-owner resident, lessee, tenant and guest, the Association shall be entitled to recover from the Co-owner, nonCo-owner resident, lessee, tenant and guest, the prelitigation

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costs and attorney fees incurred in obtaining their compliance with the Condominium Documents. In any proceeding arising because of an alleged default by any Co-owner, nonCo-owner, lessee, tenant and guest, the Association, if successful, shall be entitled to recover the costs of the proceeding 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. The Association, if successful, shall also be entitled to recoup the costs and attorney's fees incurred in defending any claim, counterclaim or other matter from the Co-owner asserting the claim, counterclaim or other matter.

- (c) Removal and Abatement. The violation of any of the provisions of the Condominium Documents, including the rules and regulations promulgated by the Board of Directors of the Association hereunder, shall also give the Association, or its duly authorized agents, the right, in addition to the rights set forth above, to enter upon the Common Elements, Limited or General, or into any Unit, where reasonably necessary, and summarily remove and abate, at the expense of the Co-owner in violation, any structure, thing or condition existing or maintained contrary to the provisions of the Condominium Documents; provided, however, that judicial proceedings shall be instituted before items of construction are altered or demolished pursuant to this subsection. The Association shall have no liability to any Co-owner arising out of the exercise of its removal and abatement power authorized herein.
- Assessment of Fines. The violation of any of the provisions of the (d) Condominium Documents, including any of the rules and regulations promulgated by the Board of Directors of the Association hereunder. by any Co-owner, or his tenant or nonCo-owner occupant of his Unit, in addition to the rights set forth above, shall be grounds for assessment by the Association of a monetary fine for such violation against said Co-owner. No fine may be assessed unless the 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 Article VI, Section 11 of these Bylaws. Thereafter, fines may be assessed only upon notice to the offending Co-owner and 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. Upon finding an alleged violation after an opportunity for hearing has been provided, the Board of Directors may

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levy a fine in such amount as it, in its discretion, deems appropriate, and/or as is set forth in the rules and regulations establishing the fine procedure. All fines duly assessed may be collected in the same manner as provided in Article II of these Bylaws.

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

Section 3. <u>Cumulative Rights, Remedies, and Privileges</u>. 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.

Section 4. <u>Enforcement of Provisions of Condominium Documents</u>. A Co-owner may maintain an action against the Association and its officers and directors to compel such 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 Act.

ARTICLE XXI

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 consent to the 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 retained by Developer or its successors shall expire and terminate, if not sooner assigned to the

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Association, at the conclusion of the Construction and Sales Period, as same is defined in Article III, Section 11 of the Master Deed. The immediately preceding sentence dealing with the expiration and 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 and expiration of any real property or contract rights granted or reserved to or for the benefit of the Developer or its successors and assigns in the Master Deed or elsewhere (including, but not limited to, litigation rights, access easements, utility easements and all other easements created and reserved in such documents), which shall not be terminable in any manner hereunder and which shall be governed only in accordance with the terms of their creation or reservation and not hereby.

ARTICLE XXII

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.

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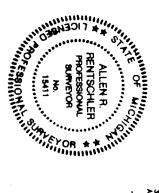
page 780189

EXHIBIT B TO THE MASTER DEED OF WASHTENAW COUNTY CONDOMINIUM SUBDIVISION PLAN NO. 505

ATTENTION: COUNTY REGISTER OF DEEDS

THE COMPONINTUM PLAN NUMBER MUST BE ASSIGNED IN SEQUENCE. WHEN A NUMBER HAS BEEN ASSIGNED TO THIS PROJECT IT MUST BE PROPERTY SHOWN IN THE SURVEYOR'S CERTIFICATE ON SHEET J.

WASHTENAW COUNTY, MICHIGAN CITY OF ANN ARBOR,



BARCLAY DEVELOPMENT COMPANY 2025 WEST LONG LAKE, SUITE 104 TROY, MICHIGAN 48098

CONDOMINIUM DESCRIPTION

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3815 PAJZA DRAVE
ANN ARBOR, MICHIGAN 48108
SHEET INDEX SURVEYOR

COVER SHEET
COMPOSITE PLAN
SURVEY PLAN

FLOOR PLANS UNITS 1-40
FLOOR PLANS UNITS 1-40
BUILDING SECTION UNITS 1-40
TOMPOUSE OPER FLAT AND FLAT
FLOOR PLANS UNITS 41-44, & 79

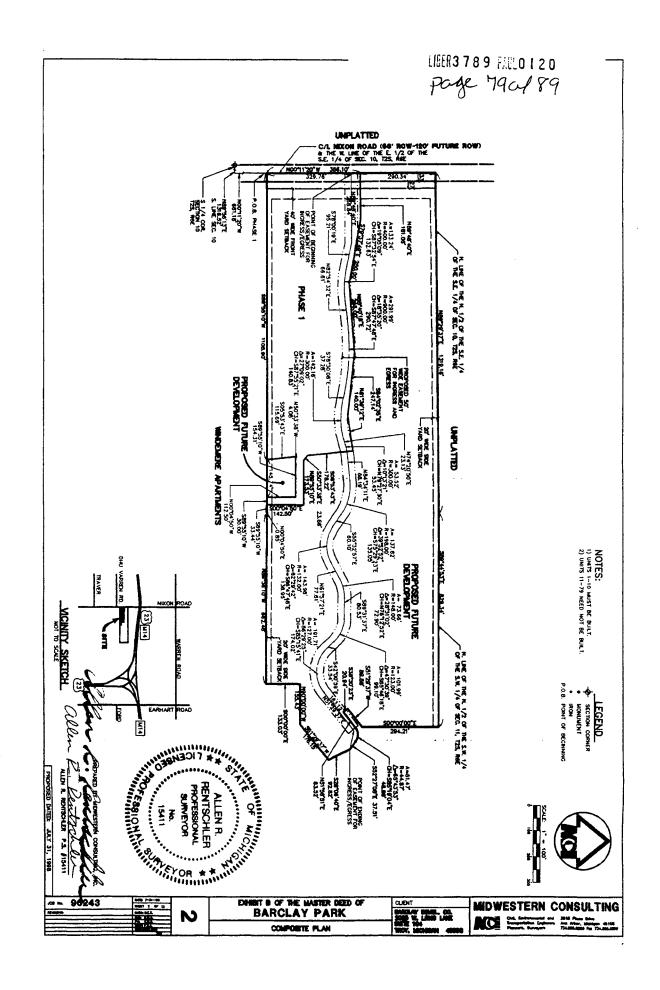
BUILDING SECTION UNITS 41-48. & 79

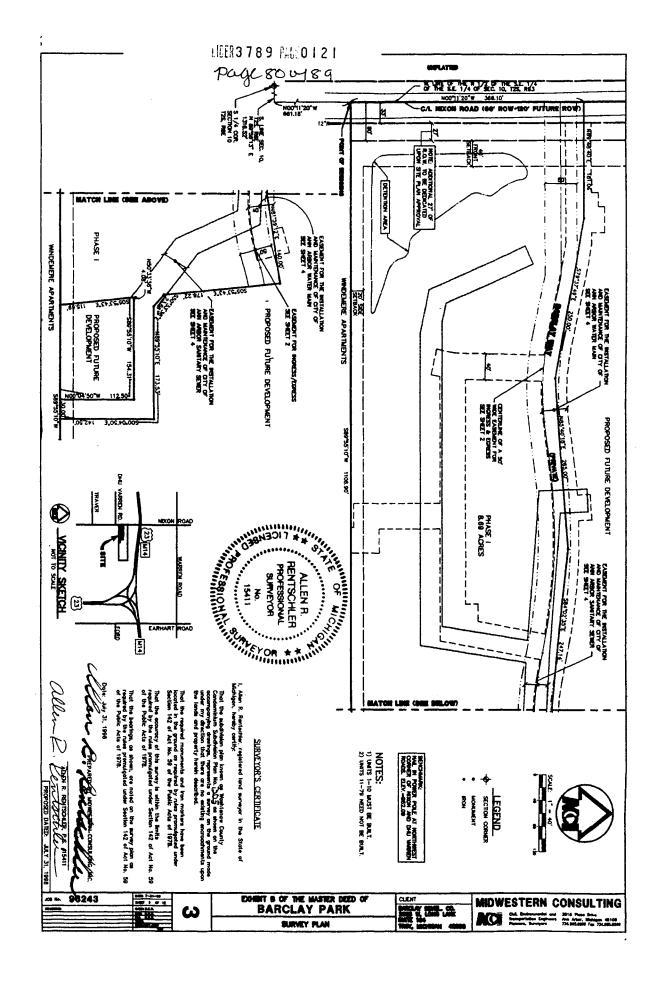
FLOOR PLANS UNITS 47-78
BACK TO BACK TOMPHONE
BUILDING SECTION UNITS 47-78
BACK TO BACK TOMPHONE

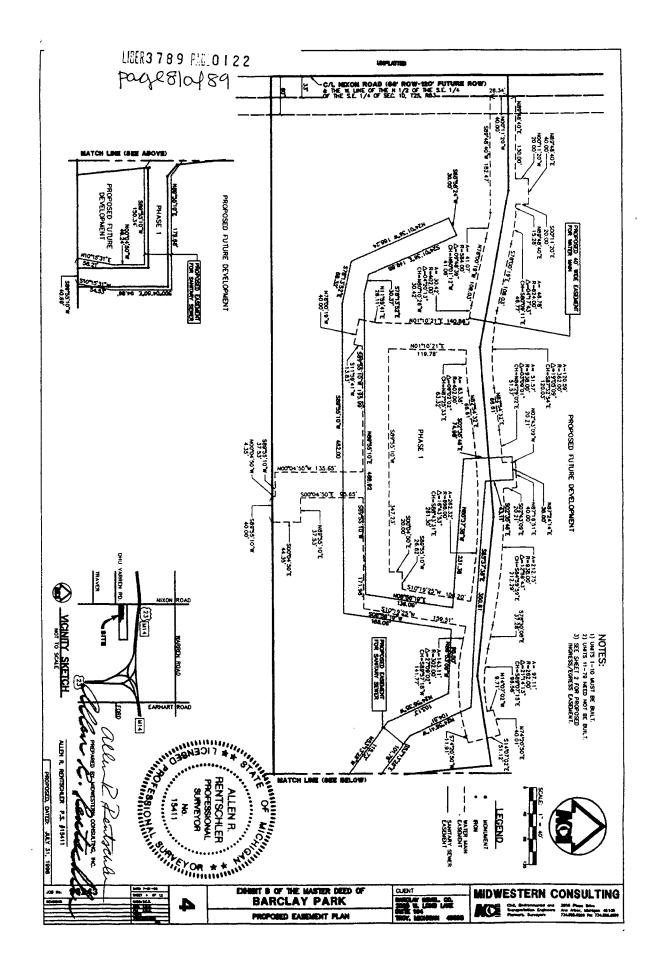
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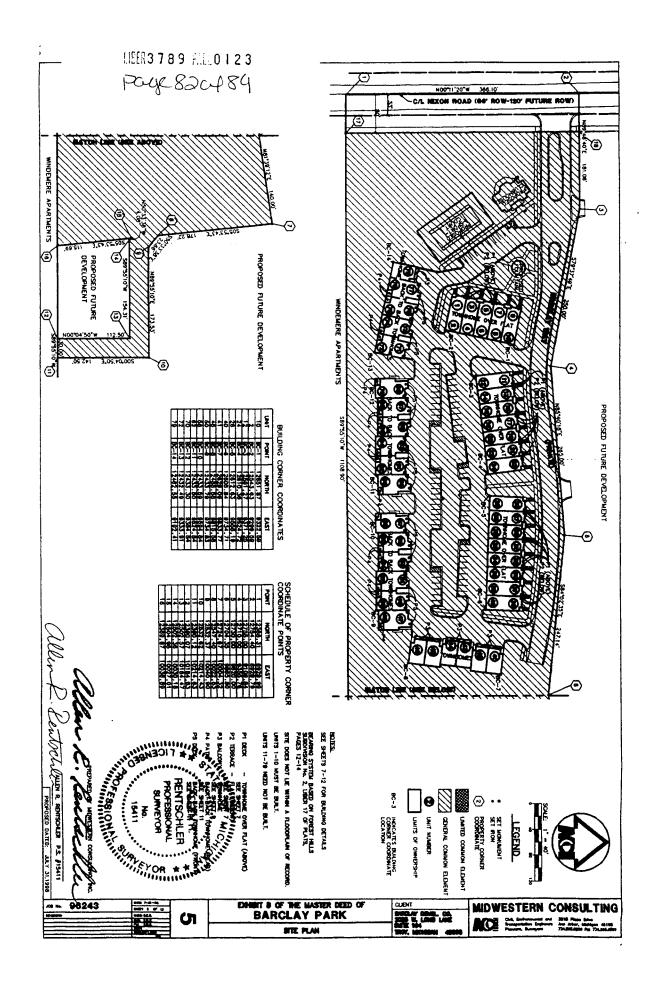
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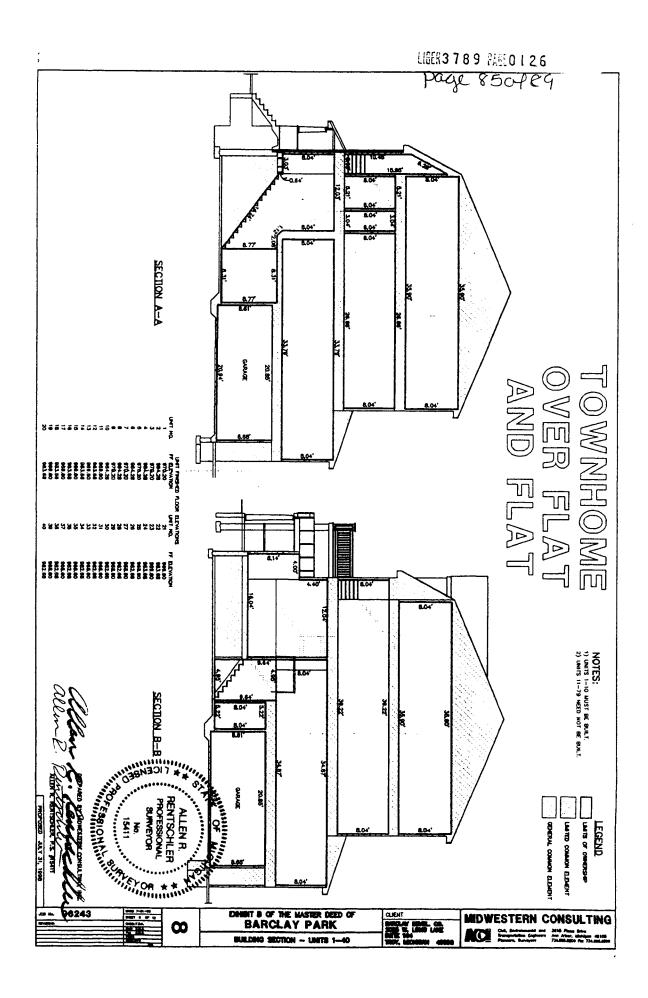
PROPOSED, DATED: JULY 31, 1998

