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AMENDED AND RESTATED MASTER DEED

UNIVERSITY COMMONS

Drafted by and When
Recorded Return to:

Karl R. Frankena
Conlin, McKenney & Philbrick, P.C.
350 South Main Street, Suite 400
Ann Arbor, MI 48104

Time Submitted for Recording
Date 11-19 20 09 Time 156 pm
Lawrence Kestenbaum
Washtenaw County Clerk/Register

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AMENDED AND RESTATED MASTER DEED

UNIVERSITY COMMONS

THIS AMENDED AND RESTATED MASTER DEED is made and executed on this 16th day of November 2009, by **UNIVERSITY COMMONS ASSOCIATION**, a Michigan nonprofit corporation (the "Association"), whose office is situated at 817 Asa Gray Drive, Ann Arbor, MI 48105-2566.

WHEREAS, pursuant to the provisions of the Michigan Condominium Act, being Act 59 of the Public Acts of 1978, as amended (the "Act"), Blue Hill University Commons, LLC, a Michigan limited liability company (the "Developer") recorded with the Washtenaw County Register of Deeds on June 25, 1999, the original Master Deed ("Master Deed") together with the Condominium Bylaws attached thereto as Exhibit A and the Condominium Subdivision Plan attached thereto as Exhibit B, in Liber 3881, Page 237, as amended, Washtenaw County Records, to establish University Commons as a residential condominium project under the provisions of the Act; and

WHEREAS, by Amendment No. 2 to the Master Deed dated October 3, 2003 and recorded October 9, 2003, at Liber 4322, Page 804, the Developer certified that all of the Common Elements and Units were in substantial conformity with the Condominium Subdivision Plan as described in the Master Deed, Exhibit B, as amended by Amendment No. 2 to the Master Deed, that the certification was intended to meet the requirements of Section 11.4 of the Master Deed and therefore no Consolidating Master Deed need or shall be recorded; and

WHEREAS, the Developer is no longer involved with the Condominium Project as all Units have been sold and the Development and Sales Period and the Transitional Control Date set forth in the Master Deed having expired; and

WHEREAS, the Association deems it necessary to amend and restate the Master Deed (hereinafter referred to as the "Restated Master Deed") to remove references to the Developer and otherwise amend and restate the Master Deed and to amend and restate Exhibit A to the Master Deed which amended and restated Condominium Bylaws are attached hereto as Exhibit A; and

WHEREAS, the Condominium Subdivision Plan, as amended, as attached to the original Master Deed as Exhibit B, as amended by Amendment No. 2 to the Master Deed and Amendment No. 4 dated December 9, 2004, and recorded at Liber 4443, Page 959, remains unchanged and is incorporated herein by reference.

NOW, THEREFORE, the Association does, upon the recording hereof, continue University Commons as a condominium project under the Act and does declare that University Commons (the "Condominium," "Project" or "Condominium Project") shall be held, conveyed, hypothecated, encumbered, leased, rented, occupied, improved, or in any other manner utilized, subject to the provisions of the Act and other applicable laws, and to the covenants, conditions, restrictions, uses, limitations, and affirmative obligations set forth in this Restated 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 Association, its successors and assigns, and any persons acquiring or owning an interest in the Condominium Premises (defined below), their grantees, successors, heirs, personal representatives and assigns. Upon recording of this Restated Master Deed in the Office of the Washtenaw County Register of Deeds, said previously recorded Master Deed, as amended, and Exhibit A thereto, but not Exhibit B thereto, shall be superseded and replaced in their entirety. In furtherance of the continuation of the Condominium Project, it is provided as follows:

ARTICLE I - TITLE AND NATURE

§1.1. The Condominium Project is known as University Commons, Washtenaw County Condominium Subdivision Plan No. 318. The Condominium Project was established in accordance with the Act. The Condominium Project was established as a residential facility for Qualified Owners and Occupants as defined in Section 6.2 of the Condominium Bylaws. The Condominium Project is intended to have common areas consisting of lecture halls, class rooms and a common dining room to provide a community atmosphere focused on educational programs in affiliation with the University of Michigan, all as set forth in the Condominium Documents. The Condominium Project consists of 92 residential Units. The Units in the Condominium (including the number, volume, boundaries, dimensions and area of each Unit) are depicted in Exhibit B. Each Unit consists of the interior space in a free standing single or multi unit building as shown on Exhibit B. Each Unit is established for residential purposes (as described in the Condominium Documents), and is capable of individual utilization by the Co-owner (defined below). Each Co-owner of the Condominium Project has an exclusive right to his or its Unit and has undivided and inseparable rights to share with other Co-owners the Common Elements of the Condominium Project as are designated by this Restated Master Deed.

ARTICLE II - LEGAL DESCRIPTION

§2.1. The land submitted to the Condominium Project continued by this Restated Master Deed is situated in the City of Ann Arbor, County of Washtenaw, State of Michigan and is particularly described as follows:

> Commencing at the N.E. corner of Section 27, T2S, R6E, City of Ann Arbor, Washtenaw County, Michigan, thence S 87° 30' 50" W 480.41 feet along the north line of said Section 27 and the centerline of Glazier Way (66' wide),thence along the westerly right-of-way of Huron Parkway (150' wide) in the following three courses: S 12° 04' 00" E 342.62 feet to the Point of Beginning; thence southeasterly 297.87 feet along the arc of a circular curve to the left, radius 1164.98 feet, central angle 14° 39' 00", long chord S 19° 23' 30" E 297.06 feet; thence S 26° 43' 00" E 743.49 feet; thence S 01° 04' 56" E 388.39 feet; thence S 83° 23' 40" W 738.63 feet; thence N 02° 12' 30" W 1131.73 feet; thence N 87° 30' 50" E 230.00 feet; thence N 09° 55' 40" W 369.87 feet; thence N 80° 04' 20" E 10.00 feet; thence S 09° 55' 40" E 216.67 feet; thence N 44° 56' 50" E 175.37 feet; to the Point of Beginning, being a part of the N.E. 1/4 of said Section 27, T2S, R6E, containing 17.25 acres of land more or less.

The foregoing described land is subject to and entitled to the benefits of all easements and restrictions of record and all governmental limitations, and is further subject to all encroachments shown on Exhibit B.

ARTICLE III - DEFINITIONS

Certain terms are utilized not only in the Master Deed and Exhibits A and B thereto, but are or may be used in various other instruments including, but not limited to, this Restated Master Deed, Exhibit A hereto, Exhibit B, as amended, the Articles of Incorporation and Association Bylaws and policies, rules, regulations and restrictions of the Association, and deeds, mortgages, liens, land contracts, easements and other instruments affecting the establishment of, or transfer of, interests in the Condominium Project. Wherever used in these documents or any other pertinent instruments, the terms set forth below shall be defined as follows:

§3.1. **Act**. "Act" means the Michigan Condominium Act, being Act 59 of the Public Acts of 1978, as amended.

§3.2. **Association**. "Association" means the University Commons Association, the non-profit corporation organized under Michigan law of which all Co-owners and spouses who are Qualified Occupants as provided in Section 6.2A of the Condominium Bylaws are members, which corporation administers, operates, manages and maintains the Condominium. Any action required of or permitted to the Association shall be exercisable by its Board of Directors unless specifically reserved to its members by the Condominium Documents or the laws of the State of Michigan.

§3.3. **Association Bylaws**. "Association Bylaws" means the corporate bylaws of the Association as distinguished from the Condominium Bylaws.

§3.4. **Common Elements**. "Common Elements," where used without modification, shall mean both the "General Common Elements" and the "Limited Common Elements" defined and described herein.

§3.5. **Condominium Bylaws**. "Condominium Bylaws" means Exhibit A, as amended, to this Restated Master Deed, 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 this Restated Master Deed.

§3.6. **Condominium Documents**. "Condominium Documents" wherever used means and includes this Restated Master Deed and Exhibits A and B, as the same may be amended and restated, and the Articles of Incorporation, Association Bylaws and policies, rules, regulations and restrictions, if any, of the Association, as these documents may be amended from time to time.