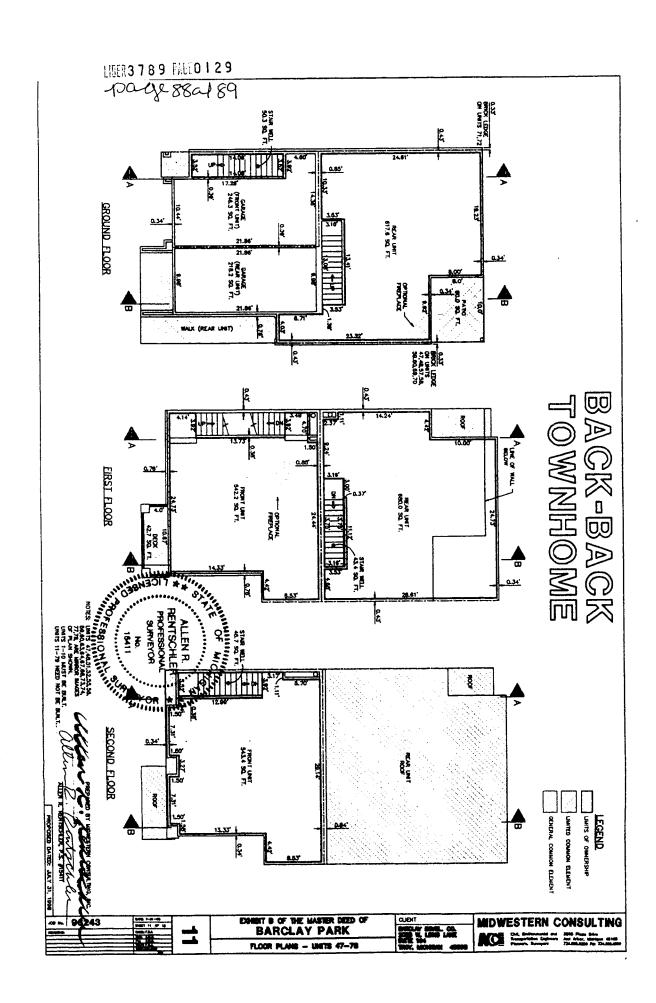


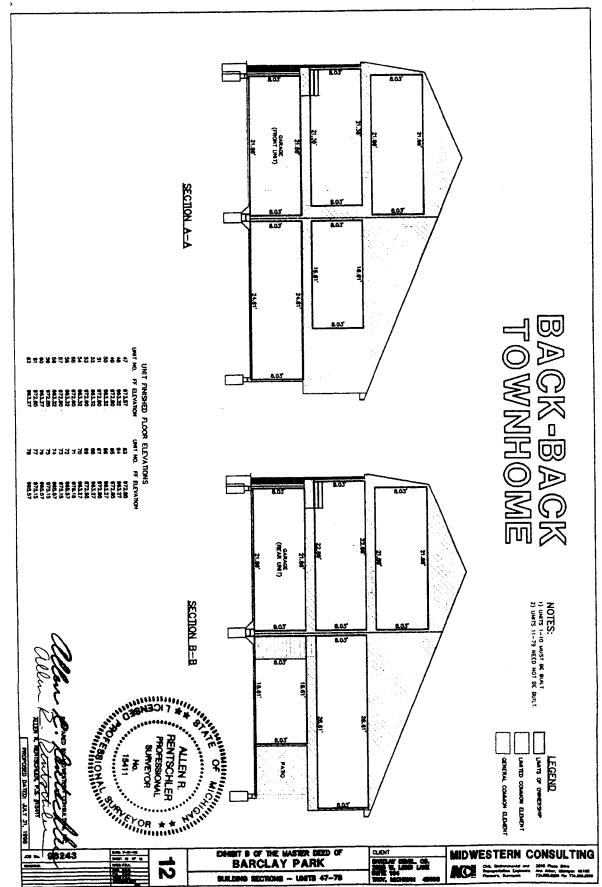














Peggy M. Haines - Washtenaw Co. DMAAM L-3948 P-509

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Recorded June 2, 2000, at Liber 3948, Page 509 (consisting of pages 1-25 thereof), Washtenaw County Records. Washtenaw County Condominium Subdivision Plan No. 305.

BARCLAY PARK

FIRST AMENDMENT TO MASTER DEED

On this \(\frac{17^{16}}{2}\) day of May 2000, Barclay Development Company, a Michigan Corporation, whose address is 2025 W. Long Lake Road, Suite 104, Troy, Michigan 48098, Developer of Barclay Park, a Condominium Project established pursuant to the Master Deed thereof, recorded in Liber 3789, Pages 1-89, inclusive, Washtenaw County Records, and known as Barclay Park, Washtenaw County Condominium Subdivision Plan No. 305, hereby amends the Master Deed of Barclay Park, pursuant to the authority reserved in Articles VI and IX of said Master Deed, for the purpose of enlarging the Condominium from seventy-nine (79) Units to one hundred and seventy (170) Units, by the addition of land as described in Section 1 below. Said Master Deed is amended in the following manner:

1. The land which is being added to the Condominium by this Amendment is more particularly described as follows:

Commencing at the S 1/4 corner of Section 10, T2S, R6E, Ann Arbor Township, Washtenaw County, Michigan, thence N 89°56'13" E 1316.52 feet along the South line of said Section 10; thence N 00°11'20" W 1027.28 feet along the centerline of Nixon Road (variable width) and the West line of the E ½ of the SE 1/4 of said Section 10, to the POINT OF BEGINNING, thence continuing N 00°11'20" W 290.33 feet along the said centerline of Nixon Road and the West line of the E ½ of the SE 1/4 of said Section 10; thence N 89°29'37" E 1272.84 feet along the North line of the N ½ of the SE 1/4 of the SE 1/4 of said Section 10; thence S 00°30'23" E 45.68 feet; thence S 66°15'09" W 75.44 feet; thence S 19°53'49" W 115.13 feet; thence S 24°35'08" E 116.95 feet; thence S 05°25'49" E 25.00 feet; thence S 83°33'11" W 140.38 feet; thence S 81°39'12" W 140.00 feet; thence N 84°02'35" W 247.14 feet; thence S 85°40'18" W 265.00 feet; thence N 79°37'49" W 250.00 feet; thence S 89°48'40" W 181.06 feet to the POINT OF BEGINNING. Being a part of the SE 1/4 of said Section 10, containing 8.92 acres of land, more or less, subject to all other lawful easements, restrictions, and right-of-ways of record and all governmental limitations.

Parcel 1D # 09-10-400-081

2. First Amended Article II of the Master Deed of Barclay Park as set forth below, shall, upon recordation in the office of the Washtenaw County Register of Deeds of this Amendment, replace and supersede Article II of the Master Deed as recorded, and the originally recorded Article II shall be of no further force or effect.

FIRST AMENDED ARTICLE II OF THE MASTER DEED OF BARCLAY PARK

ARTICLE II

LEGAL DESCRIPTION

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

Commencing at the S 1/4 corner of Section 10, T2S, R6E, City of Ann Arbor, Washtenaw County, Michigan, thence N 89°56'13" E 1316.52 feet along the South line of said Section 10, thence N 00°11'20" W 661.18 feet along the centerline of Nixon Road and along the West line of the E ½ of the SE 1/4 of said Section 10 to the POINT OF BEGINNING, thence continuing N 00°11'20" W 656.43 feet along the centerline of Nixon Road and along the West line of the E ½ of the SE 1/4 of said Section 10; thence N 89°29'37" E 1272.84 feet along the North line of the N ½ of the SE 1/4 of the SE 1/4 of said Section 10; thence $\mathrm{S}\ 00^{\circ}30'\bar{2}3''$ E 45.68 feet; thence $\mathrm{S}\ 66^{\circ}15'09''$ W 75.44 feet; thence $\mathrm{S}\ 19^{\circ}53'49''$ W 115.13 feet; thence S 24°35'08" E 116.95 feet; thence S 05°25'49" E 25.00 feet; thence S 83°33'11" W 140.38 feet; thence S 05°53'43" E 178.22 feet; thence S 50°33'38" E 23.66 feet; thence N 89°55'10" E 173.53 feet; thence S 00°04'50" E 142.50 feet; thence S 89°55'10" W 30.00 feet; thence N 00°04'50" W 112.50 feet; thence S 89°55'10" W 154.31 feet; thence N 50°33'38" W 4.08 feet; thence S 05°53'43" E 115.69 feet; thence S 89°55'10" W 1108.90 feet to the POINT OF BEGINNING. Being a part of the E 1/2 of the SE 1/4 of said Section 10, T2S, R6E, City of Ann Arbor, Washtenaw County, Michigan, containing 17.61 acres of land, more or less. Being subject to the rights of the public over the West 33.00 feet thereof as occupied by Nixon Road. Being subject to all other lawful easements, restrictions, and rights-of-way of record and all governmental limitations.

Parcel 15 H 09-10-400-081 and 09-10-400-001

3. First Amended Article IV, Section 1 (k) of said Master Deed of Barclay Park, as set forth below, shall, upon recordation in the Office of the Washtenaw County Register of Deeds of this Amendment, replace and supersede Article IV, Section 1 (k) of the Master Deed as recorded, and the originally recorded Article IV, Section 1 (k) shall be of no further force or effect.

FIRST AMENDED ARTICLE IV, SECTION 1 (k) OF THE MASTER DEED OF BARCLAY PARK

ARTICLE IV COMMON ELEMENTS

Section 1. General Common Elements. The General Common Elements are:

Storm Water Management System and Detention Areas and Aerator. The storm water management system throughout the Project including, without limitation, the detention areas and the aerator located at the westerly

detention area, as depicted on Exhibit "B".

4. First Amended Article IV, Section 2 (d) of the Master Deed of Barclay Park, as set forth below, shall, upon recordation in the Office of the Washtenaw County Register of Deeds of this Amendment, replace and supersede Article V, Section 2 (d) of the Master Deed as recorded, and the originally recorded Article V, Section 2 (d) shall be of no further force or effect.

FIRST AMENDED ARTICLE IV, SECTION 2 (d) OF THE MASTER DEED OF BARCLAY PARK

ARTICLE IV

COMMON ELEMENTS

* * *

Section 2. <u>Limited Common Elements</u>. The Limited Common Elements shall be subject to the exclusive use and enjoyment of the Co-owner or Co-owners of the Unit or Units to which the Limited Common Elements are appurtenant. The Limited Common Elements are as follows:

* * *

(k)

(d) Patios and Wooden Privacy Fences. Each patio, if any, and the wooden privacy fence, if any, in the Condominium is restricted in use to the Co-owner of the Unit which opens onto such patio as shown on Exhibit "B" hereto.

5. First Amended Article IV, Section 3 (I) of said Master Deed of Barclay Park, as set forth below, shall, upon recordation in the Office of the Washtenaw County Register of Deeds of this Amendment, replace and supersede Article IV, Section 3 (I) of the Master Deed as recorded, and the originally recorded Article IV, Section 3 (I) shall be of no further force or effect.

FIRST AMENDED ARTICLE IV, SECTION 3 (I) OF THE MASTER DEED OF BARCLAY PARK

ARTICLE IV COMMON ELEMENTS

Section 3. <u>Responsibilities</u>. The respective responsibilities for the maintenance, decoration, repair and replacement of the Common Elements are as follows:

* * *

Storm Water Management System and Detention Areas. The costs of **(l)** inspection, maintenance, repair and replacement of the storm water management system and the detention areas and the aerator referenced in Section 1 (k) hereinabove shall be borne by the Association and shall be performed in strict accord with the written Stormwater Wetland System Management Plan ("Management Plan") designed for Barclay Park by the City of Ann Arbor, as may be amended from time to time. The Management Plan, which shall be maintained in the Association's records at all times, sets forth, without limitation, the required procedures and a schedule with regard to inspections and maintenance, sediment control (dredging procedure and material disposal), vegetation management (planting, weeding, herbicide controls, fertilizer prohibitions, mowing of buffer areas and dry sedimentation basins, etc.), and an outlet maintenance plan. The Association is also responsible for all record keeping and submitting reports to the City of Ann Arbor Planning Department as required by the Management Plan. All such records shall be made available to engineers, wetland scientists, public officials, and other responsible parties upon reasonable request. proposed changes to the storm water detention facilities must be approved by the City of Ann Arbor Building Department. If there is a failure to properly maintain the inlet and detention areas, the City of Ann Arbor may undertake the necessary procedures and charge the Association and collect same as a single lot assessment as more specifically described in Article X Section 6 of the Master Deed.

6. First Amended Article V, Section 2 of the Master Deed of Barclay Park, as set forth below, shall, upon recordation in the Office of the Washtenaw County Register of Deeds of this Amendment, replace and supersede Article V, Section 2 of the Master Deed as recorded, and the originally recorded Article V, Section 2 shall be of no further force or effect.

FIRST AMENDED ARTICLE V, SECTION 2 OF THE MASTER DEED OF BARCLAY PARK

ARTICLE V

UNIT DESCRIPTION AND PERCENTAGE OF VALUE

Section 2. Percentages of Value. The percentage of value assigned to each Unit was computed based upon the average square footages of the buildings, inclusive of the garages contained therein, exclusive of fireplaces and exclusive of the crawl spaces, with the resultant percentages reasonably adjusted to total precisely one hundred percent (100%). The percentage of value assigned to each Unit shall be determinative of each Co-owner's undivided interest in the Common Elements, the proportionate share of each respective Co-owner in the proceeds and expenses of administration and the value of such Co-owner's vote at meetings of the Association of Co-owners. Set forth in Exhibit "C" to the Master Deed, as amended, and as attached hereto, is the Table of Percentages of Value containing the following:

- (1) Each Unit number as it appears on the Condominium Subdivision Plan.
- (2) The percentage of value assigned to each Unit.
- 7. First Amended Article VII, Section 1 of the Master Deed of Barclay Park, as set

forth below, shall, upon recordation in the Office of the Washtenaw County Register of Deeds of this Amendment, replace and supersede Article VII, Section 1 of the Master Deed as recorded, and the originally recorded Article VII, Section 1 shall be of no further force or effect.

FIRST AMENDED ARTICLE VII, SECTION 1 OF THE MASTER DEED OF BARCLAY PARK

ARTICLE VII

CONTRACTION OF CONDOMINIUM

Section 1. Contractible Area. Although the Condominium established pursuant to the Master Deed of Barclay Park, as amended, consists of one hundred and seventy (170) Units, the Developer hereby reserves the right to contract the size of the Condominium so as to contain ten (10) Units or more, by withdrawing Units 11-170, and the common elements surrounding said Units from the Condominium (labeled "need not be built" on the Condominium Subdivision Plan attached hereto as Exhibit "B" and hereinafter referred to as "Contractible Area"). Developer reserves the right to use a portion of the land so withdrawn to establish, in its sole discretion, a rental development, a separate condominium project (or projects), any other form of development, or retain same as raw land. Developer further reserves the right, subsequent to such withdrawal by prior to six (6) years from the date of recording this Master Deed, to expand the Project so reduced to include all or any portion of the land so withdrawn.