§3.7. **Condominium Premises**. "Condominium Premises" means and includes the land described in Article II, above, and the buildings, all improvements and structures thereon, and all easements, rights and appurtenances now or hereafter belonging to the Condominium.

§3.8. **Condominium Project, Condominium Or Project** "Condominium Project," "Condominium" or "Project" means University Commons as a condominium project established in conformity with the provisions of the Act.

§3.9. **Condominium Subdivision Plan**. "Condominium Subdivision Plan" means Exhibit B, as amended.

§3.10. **Co-owner Or Owner**. "Co-owner" means a person, trust or other legal entity or any combination thereof who or which owns in fee simple a Unit in the Condominium Project. The term "Owner," wherever used, shall be synonymous with the term "Co-owner." "Co-owner" shall also include a land contract vendee, and both the land contract vendor and vendee shall have joint and several responsibility for assessments by the Association.

§3.11. **Developer**. "Developer" means Blue Hill University Commons, LLC, a Michigan limited liability company, which made and executed the 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 these terms are used in the Condominium Documents.

§3.12. **Unit, Units Or Condominium Unit**. "Unit," "Units" or "Condominium Unit" each mean the space constituting a single complete residential unit in the Condominium Project, as such space may be described on Exhibit B as amended, and shall have the same meaning as the term "Condominium Unit" defined in the Act and with respect to Units 61 - 92, shall include the attached garage space as shown on Exhibit B.

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

ARTICLE IV - COMMON ELEMENTS

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

§4.1. **General Common Elements**.

(A) **Land**. The land and beneficial easements described in Article II hereof, other than that portion thereof identified as Units or Limited Common Elements.

(B) **Roads**. All internal roads designated on the Condominium Subdivision Plan.

(C) **Building Improvements**. Foundations, supporting columns, unit perimeter walls (including windows and doors) and such other walls as are designated in Exhibit B as General Common Elements, roofs, ceilings, and chimneys.

(D) **Electrical**. The electrical transmission system throughout the Project up to and including that contained within Unit walls up to the point of connection with electrical outlets within any Unit.

(E) **Telephone**. The telephone wiring network throughout the Project including that contained within Unit walls up to the point of connection with telephone equipment within any Unit.

(F) **Gas**. The gas line network throughout the Project including that contained within Unit walls up to the point of connection with gas fixtures within any Unit.

(G) **Sanitary Sewer**. The sanitary sewer network throughout the Project up to the point of connection with plumbing fixtures of a Unit.

(H) **Water**. The water distribution system throughout the Project including that contained within Unit walls up to the point of connection with plumbing fixtures within any Unit.

(I) **Telecommunications**. The telecommunications and cable television systems, if and when it may be installed including that contained within any Unit walls up to the point of connection with outlets within any Unit.

(J) **Landscaping**. All landscaping, berms, trees, plantings and signage for the Project within the Condominium Premises.

(K) **Common Signage**. The signage located at the entrance of the Project and all other signage identifying the Project.

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

(M) **Utilities**. Some or all of the utility lines, including electricity, telephone, gas, and storm water detention or retention areas and drainage facilities, and equipment and the telecommunications system described below 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 telecommunications system, shall be General Common Elements only to the extent of the Co-owners' interest therein, if any.

(N) **Utility Easements**. All utility easements in the land area between various Units, as identified in the Condominium Subdivision Plan.

(O) **Beneficial Easements**. All off-site easements which benefit the Project, either previously created or which may be established in the future.

(P) **Parking Garage**. The parking garage under the Woodbridge Residences and Houghton Hall, as identified in the Condominium Subdivision Plan, excluding the specific parking spaces identified as Limited Common Elements on the Condominium Subdivision Plan.

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

§4.2. Limited Common Elements. The Limited Common Elements shall be subject to the exclusive use and enjoyment of the owner of the Unit to which such Limited Common

Elements appertain, subject to the building easement and other restrictions set forth in the Condominium Documents and Declaration. The Limited Common Elements are as follows:

(A) **Patios And Decks**. Each individual patio or deck in the Project is restricted in use to the Co-owner of the Unit which opens into such patio or deck as shown on Exhibit B thereto.