^{8.} Sheets 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, and 12 of the Condominium Subdivision Plan of Barclay Park, as attached hereto, shall, upon recordation in the office of the Washtenaw County Register of Deeds of this Amendment, replace and supersede originally recorded Sheets 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, and 12 of the Condominium Subdivision Plan of Barclay Park, and the aforedescribed originally recorded Sheets shall be of no further force or effect.

^{9.} Sheets 3A, 4A, 5A and 6A of the Condominium Subdivision Plan of Barclay Park, as attached hereto, shall, upon recordation in the office of the Washtenaw County Register of Deeds of this Amendment, be added to and shall become part of the Condominium Subdivision Plan of Barclay Park.

In all other respects, other than as hereinabove indicated, the initial Master Deed of Barclay Park, including the Bylaws and the Condominium Subdivision Plan respectively attached thereto as Exhibits "A" and "B", recorded and amended as aforesaid, is hereby ratified, confirmed and redeclared.

WITNESSES:	BARCLAY DEVELOPMENT COMPANY
M. Katherine Michael	a Michigan Corporation By: Lorne Zalesin, its Vice President
Kathleen L. Bileo	-
STATE OF MICHIGAN COUNTY OF OAKLAND) ss.)
	2000 the foregoing First Amendment to Master Deed was brine Zalesin, vice president of Barclay Development, on behalf of said corporation.

M. Katherine Michael, Notary Public

Oakland County, Michigan

My Commission Expires: 11/06/03

First Amendment to Master Deed Drafted by and when Recorded Return to: ROBERT M. MEISNER, ESQ. MEISNER & ASSOCIATES, P.C. 30200 Telegraph Road, Suite 467 Bingham Farms, Michigan 48025-4506 (248) 644-4433

RMM/MKM:server\Barclay Park\1st Amend.MasterDd 5.16.00

BARCLAY PARK

TABLE OF PERCENTAGES OF VALUE EXHIBIT "C" TO THE MASTER DEED

UNIT NO. ASSIGNED	% OF VALUE	UNIT NO. ASSIGNED	% OF VALUE	UNIT NO. ASSIGNED	% OF VALUE
1	.450	28	.688	55	.513
2	.688	29	.450	56	.560
3	.450	30	.688	57	.513
4	.688	31	.450	58	.560
5	.450	32	.688	59	.513
6	.688	33	.450	60	.560
7	.450	34	.688	61	.513
8	.688	35	.450	62	.560
9	.450	36	.688	63	.513
10	.688	37	.450	64	.560
11	.450	38	.688	65	.513
12	.688	39	.450	66	.560
13	.450	40	.688	67	.513
14	.688	41	.823	68	.560
15	.450	42	.823	69	.513
16	.688	43	.823	70	.560
17	.450	44	.823	71	.513
18	.688	45	.823	72	.560
19	.450	46	.823	73	.513
20	.688	47	.513	74	.560
21	.450	48	.560	75	.513
22	.688	49	.513	76	.560
23	.450	50	.560	77	.513
24	.688	51	.513	78	.560
25	.450	52	.560	79	.823
26	.688	53	.513	80	.560
27	.450	54	.560	81	.513

Barclay Park
Exhibit "C" - Table of Percentages of Value - continued

UNIT NO. ASSIGNED	% OF VALUE	UNIT NO. ASSIGNED	% OF VALUE	UNIT NO. ASSIGNED	% OF VALUE
82	.560	112	.823	142	.688
83	.513	113	.823	143	.450
84	.560	114	.823	144	.688
85	.513	115	.823	145	.450
86	.560	116	.823	146	.688
87	.513	117	.450	147	.450
88	.560	118	.688	148	.688
89	.513	119	.450	149	.450
90	.560	120	.688	150	.688
91	.513	121	.450	151	.450
92	.560	122	.688	152	.688
93	.513	123	.450	153	.450
94	.560	124	.688	154	.688
95	.513	125	.450	155	.450
96	.560	126	.688	156	.688
97	.513	127	.450	157	.450
98	.560	128	.688	158	.688
99	.513	129	.450	159	.450
100	.560	130	.688	160	.688
101	.513	131	.450	161	.450
102	.560	132	.688	162	.688
103	.513	133	.450	163	.450
104	.823	134	.688	164	.688
105	.823	135	.450	165	.450
106	.823	136	.688	166	.688
107	.823	137	.450	167	.450
108	.823	138	.688	168	.688
109	.823	139	.450	169	.460
110	.823	140	.688	170	.688
111	.823	141	.450	TOTAL:	100.00

server/biltmore/barclay/table of Percentages of Value.5.25.00

EXHIBIT B TO THE MASTER DEED OF WASHTENAW COUNTY CONDOMINIUM SUBDIVISION PLAN NO. 305 REPLAT NO. 1 OF

WASHTENAW COUNTY, MICHIGAN CITY OF A N N ARBOR,

CONDOMINIUM DESCRIPTION

Commencing at the \$ 1/4 corner of Section 10, TSL REE, City of John Arbor, Westlemer County, Michigan, thence N 8879613 E 1738.62 feet design feet South the of heid Section 10, thence N 00111207 W 881,18 feet design the centerthe of Noon Road and down the tweet the of the E 1/2 of the SE 1/4 of acid Section 10 to the POINT OF ECONOMISM.

thereo continuing N 0011/20" W 858.43 feet doing the contestine of Nation Road and doing the Meet The of the E 1/2 of the SE 1/4 of seld Section 10.

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There N 86278'ST E 1272.54 feet doing the North line of the N 1/2 of the SE 1/4 of the SE 1/4 of seld Section the N 1/2 of the SE 1/4 of the SE 1/4 of seld Section.

thereos S 00730727 E 45.68 feet;
thereos S 0073078 W 115.15 feet;
thereos S 1097347 E 20.00 feet;
areos S 247310 W 115.15 feet;
thereos S 247310 W 140.35 feet;
areos S 247310 E 173.63 feet;
as S 257371 W 140.36 feet;
as S 257371 W 140.36 feet;
as S 257371 W 150.56 feet;
as S 257371 W 150.56 feet;
areos S 257371 W 150.56 fe

SURVEYOR DEVELOPER

BARCLAY DEVELOPMENT COMPANY
2025 WEST LONG LAKE, SUITE 104
TROY, MICHICAN 48088

- SHEET INDEX

 SHEET I COVER SHEET

 SHEET 1. COVER SHEET

 SHEET 2. COMPOSITE PLAN
 SHEET 3. SARKEY PLAN (PHASE 2)
 SHEET 4. EASDACHT PLAN (PHASE 2)
 SHEET 6. SITE PLAN (PHASE 2)
 SHEET 6. SITE PLAN (PHASE 2)
 HEET 6. UTILITY PLAN (PHASE 2)
 THE 7. FLOOR PLANS UNITS 1-40
 TOMMODISE OVER FLAT AND FLAT

 1. BUILDING SECTION UNITS

 1. FLOOR PLANS UNITS 41-49, & 79
 TOMMODISE

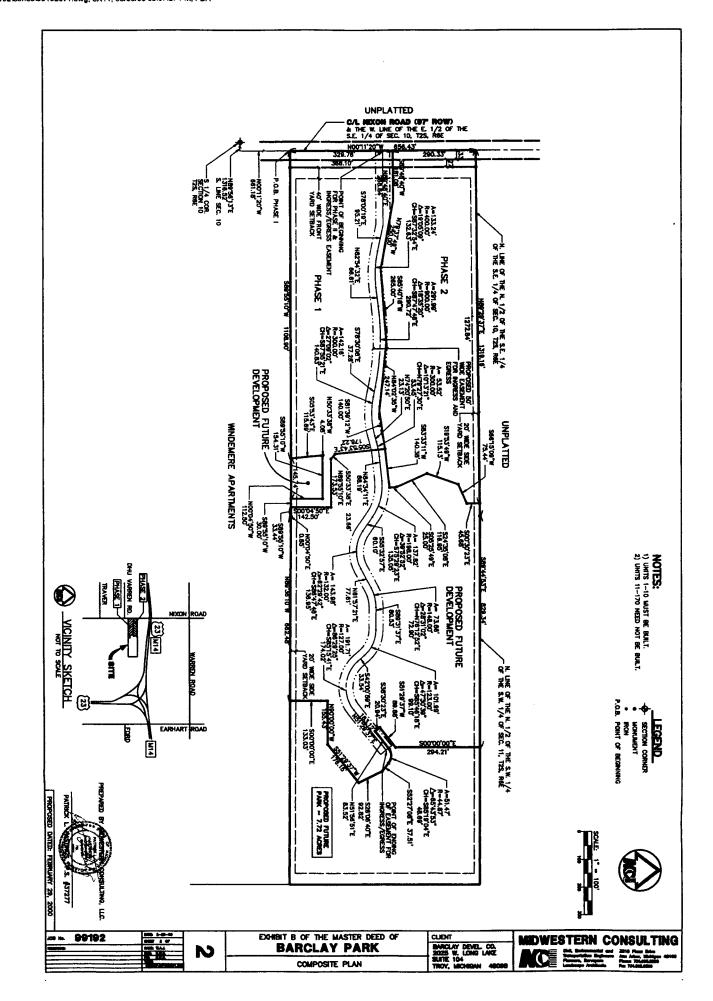
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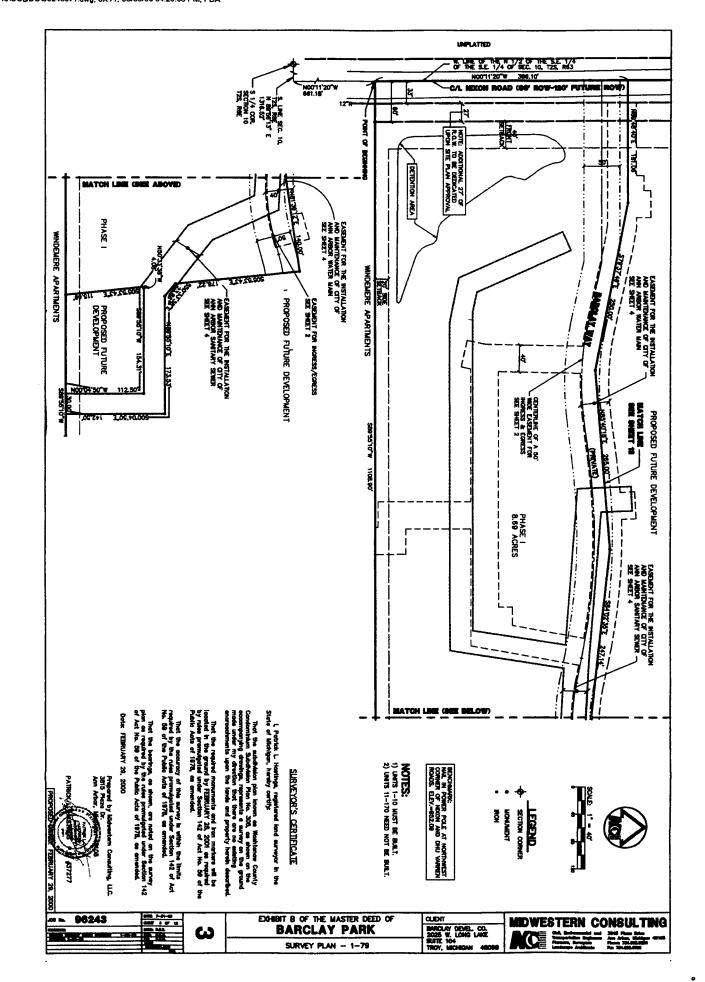
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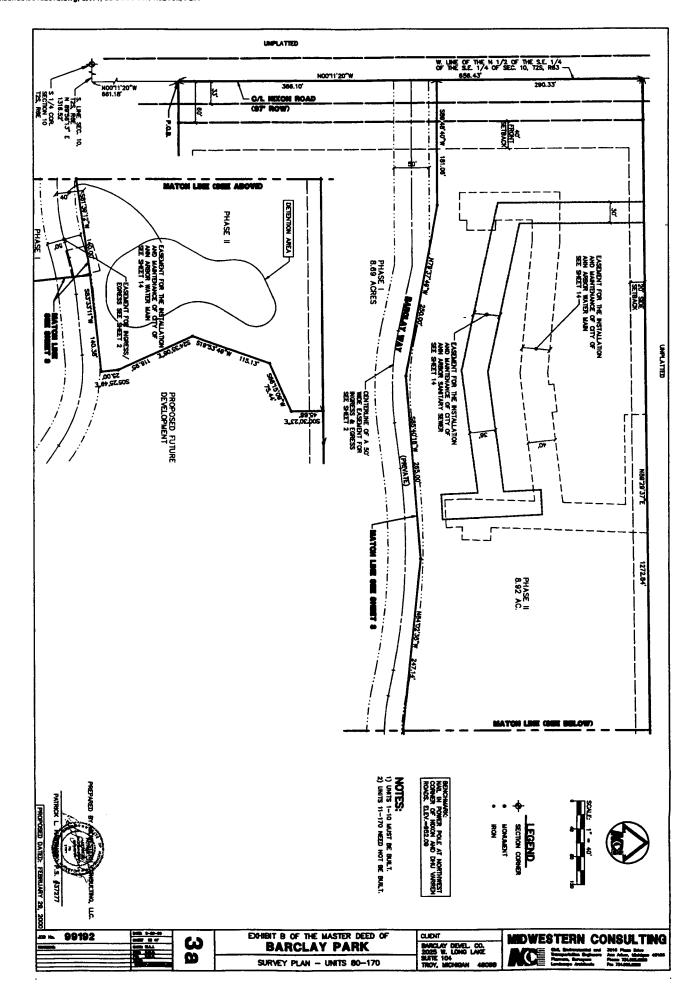
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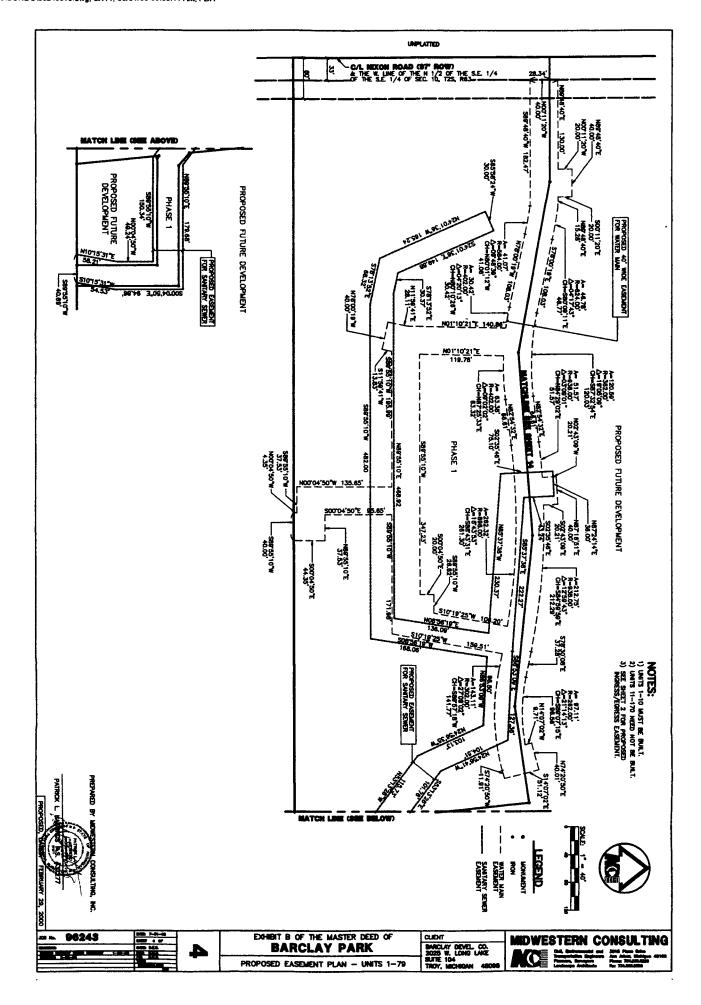
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OR BE SUPPLEMENTED TO THOSE SHEETS PREVIOUSLY RECORDED.

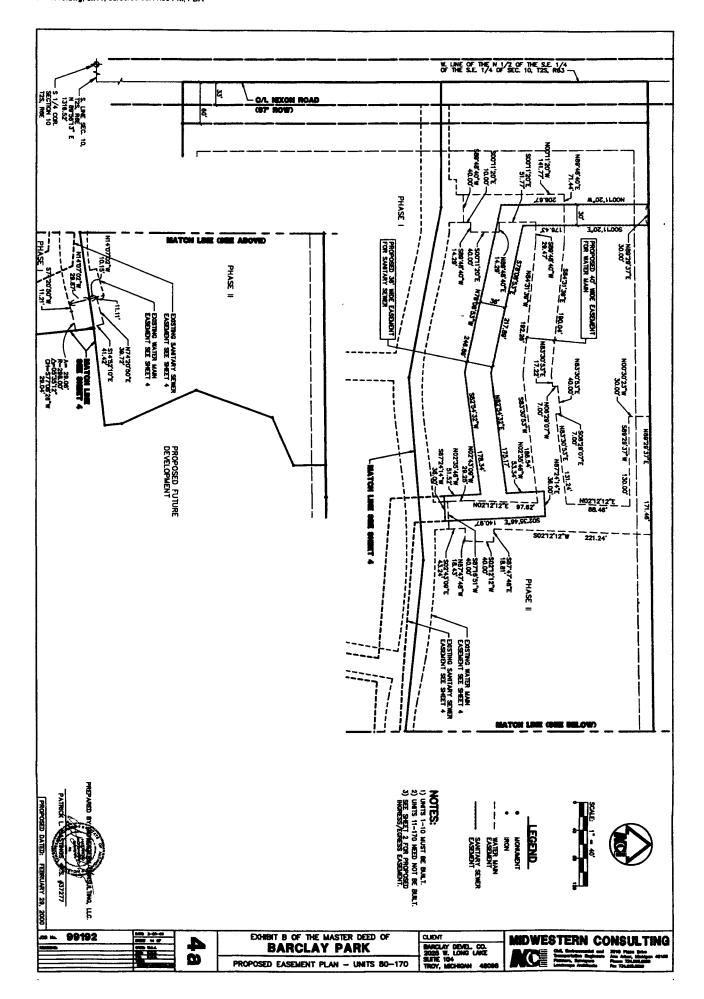
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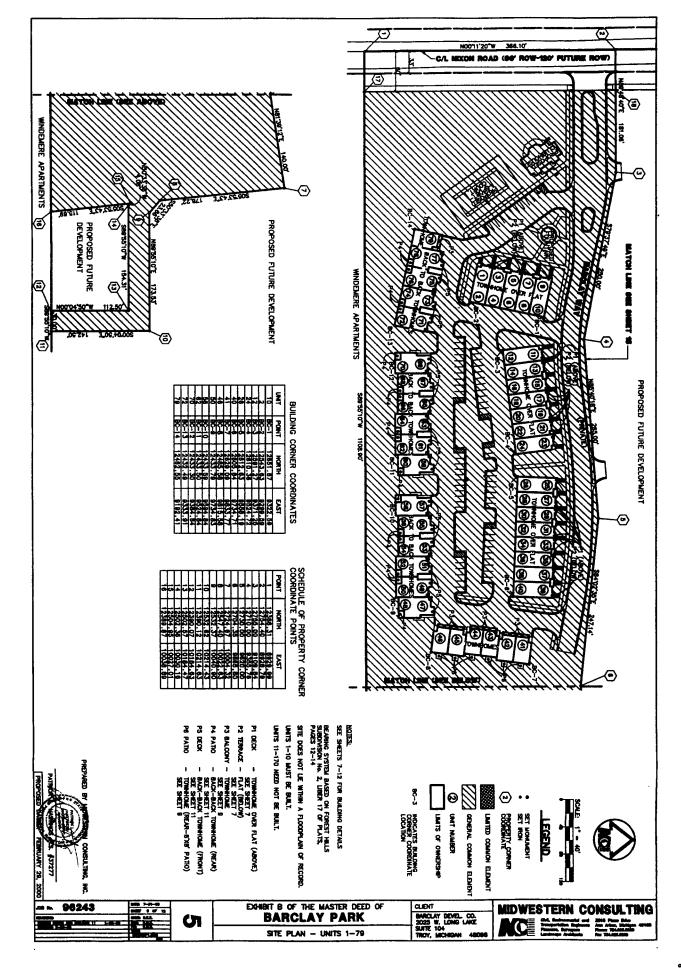