(B) **Air Conditioner Compressor/Condenser** Each individual air conditioner compressor/condenser, corresponding line set, and its pad in the Project and the ground surface immediately below the same is restricted in use to the Co-owner of the Unit which such air conditioner compressor/condenser services.

(C) **Doors And Windows**. Doors, windows and window screens shall be limited in use to the Co-owners of Units to which they are attached.

(D) **Interior Surfaces** The interior surfaces of a Unit, including all walls, ceilings and floors contained within a Unit, and its appurtenant garage and storage areas shall be subject to the exclusive use and enjoyment of the Co-owner of such Unit.

(E) **Shared Entryways** All shared entryways shall be limited in use to the Co-owners of such Unit that uses the shared entryways.

(F) **Parking Spaces.** The parking spaces identified as Limited Common Elements in the Condominium Subdivision Plan located in the parking garage under the Woodbridge Residences and Houghton Hall, as identified in the Condominium Subdivision Plan.

(G) **Storage Areas.** The storage spaces identified as Limited Common Elements in the Condominium Subdivision Plan located in the Woodbridge Residences and Houghton Hall, as identified in the Condominium Subdivision Plan.

(H) **Covered Entryways.** Covered entryways are the covered entryways for Townhomes Type I being Unit Nos. 61-70.

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

(A) **Co-owner Responsibilities**. The responsibility for, and the costs of insurance, maintenance, decoration, repair and replacement of any and all improvements located within or upon a Unit and appurtenant Limited Common Elements shall be borne by the Co-owner of the Unit which is served thereby as follows:

(1) **Furnaces, Air Conditioner Compressors/Condenser And Other Equipment**. The costs of insurance, maintenance, repair and replacement of each individual air conditioner compressor/condenser, its related pad and the ground surface immediately below the same, and its corresponding line set, as described in 4.2.B above, as well as individual furnaces, household, kitchen, bathroom and other fixtures and appliances within a Unit shall be borne by the Co-owner of the Unit which such air conditioner compressor/condenser serves.

(2) **Doors And Windows**. The repair, replacement and interior and exterior maintenance of all glass and screen portions of doors and windows referred to in Article 4.2.C above and the costs thereof shall be borne by the Co-owner of the Unit to which any such doors and windows are appurtenant; provided, however, that no changes in design, material or color may be made therein without express written approval of the Association. Notwithstanding the foregoing, the Association shall be responsible for periodic washing the exterior of the windows.

(3) **Sidewalks**. The Association shall be responsible for the maintenance, repair, replacement and snow removal with respect to all sidewalks.

(4) **Garage Doors And Garage Door Opener**. The cost of repair, replacement and maintenance of the garage doors and garage door openers for the garages attached to Units 61 - 92 shall be borne by the Co-owner of the Unit which they service; provided, however, all materials and colors of garage doors must be approved by the Association. with regard to Units 1-60 Co-owners will be responsible for garage door opener controls.

(5) **Patios And Decks**. The cost of maintenance, repair, snow removal and replacement of each patio and deck described in 4.2(A) above, shall be borne by the Co-owner of each Unit to which such Limited Common Elements are appurtenant to the standards and specifications set forth in the Condominium Bylaws and the rules and regulations adopted by the Association.

(6) **Interior Surfaces**. The cost of decoration and maintenance of all Unit interior surfaces shall be borne by the Co-owner of each Unit to which such Limited Common Elements are appurtenant.

(7) **Utility Costs**. All costs of utilities serving individual Units shall be borne by the Co-owner of the Unit except water and sewer charges shall be paid for by the Association unless and to the extent separate meters are provided for such service.

(B) **Association Responsibilities**. The responsibility for, and the costs of, operating, maintaining, landscaping, decorating, insuring, repairing, renovating, restoring and replacing all of the General Common Elements including, without limitation, the roads shown on the site plan and landscaping for the Condominium, and of all of the Limited Common Elements other than as described above, shall be borne by the Association and such costs shall be expenses of administration to be assessed in accordance with the Condominium Documents. The Association shall not be responsible for performing any maintenance, repair or replacement with respect to any Unit, but shall have the right to do so in accordance with Section 9.2 hereof.

§4.4. Use Of Units And Common Elements. No Co-owner shall use their Unit or the Common Elements in any manner inconsistent with the purposes of the Project or in any manner which will interfere with or impair the rights of any other Co-owner in the use and enjoyment of such other Co-Owner's Unit or the Common Elements. Pursuant to Sections 6.2 and 6.6 of the Condominium Bylaws, the Units may only be used for residential purposes and related purposes which are consistent with the character of the Project as a Residential Condominium Project. No Limited Common Element may be modified or its use enlarged or diminished by the Association without the written consent of the Co-owner to which the Limited Common Element appertains.

No Common Element shall be the subject of any action for partition unless the Project is terminated.

§4.5. **Residential Use; Housing For Qualified Owners**. As provided in Section 6.2 of the Condominium Bylaws, the Condominium is a residential, independent living facility to be owned by Qualified Owners as defined in Section 6.2 of the Condominium Bylaws. Each Unit in the Condominium is limited to residential purposes as housing for Qualified Occupants as defined in Section 6.2 of the Condominium Bylaws.

ARTICLE V - UNIT DESCRIPTION AND PERCENTAGE OF VALUE

§5.1. **Description Of Units**. Each Unit in the Condominium Project is described in this paragraph with reference to the Condominium Subdivision Plan of University Commons as surveyed by Midwestern Consulting, Inc. and referred to as Exhibit B, as amended. Each Unit shall include all that space contained within the interior finished unpainted walls and ceilings and from the finished subfloor, all as shown on the floor plans and sections in Exhibit B, as amended, and delineated with heavy outlines.

§5.2. **Percentage Of Value**. The percentage of value assigned to each Unit is set forth on the table set forth below and was determined on the number of horizontal square feet of living space of each Unit. Living space for each Unit is approximate and calculated from the architectural plans, measured from the exterior surfaces of outer walls and the center of party walls and excluding garage, storage and other unfinished areas within the Unit. The calculation of living space differs from interior area as shown in the Condominium Subdivision Plan, which calculated interior area measured from the interior surface of Unit walls, also excluding horizontal area of structural and mechanical building systems and shafts benefiting the Unit. The determination of the percentages of value was made after reviewing the comparative characteristics of each Unit in the Project which would affect maintenance costs and value. The percentage of value assigned to each Unit shall be determinative of each Co-owner's respective share of the Common Elements of the Condominium Project, and the proportionate share of each respective Co-owner in the proceeds and the expenses of administration. The total value of all of the Units in the Project is one hundred percent (100%).

Unit #	Plan Type	Site Plan Bldg	Sq. Ft.	Percent of Value
1	E1	B	1,868	1.112%
2	E2	B	2,018	1.201%
3	D1	B	1,289	0.767%
4	D2	B	1,431	0.852%
5	A	B	1,270	0.756%
6	C1	B	1,532	0.912%
7	A	B	1,270	0.756%
8	C1	B	1,532	0.912%
9	F	B	1,000	0.595%
10	B3	B	1,363	0.811%
11	F	C	1,000	0.595%

Unit #	Plan Type	Site Plan Bldg	Sq. Ft.	Percent of Value
12	B3	C	1,363	0.811%
13	A	C	1,270	0.756%
14	C1	C	1,532	0.912%
15	A	C	1,270	0.756%
16	C1	C	1,532	0.912%
17	D1	C	1,289	0.767%
18	D2	C	1,431	0.852%
19	E1	C	1,868	1.112%
20	E2	C	2,018	1.201%
21	E1	B	1,868	1.112%
22	E2	B	2,018	1.201%
23	D1	B	1,289	0.767%
24	D2	B	1,431	0.852%
25	A	B	1,270	0.756%
26	C1	B	1,532	0.912%
27	A	B	1,270	0.756%
28	C1	B	1,532	0.912%
29	B1	B	1,327	0.790%
30	B2	B	1,478	0.880%
31	B1	C	1,327	0.790%
32	B2	C	1,478	0.880%
33	A	C	1,270	0.756%
34	C1	C	1,532	0.912%
35	A	C	1,270	0.756%
36	C1	C	1,532	0.912%
37	D1	C	1,289	0.767%
38	D2	C	1,431	0.852%
39	E1	C	1,868	1.112%
40	E2	C	2,018	1.201%
41	E3	B	2,381	1.417%
42	E4	B	2,531	1.506%
43	D1	B	1,289	0.767%
44	D2	B	1,431	0.852%
45	A	B	1,270	0.756%
46	C2	B	2,056	1.224%
47	A	B	1,270	0.756%
48	C2	B	2,056	1.224%
49	B1	B	1,327	0.790%