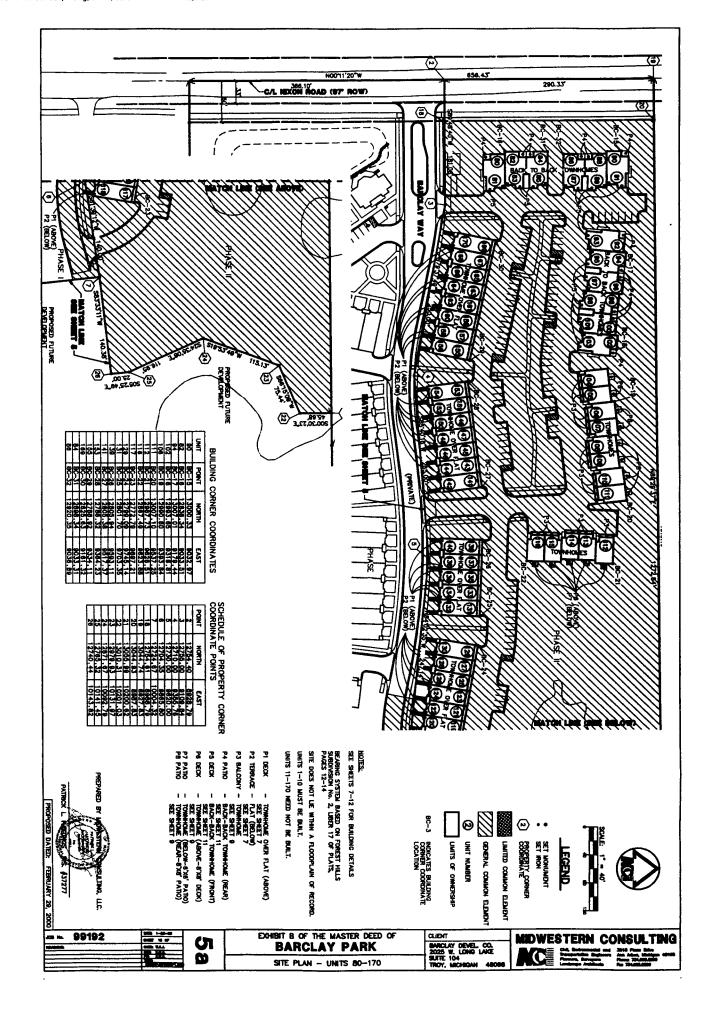


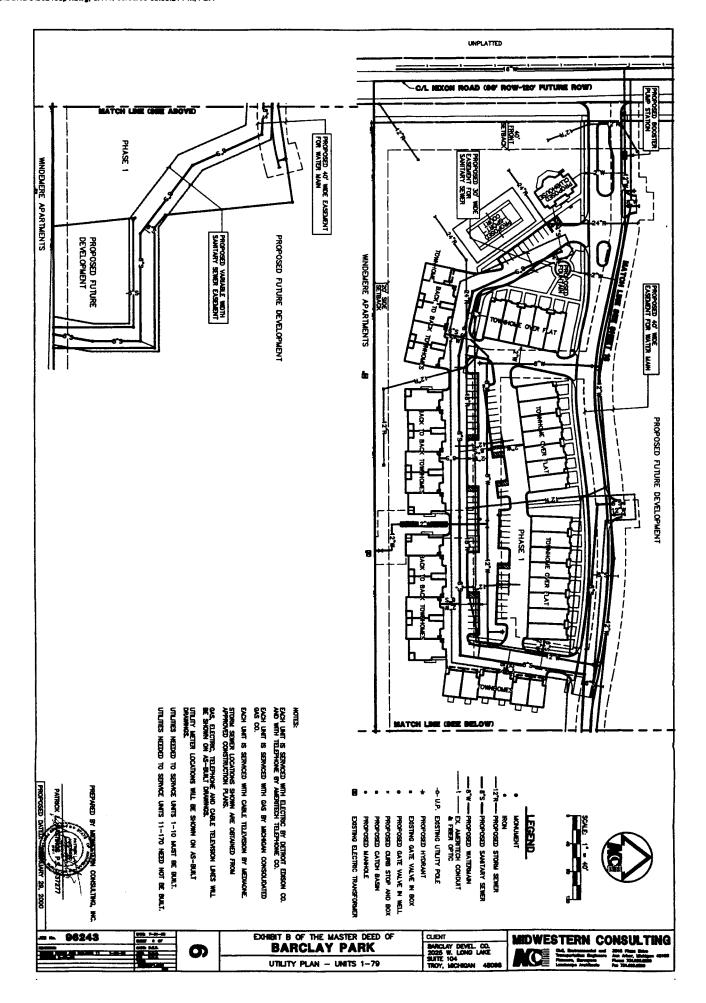


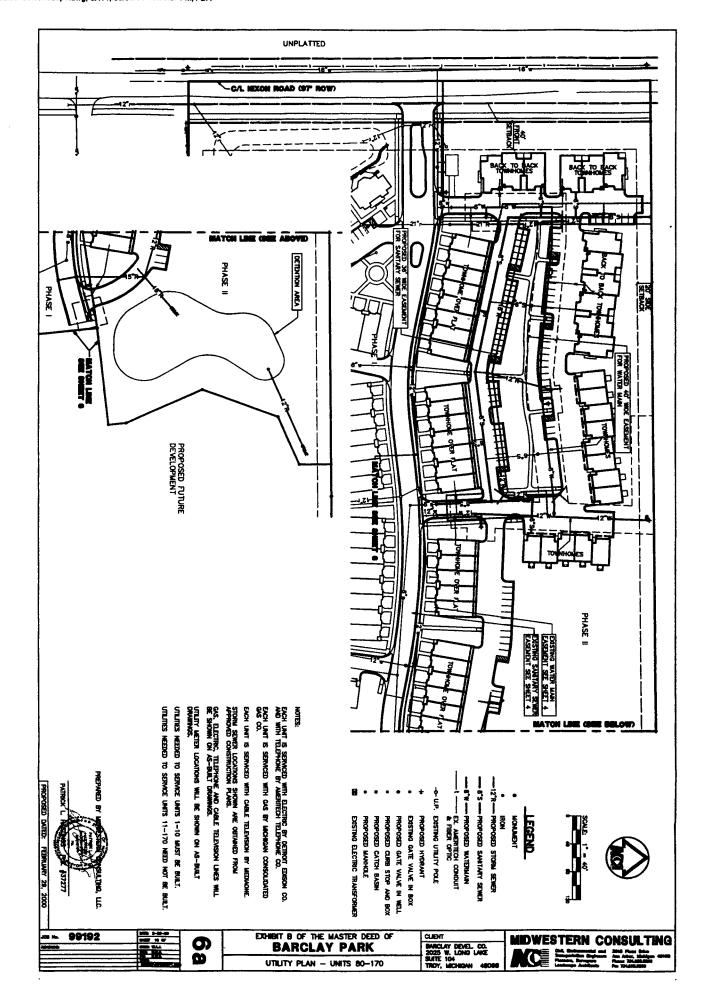


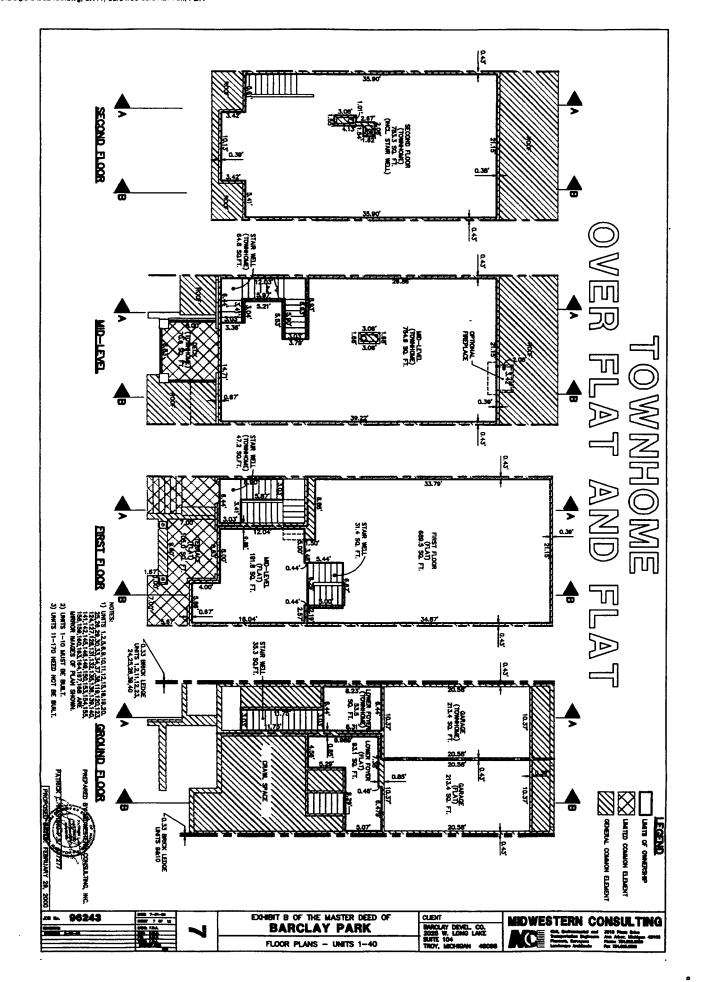


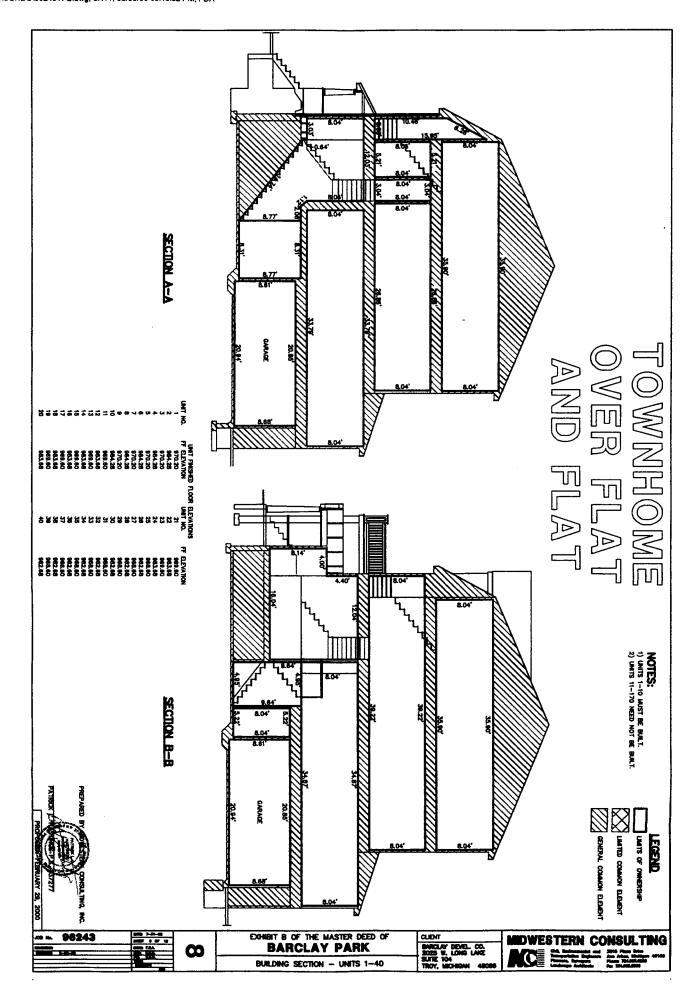
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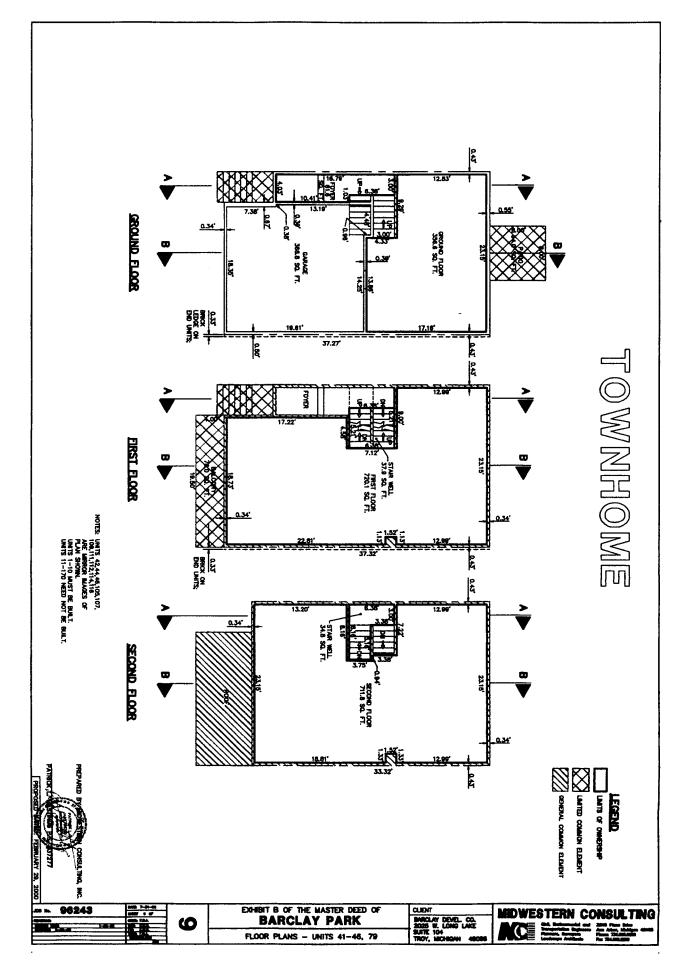




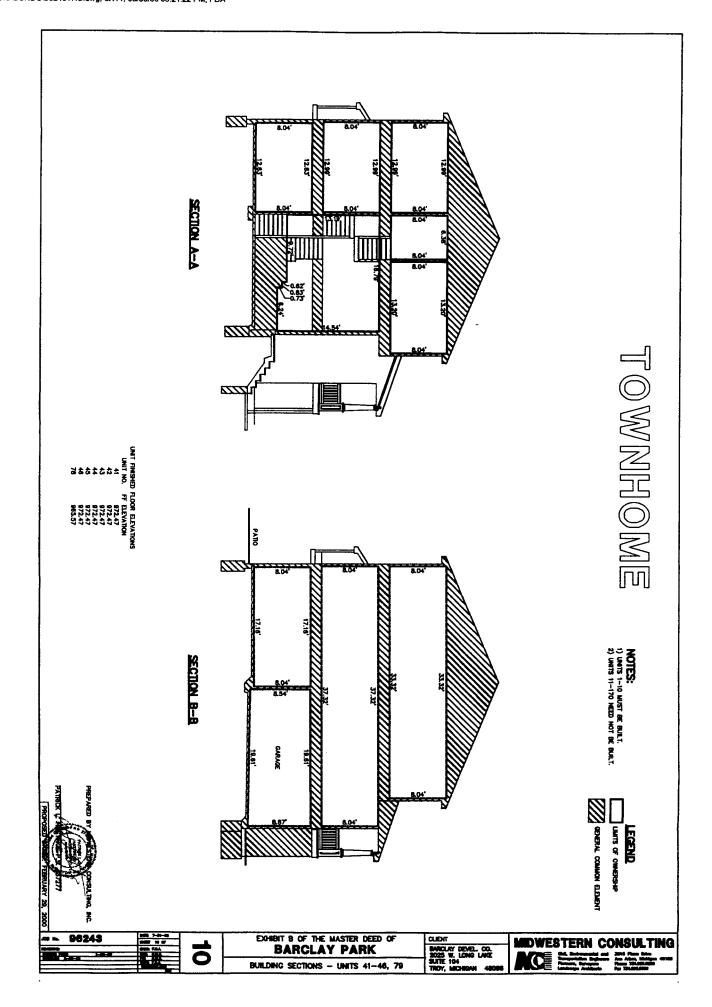


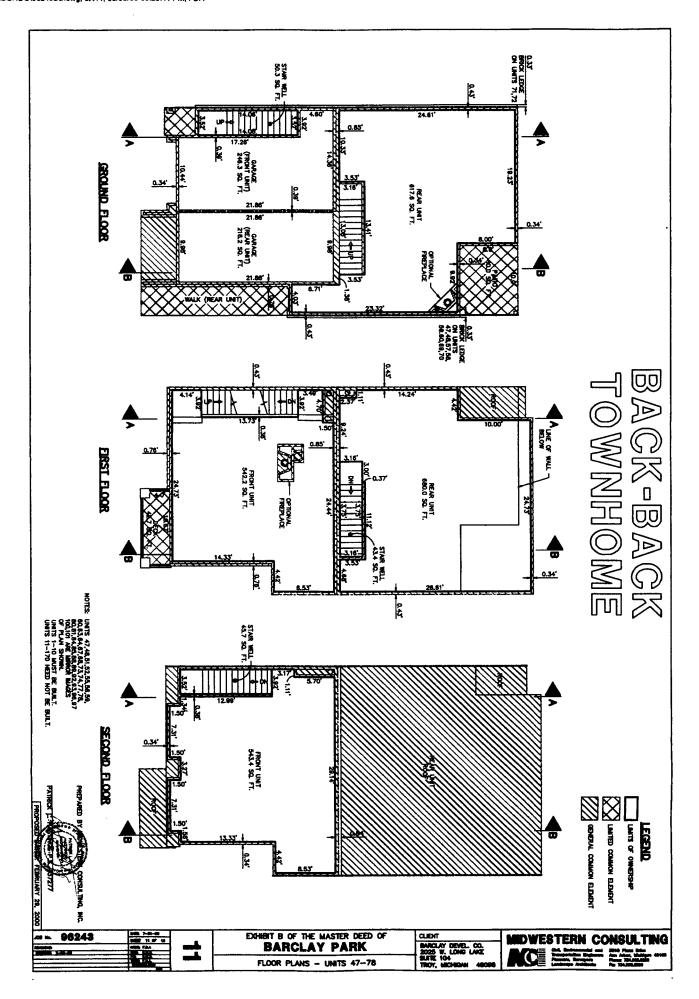


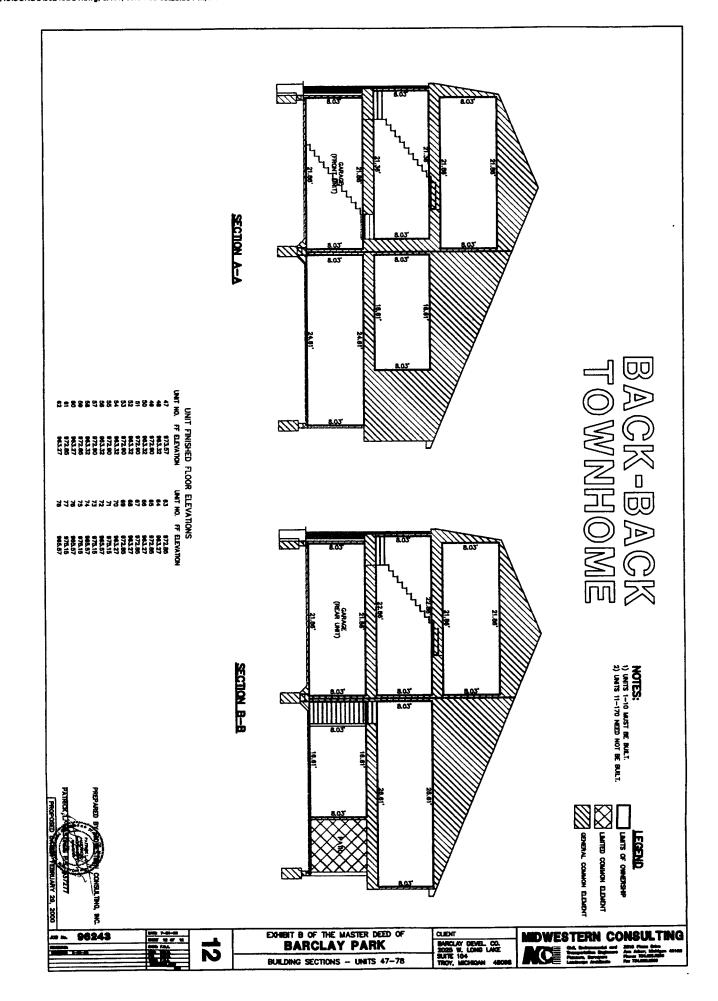




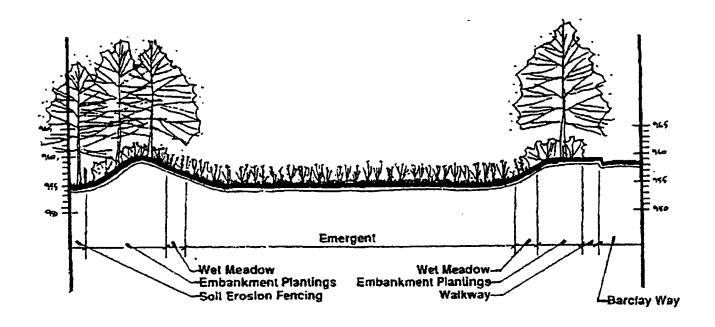
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Stormwater Wetland System Management Plan



Barclay Park Condominiums City of Ann Arbor, Michigan

City of Ann Arbor, Planning Department City Hall 100 N. 5th Avenue P.O. Box 8647 Ann Arbor, Michigan 48107 (734) 994-2800

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Scope of Document

Stormwater wetlands are constructed systems, specifically designed to mitigate the impacts of stormwater on surface water quality. When properly designed and maintained, stormwater wetlands have several advantages over other, more traditional best management practices. These include: greater pollutant removal (sediments, nutrients, heavy metals and other organic pollutants), long life span (20+ years), application to a wide variety of site conditions, and greater wildlife habitat potential. Stormwater wetlands perform these functions by retaining water over a longer period of time than traditional detention basins and by having a complex vegetation component which encourages greater sedimentation and nutrient uptake and provides food and cover for wildlife.

This Stormwater Management System Maintenance Plan is intended to assist the owners of Barclay Park Condominiums in maintaining and ensuring postconstruction proper functioning condition of the stormwater wetlands located within the Barclay Park development. This document describes the various functions stormwater wetlands perform, outlines maintenance requirements, provides a schedule of maintenance practices and identifies responsible parties.

Stormwater Wetlands Protect Surface Water Quality

The primary function of stormwater wetlands located within the Barclay Park community is for protection of surface water quality. These constructed wetlands protect water quality by removing pollutants through the following mechanisms:

- sedimentation
- adsorption of pollutants to sediments/vegetation/decaying organic matter
- physical filtration of runoff
- microbial transformation
- uptake of nutrients and toxins by wetland plants and algae
- extra detention and/or retention

Sedimentation

Suspended sediments are one of the most significant problems associated with stormwater runoff. When sediments are allowed to enter surface water systems unchecked, they bury habitats for plants and wildlife. Sediments also bring in pollutants and toxins which are absorbed to individual soil particles. Providing a place for sedimentation to occur in a controlled manner may be the single most important function stormwater wetlands provide. Once water leaves the inlet it is spread in a thin layer (known as sheet flow) over the entire wetland. This forces the water to move slowly around and between wetland plants and deposit finer sediments. The roots of wetland vegetation then binds deposited soil particles, preventing them from being eroded away.

Adsorption of pollutants to sediments/vegetation/decaying organic matter

As stormwater moves through wetlands, nutrients (phosphorus), heavy metals (lead, mercury) and hydrocarbons (oils, gasoline, etc.) suspended in the water column become adsorbed to sediments and to living and dead plant material. The ability of a wetland to remove pollutants in this way will increase over time as wetland plants grow, die and accumulate providing more decaying organic matter to which pollutants can adsorb. Greater amounts of these pollutants can be retained, the longer stormwater is forced to stay in a wetland.