Unit #	Plan Type	Site Plan Bldg	Sq. Ft.	Percent of Value
50	B2	B	1,478	0.880%
51	B1	C	1,327	0.790%
52	B2	C	1,478	0.880%
53	A	C	1,270	0.756%
54	C2	C	2,056	1.224%
55	A	C	1,270	0.756%
56	C2	C	2,056	1.224%
57	D1	C	1,289	0.767%
58	D2	C	1,431	0.852%
59	E3	C	2,381	1.417%
60	E4	C	2,531	1.506%
61	TH-1	D	1,805	1.074%
62	TH-1	D	1,805	1.074%
63	TH-1	E	1,805	1.074%
64	TH-1	E	1,805	1.074%
65	TH-1	F	1,805	1.074%
66	TH-1	F	1,805	1.074%
67	TH-1	G	1,805	1.074%
68	TH-1	G	1,805	1.074%
69	TH-1	H	1,805	1.074%
70	TH-1	H	1,805	1.074%
71	TH-2	D	2,453	1.460%
72	TH-2	D	2,453	1.460%
73	TH-2	E	2,453	1.460%
74	TH-2	E	2,453	1.460%
75	TH-2	F	2,453	1.460%
76	TH-2	F	2,453	1.460%
77	TH-2	G	2,453	1.460%
78	TH-2	G	2,453	1.460%
79	TH-2	H	2,453	1.460%
80	TH-2	H	2,453	1.460%
81	V	I	2,676	1.592%
82	V	I	2,676	1.592%
83	V	J	2,676	1.592%
84	V	J	2,676	1.592%
85	V	K	2,676	1.592%
86	V	K	2,676	1.592%
87	V	L	2,676	1.592%

Unit #	Plan Type	Site Plan Bldg	Sq. Ft.	Percent of Value
88	V	L	2,676	1.592%
89	V	M	2,676	1.592%
90	V	M	2,676	1.592%
91	V	N	2,676	1.592%
92	V	N	2,676	1.592%
Total			168,046	100.000%

ARTICLE VI - CONSOLIDATION, MODIFICATION OF UNITS, LIMITED COMMON ELEMENTS

§6.1. **Right Generally; Amendment Required.** Notwithstanding any other provision of this Restated Master Deed or the Condominium Bylaws, Units in the Condominium may be consolidated, modified and the boundaries relocated, in accordance with Sections 48 and 49 of the Act and this Article; any changes in the affected Unit or Units shall be promptly reflected in a duly recorded amendment or amendments to this Master Deed.

(A) **By Co-owners.** Subject to applicable governmental approval, Co-owners of adjoining Units may relocate boundaries between their Units or eliminate boundaries between two or more Units upon written request to and approval by the Association in accordance with Section 48 of the Act. In making such determination, the Association shall consider the structural integrity of the Unit, the building and other units, the impact on the building systems, if any, and the noise and inconvenience to other Co-owners and such other factors as the Board of Directors may determine is relevant. Upon receipt of the request, the president of the Association shall present the matter to the Board of Directors for review and approval, rejection or modification. If approved by the Board, the president of the Association shall cause an amendment to this Restated Master Deed to be prepared, duly relocating the boundaries, identifying the Units involved, reallocating percentages of value and, if necessary, providing for conveyancing between or among the Co-owners involved in relocation of boundaries. The Co-owners requesting relocation of boundaries shall bear all costs of resulting amendments. Any relocation or elimination of boundaries shall not become effective, however, until all applicable governmental approvals have been obtained and the amendment to this Restated Master Deed has been recorded in the office of the Washtenaw County Register of Deeds.