Physical filtration of runoff

A dense stand of emergent vegetation acts as a filter for incoming stormwater. This is especially important for filtering out litter and large debris commonly found in stormwater. Having a dense stand of vegetation also assists in other pollutant removal pathways such as sedimentation, adsorption and microbial activity.

Microbial transformation

The variety of surfaces found within stormwater wetlands offers excellent conditions for microbial survival and growth. Bacteria live on the surfaces of plants and sediment particles where they break down or transform nitrogen, organic matter and other pollutants into less harmful compounds. Bacteria may

also use up all of the oxygen in the wetland sediments, this condition allows for the conversion of many metals into less soluble forms that are less likely to be released to other surface waters.

Uptake by wetland plants and algae

Most nutrients in stormwater are bound to sediments. Once these sediments are deposited in the constructed wetland, plants are able to use them, temporarily preventing them from moving into other surface water systems. Some nutrients will be put back into the water column when the plant dies in the Fall, but a majority will be retained within the dead plant material which stays in, or may be harvested from, the wetland.

Extra detention and/or retention

Deep pools within the wetland continue to provide areas for sedimentation to occur all year round, even in winter when emergent vegetation is dead or dormant. Since a majority of runoff occurs in the winter and early spring, before wetland plants are active, having these structural areas within the stormwater wetland are of significant importance and add increased value to the wetland.

In order to ensure the stormwater wetlands within Barclay Park continue to provide water quality protection, the functions described above must be maintained. The following **Maintenance** Plan provides guidance to the condominium association as to how such activities are to be implemented.

Maintenance Plan

Inspection and Monitoring

Two categories of inspections and maintenance of the stormwater wetlands will take place. The first type will be general housekeeping inspections, to take place biannually for the entire life of the constructed wetlands. The second type of inspection, structural and functional, will be conducted by a professional engineer and take place annually during a wet weather event.

Biannual (Spring and Fall) housekeeping inspections will be conducted by a maintenance company chosen by the owner. All inlet and outlet structures, culverts, pipes, channels, overflow structures, sumps and pumps within, draining to or from the stormwater wetlands will be inspected and maintained to ensure proper functioning condition (i.e. clear of leaves, bush, litter and debris). Adjustments and replacements of structural failures will take place at this time or more frequently as necessary. Any erosion caused by inlet, outlet or other structures will also be recorded and corrected during the biannual inspection.

Any litter or other debris found in the wetlands, catch basins, channels, dry and wet basins will also be removed at this time. All debris will be disposed of off site. See attached plans of Barclay Park Condominiums for location of all stormwater basins and structures to be inspected and maintained.

For a period of five years after construction, reports will be submitted by the owner to the Ann Arbor Planning Department. After the five year period, these inspections will still take place annually but the reports will be filed with the AAPD only once every five years barring any reconstruction or emergency (failure of an inlet/outlet, breach of dike, etc.). If the wetlands, or significant portions of them are disturbed or are in need of reconstruction (except for routine dredging), inspections and reports will again take place on an annual basis for a period of five years. The condominium association will be responsible for all record-keeping and reporting of inspections and for recording all operations and expenditures associated with the stormwater wetlands. These records will be made available for review by engineers, wetland scientists, public officials or other responsible parties upon reasonable request.

Emergency inspections will take place on an as-needed basis by a professional engineer. Upon identification of severe problems, corrective measures will take place within 36 hours by the property owner.

Sediment Control

Dredging operations for channels, stormwater wetlands and basins to remove sediment accumulation will take place every 3-5 years or more frequently as needed following inspections. Dredging of the stormwater wetlands will take place in phases so that at no time will the entire wetland be disturbed. (See Dredging Plan for illustration). Dredging the main body of the wetland will take

place in late fall or winter when wetland plants are dormant. The procedure will be as follows:

- drain the wetland
- remove top 6 inches of top soil and plant material from designated dredge area and stock pile.
- remove subgrade material to depth necessary to restore design volume of the stormwater wetland.
- replace stored topsoil and plant material
- rehydrate wetland

This process will ensure that seeds and tubers of existing plant species will be maintained in the wetland. This practice will also offset the cost of revegetation after dredging.

Disposal of Material

Dredge material will be removed from the site and taken to a regional composting facility as per the recieving facitily's specifications. If dredge material is not acceptable to any local or regional composting facility, it may be landfilled. Dredge material is not to be placed on the slope of channels or basins or in any area where it may directly enter a surface water body during a storm event.

Vegetation Management

Reinforcement Plantings

Landscaping shall consist of low maintenance, native and/or non-invasive plant species. The viability of plantings will be monitored by the owner for at least one year after establishment. Areas greater than 5 square feet where planting or seeding has failed will be replanted/reseeded with species listed in the original construction documents. Fertilizers are prohibited from wetland, sediment basin and buffer areas.

Control of Invasive Species

Invasive species are plants which typically are not native to a region and once established take over an area to the exclusion of all other species. Controlling the spread of invasives into a wetland is imperative to maintaining its water quality functions. Pulling the plants (root and all) by hand is the preferred method for controlling most invasives. However, this is not alway's feasible. If herbicides are necessary to control the spread of invasive species, glyphosphate or some other non-persistent chemical is to be used. Spot application of any herbicide within the stormwater wetland must be done by a licensed commercial pesticide applicator. For a list and description of common invasive plants, see City of Ann Arbor Invasive Species List.

Mowing

Maintenance of vegetation in buffer areas and dry sedimentation basins will be carried out as follows:

1) First Year. Mow seeded areas to a length of 4 to 6 inches, do not allow plants to grow to more than 12 inches in height. Discontinue mowing at end of the growing season.

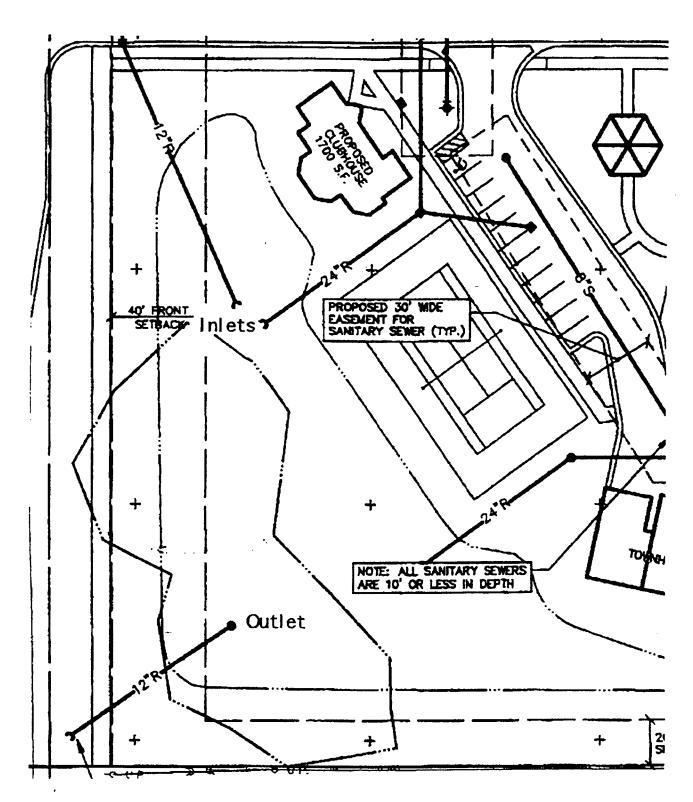
2) Second Year. Mow right to the ground and remove cuttings before seeded area germinates (prior to April 15). If weed species continue to be present mow to a height of 6 inches in late spring or early summer (May 15 to June 15).

3) Long term. Starting in the third year after seeding, mow and rake cuttings the area in mid-Spring (April 15 to May 15). This shall be done on a 1-to 3 year rotation as necessary to maintain proper functioning condition of stormwater wetland buffer areas.

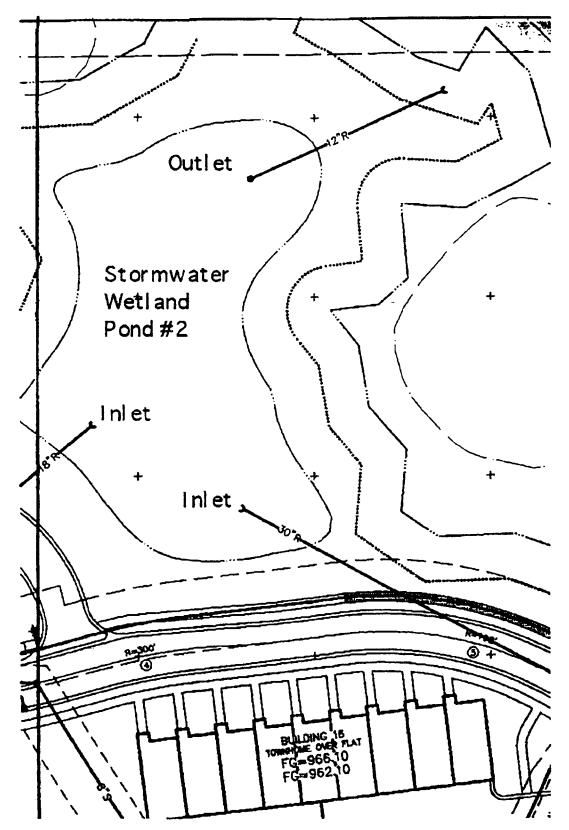
Vegetative buffers will be inspected biannually for evidence of erosion or concentrated flows through or around the buffer.

Maintenance of stormwater management facilities will be completed within 30 days of receipt of written notification that action is required, unless other acceptable arrangements are made with the supervising governmental entity.

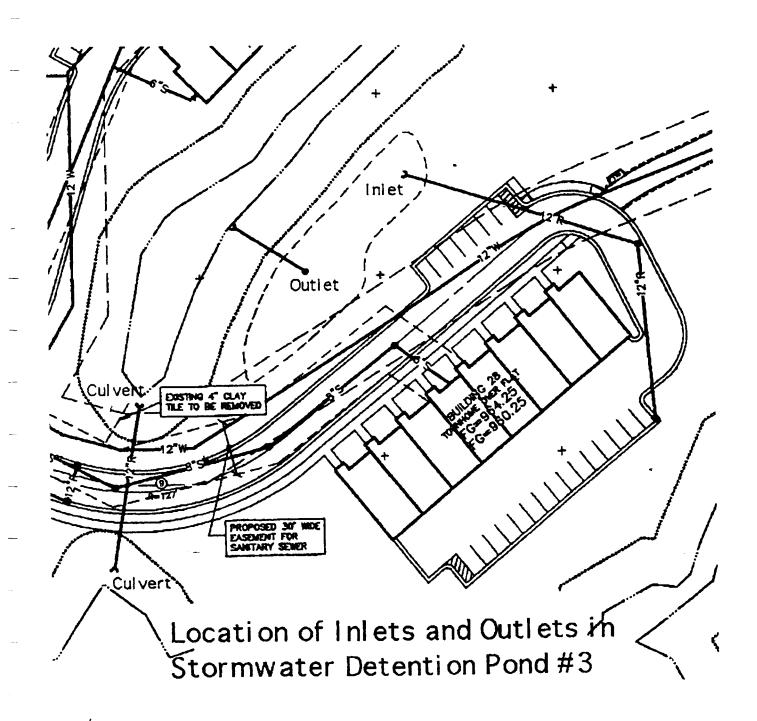
Emergency maintenance will be completed within 36 hours of written notification.

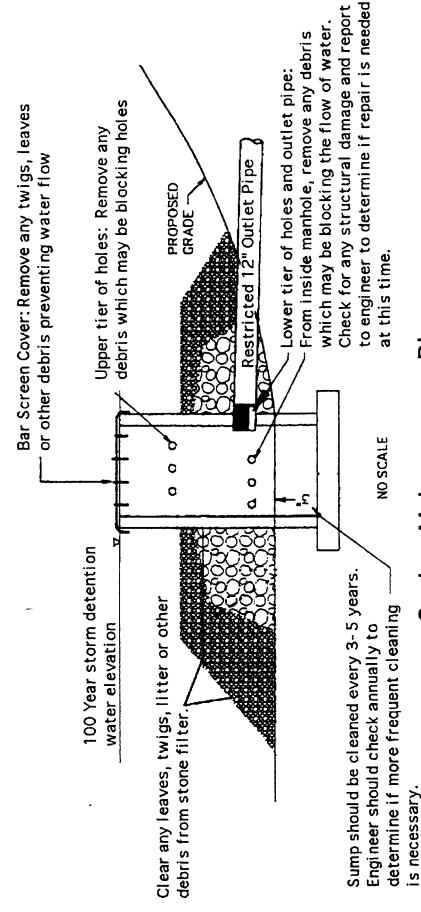


Location of Inlets and Outlets in Stormwater Detention Pond #1

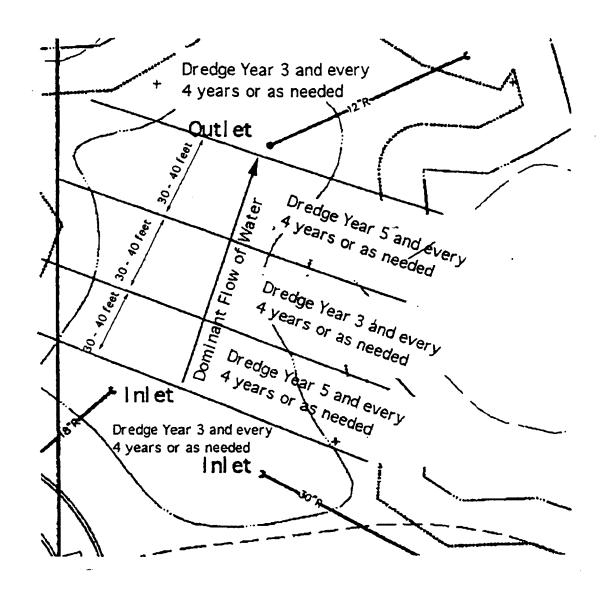


Location of Inlets and Outlets in Stormwater Detention Pond #2





Outlet Maintenance Plan



Schematic Dredging Plan

Note: Dredge areas are set up as alternating strips and are oriented perpendicular to the main flow of water through wetland.

Michigan Department of Consumer and Industry Services

Filing Endorsement

This is to Certify that the ARTICLES OF INCORPORATION - NONPROFIT

for

BARCLAY PARK ASSOCIATION

ID NUMBER: 753513

received by facsimile transmission on October 29, 1998 is hereby endorsed Filed on November 2, 1998 by the Administrator.



In testimony whereof, I have hereunto set my hand and affixed the Seal of the Department, in the City of Lansing, this 2nd day of November, 1998.

Director

Corporation, Securities and Land Development Bureau

Sent by Facsimile Transmission 00959

Filed November 2, 1998, Michigan Department of Consumer & Industry Services; Corporation, Securities & Land Development Bureau. CID: 753-513

BARCLAY PARK ASSOCIATION

NONPROFIT

ARTICLES OF INCORPORATION

These Articles of Incorporation are signed and acknowledged by the incorporator for the purpose of forming a nonprofit corporation under the provisions of Act No. 162 of the Public Acts of Michigan of 1982, as follows:

ARTICLE I

The name of the Corporation is Barclay Park Association.

ARTICLE II

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

- (a) To manage and administer the affairs of, and to maintain, Barclay Park, a condominium (hereinafter referred to as the "Condominium") and the Common Elements thereof;
- (b) To levy and collect assessments against and from the members of the Corporation and to use the proceeds thereof for the purposes of the Corporation;
- (c) To carry insurance and to collect and to allocate the proceeds thereof;
- (d) To rebuild improvements after casualty;
- (e) To contract for and employ persons, firms, corporations or other agents to assist in the management, operation, maintenance and administration of the Condominium;
- (f) To acquire, maintain and improve, and to buy, operate, manage, sell, convey, assign, mortgage, or lease any real or personal property (including any Unit in the Condominium and easements,

Articles of Incorporation

- rights-of-way and licenses) on behalf of the Corporation in furtherance of any of the purposes of the Corporation;
- (g) To grant easements, rights-of-entry, rights-of-way, and licenses to, through, over, and with respect to the Association property and/or the Common Elements of the Condominium on behalf of the members of the Corporation in furtherance of any of the purposes of the Corporation and to dedicate to the public any portion of the Common Elements of the Condominium:
- (h) To borrow money and issue evidences of indebtedness in furtherance of any and all of the purposes of the Corporation and to secure the same by mortgage, pledge, or other lien on property owned by the Corporation;
- (i) To make and enforce reasonable rules, regulations, resolutions, and/or policies concerning the use and enjoyment of the Condominium;
- (j) To enforce the provisions of the Master Deed and Bylaws of the Condominium and of these Articles of Incorporation and such Bylaws and rules and regulations of this Corporation as may hereinafter be adopted;
- (k) To sue in all courts and participate in actions and proceedings judicial, administrative, arbitrative or otherwise, subject to the express limitations on suits, actions and proceedings as set forth in Article XI of these Articles;
- (I) To do anything required of or permitted to it as administrator of the Condominium by the Condominium Master Deed or Bylaws or by Act No. 59 of the Public Acts of 1978, as amended;
- (m) In general, to enter into any kind of activity; to make and perform any contract and to exercise all powers necessary, incidental or convenient to the administration, management, maintenance, repair, replacement and operation of the Condominium and to the accomplishment of any of the purposes thereof.

ARTICLE III

Said Corporation is organized upon a nonstock basis.

The amount of assets which said Corporation possesses is:

Real Property:

None

Personal Property:

None

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

Assessment of Members owning Units in the Condominium.

The Corporation is organized on a membership basis.

ARTICLE IV

The address of the initial registered office is:

2025 W. Long Lake Road, Suite 104 Troy, MI 48098

The mailing address of the initial registered office is:

2025 W. Long Lake Road, Suite 104 Troy, MI 48098

The name of the initial resident agent at the registered office is:

Lorne Zalesin

ARTICLE V

The name and business address of the incorporator is:

Lorne Zalesin 2025 W. Long Lake Road, Suite 104 Troy, MI 48098

ARTICLE VI

The name and address of the first Board of Directors is as follows:

Josh Paeth 2025 W. Long Lake Road, Suite 104 Troy, MI 48098

ARTICLE VII

The term of the corporate existence is perpetual.

ARTICLE VIII

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

- (a) Each Co-owner (including the Developer) of a Unit in the Condominium shall be a member of the Corporation, and no other person or entity shall be entitled to membership; except that the first Board of Directors named herein shall be a member of the Corporation until such time as the Condominium is established and any Unit owner qualifies as a member; provided that such director's termination as a member shall not affect her status as director.
- (b) Membership in the Corporation shall be established by the acquisition of fee simple title to a Unit in the Condominium and by recording with the Register of Deeds in the County where the Condominium is located, a Deed or other instrument establishing a change of record title to such Unit and the furnishing of evidence of same satisfactory to the Corporation (except that the Developer of the Condominium shall become a member immediately upon establishment of the Condominium), the new Co-owner thereby becoming a member of the Corporation, and the membership of the prior Co-owner thereby being terminated.
- (c) The share of a member in the funds and assets of the Corporation cannot be assigned, pledged, encumbered or transferred in any manner except as an appurtenance to the member's Unit in the Condominium.
- (d) Voting by members shall be in accordance with the provisions of the Bylaws of this Corporation.

ARTICLE IX

Section 1. A volunteer director, as defined in Section 110(2) of Act No. 162 of the Public Acts of 1982, as amended, and/or a volunteer officer are not personally liable to the Corporation or its members for monetary damages for a breach of the director's or officer's fiduciary duty. However, this provision shall not eliminate or limit the liability of a director or officer for any of the following:

- (A) A breach of the director's or officer's duty of loyalty to the Corporation or its members.
- (B) Acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of the law.
- (C) A violation of Section 551(1) of Act No. 162 of the Public Acts of 1982, as amended.
- (D) A transaction from which the director or officer derived an improper personal benefit.
- (E) An act or omission occurring before the effective date of this Amendment.
- (F) An act or omission that is grossly negligent.

Section 2. The Corporation assumes the liability for all acts or omissions of a volunteer director, volunteer officer, or other volunteer occurring on or after the effective date of this Amendment if all of the following are met:

- (A) The volunteer was acting or reasonably believed he or she was acting within the scope of his or her authority.
- (B) The volunteer was acting in good faith.
- (C) The volunteer's conduct did not amount to gross negligence or willful and wanton misconduct.
- (D) The volunteer's conduct was not an intentional tort.
- (E) The volunteer's conduct was not a tort arising out of the ownership, maintenance, or use of a motor vehicle for which tort liability may be imposed as provided in Section 3135 of the Insurance Code of 1956, Act No. 218 of the Public Acts of 1956, being Section 500.3135 of the Michigan Compiled Laws.

Section 3. If, after the adoption of this Article by the Corporation, the Michigan Nonprofit Corporation Act is amended to further limit or eliminate the liability of a volunteer director, volunteer officer, or other volunteer, then a volunteer director, volunteer officer, or other volunteer shall not be liable to the Corporation or its members as provided in the Michigan Nonprofit Corporation Act, as amended.

Section 4. No amendment, alteration, modification or repeal of this Article IX shall have any effect on the liability of any volunteer director, volunteer officer, or other volunteer of the Corporation with respect to any act or omission of such volunteer director, volunteer officer, or other volunteer occurring prior to such amendment, alteration, modification or repeal.

Section 5. The invalidity or unenforceability of any provision of this Article shall not affect the validity or enforceability of the remaining provisions of this Article.

ARTICLE X

Any action which may be taken at a meeting of the members of the Corporation (except for the election or removal of directors) may be taken without a meeting, with or without prior notice, by written consent of the members. Written consents may be solicited in the same manner as provided in the Bylaws for the Corporation for the giving of notice of meetings of members. Such solicitation may specify:

- (a) The percentage of consents necessary to approve the action; and
- (b) The time by which consents must be received in order to be counted.

The form of written consents shall afford an opportunity to consent (in writing) to each matter and shall provide that, where the member specifies his or her consent, the vote shall be cast in accordance therewith. Approval by written consent shall be constituted by receipt within the time period specified in the solicitation of a number of written consents which equals or exceeds the minimum number of votes which would be required for approval if the action were taken at a meeting at which all members entitled to vote were present and voted.

ARTICLE XI

Notwithstanding any other provision of these Articles to the contrary, the requirements of this Article XI shall govern the Corporation's commencement and conduct of any civil action except for actions to enforce the Bylaws of the Corporation or to collect delinquent assessments. The requirements of this Article XI will ensure that the members of the Corporation are fully informed regarding the prospects and likely costs of any civil action the Corporation proposes to engage in, as well as the ongoing status of any civil actions actually filed by the Corporation. These requirements are imposed in order to reduce both the cost of litigation and the risk of improvident litigation, and in order to avoid the waste of the Corporation's assets in litigation where reasonable and prudent alternatives to the litigation exist. Each member of the Corporation shall have standing to sue to enforce the requirements of this Article XI. The following procedures and requirements apply to the Corporation's commencement of any civil action other than an action to enforce the Bylaws of the Corporation or to collect delinquent assessments:

(a) The Corporation's Board of Directors ("Board") shall be responsible in the first instance for recommending to the members that a civil

action be filed, and supervising and directing any civil actions that are filed.

- (b) Before any attorney is engaged for purposes of filing a civil action on behalf of the Corporation, the Board shall call a special meeting of the members of the Corporation ("litigation evaluation meeting") for the express purpose of evaluating the merits of the proposed civil action. The written notice to the members of the date, time and place of the litigation evaluation meeting shall be sent to all members not less than twenty (20) days before the date of the meeting and shall include the following information copied onto 8-1/2" x 11" paper:
 - (1) A certified resolution of the Board setting forth in detail the concerns of the Board giving rise to the need to file a civil action and further certifying that:
 - (-a-) it is in the best interests of the Corporation to file a lawsuit:
 - (-b-) that at least one Board member has personally made a good faith effort to negotiate a settlement with the putative defendant(s) on behalf of the Corporation, without success:
 - (-c-) litigation is the only prudent, feasible and reasonable alternative; and
 - (-d-) the Board's proposed attorney for the civil action is of the written opinion that litigation is the Corporation's most reasonable and prudent alternative.
 - (2) A written summary of the relevant experience of the attorney ("litigation attorney") the Board recommends be retained to represent the Corporation in the proposed civil action, including the following information:
 - (-a-) the number of years the litigation attorney has practiced law; and
 - (-b-) the name and address of every condominium and homeowner association for which the attorney has filed a civil action in any court, together with the case number, county and court in which each civil action was filed.
 - (3) The litigation attorney's written estimate of the amount of the Corporation's likely recovery in the proposed lawsuit, net of legal

- fees, court costs, expert witness fees and all other expenses expected to be incurred in the litigation.
- (4) The litigation attorney's written estimate of the cost of the civil action through a trial on the merits of the case ("total estimated cost"). The total estimated cost of the civil action shall include the litigation attorney's expected fees, court costs, expert witness fees, and all other expenses expected to be incurred in the civil action.
- (5) The litigation attorney's proposed written fee agreement.
- (6) The amount to be specially assessed against each Unit in the Condominium to fund the estimated cost of the civil action both in total and on a monthly per Unit basis, as required by subparagraph (f) of this Article XI.
- (7) The litigation attorney's legal theories for recovery of the Association.
- If the lawsuit relates to the condition of any of the Common (c) Elements of the Condominium, the Board shall obtain a written independent expert opinion as to reasonable and practical alternative approaches to repairing the problems with the Common Elements, which shall set forth the estimated costs and expected viability of each alternative. In obtaining the independent expert opinion required by the preceding sentence, the Board shall conduct its own investigation as to the qualifications of any expert and shall not retain any expert recommended by the litigation attorney or any other attorney with whom the Board consults. The purpose of the independent expert opinion is to avoid any potential confusion regarding the condition of the Common Elements that might be created by a report prepared as an instrument of advocacy for use in a civil action. The independent expert opinion will ensure that the members of the Corporation have a realistic appraisal of the condition of the Common Elements, the likely cost of repairs to or replacement of the same, and the reasonable and prudent repair and replacement alternatives. The independent expert opinion shall be sent to the members with the written notice of the litigation evaluation meeting.
- (d) The Corporation shall have a written fee agreement with the litigation attorney, and any other attorney retained to handle the proposed civil action. The Corporation shall not enter into any fee agreement that is a combination of the retained attorney's hourly rate and a contingent fee arrangement unless the existence of the agreement is disclosed to the members in the text of the Corporation's written notice to the members of the litigation evaluation meeting.

- (e) At the litigation evaluation meeting the members shall vote on whether to authorize the Board to proceed with the proposed civil action and whether the matter should be handled by the litigation attorney. The commencement of any civil action by the Corporation (other than a suit to enforce the Bylaws or collect delinquent assessments) shall require the approval of sixty-six and two-thirds (66-2/3%) percent of all members in number and in value. Any proxies to be voted at the litigation evaluation meeting must be signed at least seven (7) days prior to the litigation evaluation meeting.
- All legal fees incurred in pursuit of any civil action that is subject to (f) this Article XI shall be paid by special assessment of the members of the Corporation ("litigation special assessment"). Notwithstanding anything to the contrary herein, the litigation special assessment shall be approved at the litigation evaluation meeting (or at any subsequent duly called and noticed meeting) by sixty-six and twothirds (66-2/3%) percent of all members in number and in value in the amount of the estimated total cost of the civil action. If the litigation attorney proposed by the Board is not retained, the litigation special assessment shall be in an amount equal to the retained attorney's estimated total cost of the civil action, as estimated by the attorney actually retained by the Corporation. The litigation special assessment shall be apportioned to the members in accordance with their respective percentage of value interests in the Condominium and shall be collected from the members on a monthly basis. The total amount of the litigation special assessment shall be collected monthly over a period not to exceed twenty-four (24) months.
- (g) During the course of any civil action authorized by the members pursuant to this Article XI, the retained attorney shall submit a written report ("attorney's written report") to the Board every thirty (30) days setting forth:
 - (1) The attorney's fees, the fees of any experts retained by the attorney or the Association, and all other costs of the litigation during the thirty (30) day period immediately preceding the date of the attorney's written report ("reporting period").
 - (2) All actions taken in the civil action during the reporting period, together with copies of all pleadings, court papers and correspondence filed with the court or sent to opposing counsel during the reporting period.
 - (3) A detailed description of all discussions with opposing counsel during the reporting period, written and oral, including, but not limited to, settlement discussions.

- (4) The costs incurred in the civil action through the date of the written report, as compared to the attorney's estimated total cost of the civil action.
- (5) Whether the originally estimated total cost of the civil action remains accurate.
- (h) The Board shall meet monthly during the course of any civil action to discuss and review:
 - (1) the status of the litigation;
 - (2) the status of settlement efforts, if any; and
 - (3) the attorney's written report.
- (i) If, at any time during the course of a civil action, the Board determines that the originally estimated total cost of the civil action or any revision thereof is inaccurate, the Board shall immediately prepare a revised estimate of the total cost of the civil action. If the revised estimate exceeds the litigation special assessment previously approved by the members, the Board shall call a special meeting of the members to review the status of the litigation, and to allow the members to vote on whether to continue the civil action and increase the litigation special assessment. The meeting shall have the same quorum and voting requirements as a litigation evaluation meeting.
- (j) The attorneys' fees, court costs, expert witness fees and all other expenses of any civil action subject to this Article XI ("litigation expenses") shall be fully disclosed to members in the Corporation's annual budget. The litigation expenses for each civil action subject to this Article XI shall be listed as a separate line item captioned "litigation expenses" in the Corporation's annual budget.