(B) **Limited Common Elements.** Subject to Section 4.4 hereof, Limited Common Elements shall be subject to assignment and reassignment in accordance with Section 39 of the Act and in furtherance of the rights to consolidate or relocate boundaries described in this Article VI.

ARTICLE VII - CONVERTIBLE AREAS

§7.1. **Designation Of Convertible Areas.** The Units and the Common Elements are hereby designated as Convertible Areas and such Convertible Areas may be modified as provided herein.

§7.2. **Reservation Of Right To Modify Units And Common Elements**. The Association reserves the right, in its sole discretion, to enlarge, diminish, modify or extend the Units and/or the Limited Common Elements appurtenant or geographically proximate to such Units within the Convertible Areas above designated for such purpose, so long as such modifications do not unreasonably impair or diminish the appearance of the Project or the view, privacy or other significant attributes or amenities of any Unit which adjoins or is proximate to the modified Unit or Common Element. Under no circumstances, however, shall the Association or any other Co-owner modify, enlarge or diminish any Unit or appurtenant Limited Common Element or any rights in connection therewith without the express written consent of the Co-owner of the Unit.

ARTICLE VIII - EASEMENTS AND RIGHT TO DEDICATE ROADS AND/OR UTILITIES

§8.1. **Easement For Utilities And Maintenance Of Encroachments**. In the event any portion of a Unit or Common Element encroaches upon another Unit or Common Element due to shifting, settling or moving of a building, or due to survey errors, or construction deviations, reciprocal easements shall exist for the maintenance, repair or reconstruction 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, including but not limited to lighting, heating, power, sewer, water, telephone, cable and telecommunication lines. There shall also exist easements for support with respect to any interior Unit wall which supports a Common Element.

§8.2. **Easement In Favor Of The Association**. There shall be easements to and in favor of the Association, and its officers, directors, agents, and designees, in, on and over all Units and Common Elements in the project for access to the Units, water and sewage disposal systems and other utilities, and the exterior and interior of each of the buildings that is now existing or hereafter constructed within the project to permit the maintenance, repair, replacement, and/or decoration thereof in accordance with the terms hereof. Each Co-owner shall be primarily responsible for maintenance of the interior of a Co-owner's Unit and Limited Common Elements appurtenant to such Unit to the extent set forth in Article IV, above. In the absence of performance by the Co-owner involved, the Association may undertake the maintenance of such Unit or Limited Common Element after it has delivered written notice thereof at least fifteen (15) days prior to such work, except in the case of an emergency where no prior notice shall be required. If such work is performed upon a Unit or Limited Common Element by the Association, the individual Co-owner thereof shall reimburse the Association for all costs thereof within fifteen (15) days of billing or the Association shall have the right to recover its expenses in the same manner as established for the collection of assessments in Article II of the Condominium Bylaws. In no event shall the Association be liable for the decoration, maintenance, repair, or replacement of any portion of the interior of any Unit. There also shall exist easements to and in favor of the Association, and its officers, directors, agents, and designees, in, on and over all Units and Common Elements of the Project for access to and maintenance of those Common Elements of the Project for which the Association may from time to time be responsible.

§8.3. **Grant Of Easements By Association**. The Association, acting through its lawfully constituted Board of Directors, shall be empowered and obligated to grant such easements, licenses, rights-of-entry and rights-of-way over, under and across the Condominium for utility purposes, access purposes or other lawful purposes as may be necessary for the benefit of the Condominium. No easements created under the Condominium Documents may be modified or obligations with respect thereto varied without the consent of each person benefited thereby.

§8.4. **Easements For Maintenance, Repair And Replacement**. The Association and all public or private utilities shall have such easements as may be necessary over the Condominium including all Units and Common Elements to fulfill any responsibilities of maintenance, repair, decoration or replacement which they or any of them are required or permitted to perform under the Condominium Documents. 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 and other Common Elements located within any dwelling on any Unit or its appurtenant Limited Common Elements.