ARTICLE XII

These Articles of Incorporation may only be amended by the consent of sixty-six and two-thirds (66-2/3%) percent of all members in number and in value.

Signed this 27th day of October, 1998.

Lørne Zalesin

RMM/MKM/server/BarclayPark/Articles 10.27.98

BARCLAY PARK

ESCROW AGREEMENT

53247

THIS AGREEMENT is entered into this day of bt., 1998, between Barclay Development Company, a Michigan Corporation ("Developer"), and First American Title Insurance Company, by and through its agent, Liberty Title Company, ("Escrow Agent").

RECITALS:

WHEREAS, Developer is constructing residential Condominium Units at Barclay Park which has been established as a Condominium Project under the Michigan Condominium Act (Act No. 59, Public Acts of 1978, as amended, hereinafter the Act); and,

WHEREAS, Developer is entering into Purchase Agreements with Purchasers for such Units in substantially the form attached hereto, and each Purchase Agreement requires that all deposits made under such Agreement be held by Escrow Agent under an Escrow Agreement; and,

WHEREAS, the parties hereto desire to enter into such an Escrow Agreement for the benefit of Developer and for the benefit of each Purchaser (hereinafter called "Purchaser") who makes a deposit under a Purchase Agreement.

NOW, THEREFORE, it is agreed as follows:

- 1. Developer shall, after receipt, promptly transmit to Escrow Agent all sums deposited with it under a Purchase Agreement together with a fully executed copy of such Agreement.
- The sums paid to Escrow Agent under the terms of any Purchase Agreement shall be held and released to Developer or Purchaser only upon the conditions hereinafter set forth;
 - A. Except as provided in Paragraph 2E hereof, amounts required to be retained in escrow in connection with the purchase of a Unit shall be released to the Developer pursuant to Paragraph 4 only upon all of the following:
 - Issuance of certificate of occupancy for the Unit, if required by local ordinance.
 - (ii) Conveyance of legal or equitable title to the Unit to the Purchaser.
 - (iii) Receipt by the Escrow Agent of a certificate signed by a licensed professional engineer or architect either confirming that those portions of the phase of the Project in which the Condominium Unit is located and which on the Condominium Subdivision Plan are labeled "must be built" are substantially complete, or determining the amount necessary for substantial completion thereof.
 - (iv) Receipt by the Escrow Agent of a certificate signed by a licensed professional engineer or architect either confirming that recreational or other facilities which on the Condominium Subdivision Plan are labeled "must be built", whether located within or outside of the phase of the Project in which the Condominium Unit is located, and which are intended for common use, are substantially complete, or determining the amount necessary for substantial completion thereof.
 - B. In the event that the Purchaser under a Purchase Agreement shall default in making any payments required by said Agreement or in fulfilling any other obligations thereunder, for a period of 10 days after written notice by Developer to Purchaser, Escrow Agent shall release sums held pursuant to said Agreement to Developer in accordance with the terms of said Agreement.
 - C. Escrow Agent shall be under no obligation to earn interest upon the escrowed sums held pursuant to this Agreement. In the event that interest is requested to be earned upon such sums, however, such interest shall be separately accounted for by Escrow Agent and shall be held in escrow and paid to Developer upon termination of this Escrow Agreement.

Escrow Agreement

- In the event that a Purchaser duly withdraws from a Purchase Agreement prior to the time that said Agreement becomes binding under Section 4 of the General Provisions thereof, then Escrow Agent shall release to Purchaser all of Purchaser's deposits held thereunder
- E. If Developer requests that all of the escrowed funds held hereunder or any part thereof be delivered to it prior to the time it otherwise becomes entitled to receive the same, Escrow Agent may release all such sums to Developer if Developer has placed with Escrow Agent an irrevocable letter of credit drawn in favor of Escrow Agent in form and substance satisfactory to Escrow Agent and securing full repayment of said sums, or has placed with Escrow Agent such other substitute security as may be permitted by law and approved by Escrow Agent.
- F The Escrow Agent shall not be obligated to release any funds until it can satisfactorily ascertain that said funds have been "paid", "settled", and "finally collected", as such terms are defined under the provisions of MCL 440.4100, et seq.
- 3 A. Substantial completion and the estimated cost for substantial completion of the items described in Paragraphs 2A(iii) and 2A(iv) and in Paragraph 4 shall be determined by a licensed professional engineer or architect, as provided in Paragraph 3B, subject to the following:
 - (i) Items referred to in Paragraph 2A(iii) shall be substantially complete only after all utility mains and leads, all major structural components of buildings, all building exteriors and all walkways, driveways, landscaping and access roads, to the extent such items are designated on the Condominium Subdivision Plan as "must be built," are substantially complete in accordance with the pertinent plans therefor.
 - (ii) If the estimated cost of substantial completion of any of the items referred to in Paragraphs 2A(iii) and 2A(iv) cannot be determined by a licensed professional engineer or architect due to the absence of plans, specifications, or other details that are sufficiently complete to enable such a determination to be made, such cost shall be the minimum expenditure specified in the recorded Master Deed or amendment for completion thereof. To the extent that any item referred to in Paragraphs 2A(iii) and 2A(iv) is specifically depicted on the Condominium Subdivision Plan, an estimate of the cost of substantial completion prepared by a licensed professional engineer or architect shall be required in place of the minimum expenditure specified in the recorded Master Deed or amendment.
 - B. A structure, element, facility or other improvement shall be deemed to be substantially complete when it can be reasonably employed for its intended use and, for purposes of certification under this section, shall not be required to be constructed, installed, or furnished precisely in accordance with the specifications for the Project. A certificate of substantial completion shall not be deemed to be a certification as to the quality of the items to which it relates.
 - Upon receipt of a certificate issued pursuant to Paragraphs 2A(iii) and 2A(iv) determining the amounts necessary for substantial completion, the Escrow Agent may release to the Developer all funds in excrew in excess of the amounts determined by the issuer of such certificate to be necessary for substantial completion. In addition, upon receipt by the Escrow Agent of a certificate signed by a licensed professional engineer or architect confirming substantial completion in accordance with the pertinent plans of an item for which funds have been deposited in escrow, the Escrow Agent shall release to the Developer the amount of such funds specified by the issuer of the certificate as being attributable to such substantially completed item. However, if the amounts remaining in escrow after such partial release would be insufficient in the opinion of the issuer of such certificate for substantial completion of any remaining incomplete items for which funds have been deposited in escrow, only the amount in escrow in excess of such estimated cost to substantially complete shall be released by the Escrow Agent to the Developer. Notwithstanding a release of escrowed funds that is authorized or required by this Paragraph, the Escrow Agent may refuse to release funds from an escrow account if the Escrow Agent, in its judgment, has sufficient cause to believe the certificate confirming substantial completion or determining the amount necessary for substantial completion is fraudulent or without factual basis.
 - 5. Not earlier than 9 months after closing the sale of the first Unit in a phase of a Condominium Project for which escrowed funds have been retained under Paragraph 2A(iii) or for which security has been provided under Paragraph 2E, the Escrow Agent, upon the request of the Association or any interested Co-owner, shall notify the Developer of the amount of funds deposited under Paragraph 2A(iii) or security provided under Paragraph 2E for such purpose that remains, and of the date determined under this Paragraph upon which those funds can be released. In the case of a recreational facility or other facility intended for general common use, not earlier than 9 months after the date on which the facility was promised in the Condominium Documents to be completed by the Developer, the Escrow Agent, upon the request of the

Association or any interested Co-owner, shall notify the Developer of the amount of funds deposited under Paragraph 2A(iv) or security provided under Paragraph 2E for such purpose that remains, and of the date determined under this Paragraph upon which those funds can be released. Three months after receipt of a request pertaining to funds described in Paragraph 2A(iii) or 2A(iv), funds that have not yet been released to the Developer may be released by the Escrow Agent for the purpose of completing incomplete improvements for which the funds were originally retained, or for a purpose specified in a written agreement between the Association and the Developer entered into after the Transitional Control Date. The agreement may specify that issues relating to the use of the funds be submitted to arbitration. The Escrow Agent may release funds in the manner provided in such an agreement or may initiate an interpleader action and deposit retained funds with a court of competent jurisdiction. In any interpleader action, the circuit court shall be empowered, in its discretion, to appoint a receiver to administer the application of the funds. Any notice or request provided for in this Paragraph shall be in writing.

- 6. The Escrow Agent in the performance of its duties under this Agreement shall be deemed an independent party not acting as the agent of the Developer, any Purchaser, Co-owner, or other interested party. So long as the Escrow Agent relies upon any certificate, cost estimate, or determination made by a licensed professional engineer or architect, as described in the Act, the Escrow Agent shall have no liability whatever to the Developer or to any Purchaser, Co-owner, or other interested party for any error in such certificate, cost estimate, or determination, or for any act or omission by the Escrow Agent in reliance thereon. The Escrow Agent shall be relieved of all liability upon release, in accordance with this Agreement, of all amounts deposited with it pursuant to the Act.
- 7. Escrow Agent may require reasonable proof of occurrence of any of the events, actions, or conditions stated herein before releasing any sums held by it pursuant to any Purchase Agreement to a Purchaser thereunder, or to the Developer.
- 8. Upon making delivery of the funds deposited with Escrow Agent pursuant to any of the aforementioned Purchase Agreements and performance of the obligations and services stated therein and herein, Escrow Agent shall be released from any further liability under any such Agreement, it being expressly understood that liability is limited by the terms and provisions set forth in such Agreement and in this Agreement, and that by acceptance of this Agreement, Escrow Agent is acting in the capacity of a depository and is not, as such, responsible or liable for the sufficiency, correctness, genuineness or validity of the instruments submitted to it, or the marketability of title to any Unit reserved or sold under any other Agreement. It is not responsible for the failure of any bank used by it as an escrow depository for funds received by it under this escrow.
- 9. Developer hereby agrees to indemnify and hold harmless Escrow Agent for any loss or damage sustained by Escrow Agent, including, but not limited to, attorney fees resulting from any litigation arising from the performance of Escrow Agent's obligations and services, provided such litigation is not a result of Escrow Agent's wrongful act or negligence.
- 10. All notices required or permitted hereunder and all notices of change of address shall be deemed sufficient if personally delivered or sent by registered mail, postage prepaid and return receipt requested, addressed to the recipient party at the address shown below such party's signature to this Agreement or upon any of the other said Agreements. For purposes of calculating time periods under the provisions of this Agreement, notice shall be deemed effective upon mailing or personal delivery, whichever is applicable.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers on the date set forth at the outset hereof.

FIRST AMERICAN TITLE INSURANCE COMPANY, by and through its agent, Liberty Title Company, ESCROW AGENT

By: Thomas D. Richardson

Thomas D. Richardson Its: President

111 N. Main Street Ann Arbor, MI 48104

RMMMKMteeverlef@arcleyParkteecrow.9.30,96

BARCLAY DEVELOPMENT COMPANY a Michigan Corporation, DEVELOPER

Lorne Zalesin Its: Vice President

2025 W. Long Lake Road, Suite 104

Troy, MI 48098

BARCLAY PARK

INFORMATION STATEMENT

NOTICE TO PURCHASERS: Stated below are the provisions of Section 84a of the Condominium Act of 1978, as amended (Act No. 59 of the Michigan Public Acts of 1978, as amended, hereinafter referred to as the "Act"). A copy of this section of the Act is being submitted to Purchasers to comply with the requirements of the Act. By signing below, the Purchasers acknowledge that Purchasers have reviewed this section of the Act and have received from Developer a copy of the recorded Master Deed, signed Purchase Agreement, Escrow Agreement, Condominium Buyer's Handbook, and Disclosure Statement.

Section 84a of the Act provides in part:

- (1) The developer shall provide copies of all of the following documents to a prospective purchaser of a condominium unit, other than a business condominium unit:
 - (a) The recorded master deed.
 - (b) A copy of a purchase agreement that conforms with section 84 [of the Act], and that is in a form in which the purchaser may sign the agreement, together with a copy of the escrow agreement.
 - (c) A condominium buyer's handbook. The handbook shall contain, in a prominent location and in boldface type, the name, telephone number, and address of the person designated by the administrator to respond to complaints. The handbook shall contain a listing of the available remedies as provided in section 145 [of the Act].
 - (d) A disclosure statement relating to the project containing all of the following:
 - (i) An explanation of the association of co-owners' possible liability pursuant to Section 58 [of the Act].
 - (ii) The names, addresses, and previous experience with condominium projects of each developer and any management agency, real estate broker, residential builder, and residential maintenance and alteration contractor.
 - (iii) A projected budget for the first year of operation of the association of co-owners.

- (iv) An explanation of the escrow arrangement.
- (v) Any express warranties undertaken by the developer, together with a statement that express warranties are not provided unless specifically stated.
- (vi) If the condominium project is an expandable condominium project, an explanation of the contents of the master deed relating to the election to expand the project prescribed in section 32 [of the Act], and an explanation of the material consequences of expanding the project.
- (vii) If the condominium project is a contractible condominium project, an explanation of the contents of the master deed relating to the election to contract the project prescribed in section 33 [of the Act], an explanation of the material consequences of contracting the project, and a statement that any structures or improvements proposed to be located in a contractible area need not be built.
- (viii) If section 66(2)(j) [of the Act] is applicable, an identification of all structures and improvements labeled pursuant to section 66 [of the Act] 'need not be built.'
- (ix) If section 66(2)(j) [of the Act] is applicable, the extent to which financial arrangements have been provided for completion of all structures and improvements labeled pursuant to section 66 [of the Act] 'must be built.'
- (x) Other material information about the condominium project and the developer that the administrator requires by rule.

(2) A purchase agreement may be amended by agreement of the purchaser and developer before or after the agreement is signed. An amendment to the purchase agreement does not afford the purchaser any right or time to withdraw in addition to that provided in section 84(2) [of the Act]. An amendment to the condominium documents effected in the manner provided in the documents or provided by law does not afford the purchaser any right or time to withdraw in addition to that provided in section 84(2) [of the Act].

(3) At the time the purchaser receives the documents required in subsection (1) the developer shall provide a separate form that explains the provisions of this section. The signature of the purchaser upon this form is prima facie

evidence that the documents required in subsection (1) were received and understood by the purchaser.

- (5) With regard to any documents required under this section, a developer shall not make an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading.
- (6) The developer promptly shall amend a document required under this section to reflect any material change or to correct any omission in the document.
- (7) In addition to other liabilities and penalties, a developer who violates this section is subject to section 115 [of the Act, which section imposes penalties upon a developer or any other person who fails to comply with the Condominium Act or any rule, agreement or master deed and may make a developer liable to a purchaser of a unit for damages].

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Dated:			

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