All Co-owners and mortgagees of Units and other persons interested in the Project from time to time are deemed to have irrevocably and unanimously consented to an amendment or amendments of this Restated Master Deed to effect the foregoing easement or transfer of title.

§8.5. **Telecommunications Agreements**. The Association, acting through its duly constituted Board of Directors, 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, 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, earth antenna and similar services (collectively "Telecommunications") to the Project or any Unit therein. Notwithstanding the foregoing, in no event shall the Board of Directors enter into any contract or agreement or 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 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 Project within the meaning of the Act and shall be paid over to and shall be the property of the Association.

§8.6. **Roadway Easements**. All roads within the Condominium are private roads, are not built to the specifications of the local governmental authorities required for the dedication thereon, and shall be maintained, repaired and replaced by the Association, and the costs thereof will be assessed to the Co-owners of the Condominium based on the percentage of value. However, the Association shall have the power to dedicate all or any portion of such roads or grant easements therein to the public or the appropriate governmental authority in accordance with applicable law.

§8.7. **Storm Water Drainage And Detention Easements.** Storm water drainage and detention easements are established for the storm water drainage and detention system across the Common Elements as shown on Exhibit B. Easements are located to provide unencumbered access from each Condominium Unit to an enclosed storm sewer inlet point. The surface grade within the easement is constructed to provide positive slope along the route of the easement to a storm sewer inlet point. To maintain the intended function of the storm water drainage easement, no change is to be allowed in the grade which would restrict the flow of surface water along the easement to the storm sewer inlet point. Nor shall any landscaping, planting or other construction be allowed in the storm water drainage easement which would restrict the intended flow of surface water to the storm sewer inlet point.

The storm water drainage easement shall be available for installation and maintenance of any improvements which are part of a storm water management system for owners of Units (i.e. enclosed piping for discharge of sump pump water directly into the storm sewer inlet point). Any such improvements intended to benefit one or more Unit owners shall be coordinated with any other Co-owners along the affected drainage easement. However, all Co-owners agree by acceptance of a conveyance that the intended primary use of the storm water drainage easements is to accommodate storm water management systems and said Co-owners will not hinder the installation and/or maintenance of said systems.

The Association shall be responsible for routine maintenance of the storm water drainage and detention system facilities in accordance with regulations of applicable governmental authorities, and in accordance with easements granted for such purposes.

§8.8. Utility Easements. Easements for private and public utilities including water mains, storm sewers and sanitary sewers, natural gas, electricity and telecommunication service are reserved and established across the Common Elements as set forth on Exhibit B. The Association further reserves the right at any time to grant easements for utilities over, under and across the Project to appropriate governmental agencies or to utility companies and to transfer title to utilities to governmental agencies or to utility companies. Any such easement or transfer of title may be made by the Association without the consent of any Co-owner, mortgagee or other person and shall be evidenced by an appropriate amendment to this Restated Master Deed and to Exhibit B as amended, 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 amendment or amendments of this Restated Master Deed as may be required to effectuate the foregoing grant of easement or transfer of title.

§8.9. Woodlands Preservation Easement. There is hereby established a permanent woodlands preservation easement on the areas entitled "Woodland Preservation Area North" and "Woodland Preservation Area South" on the Condominium Subdivision Plan (collectively the "Woodland Preservation Area"). The Woodland Preservation Area shall be kept preserved, used and maintained in accordance with the Woodlands, Wetlands and Storm Water Management Plan for University Commons prepared by Tilton & Associates, Inc. dated April 16, 1999 which has been approved by the City of Ann Arbor (as the same may be amended from time to time with the consent of the Association and the City of Ann Arbor, the "Preservation Management Plan"). Generally, the Association shall endeavor to preserve naturally occurring eco-systems in the Woodlands Preservation Area. The use of lawn chemicals and fertilizers on all Condominium Premises shall be restricted, but not prohibited, as further described in the Preservation Management Plan. The replacement or restoration planning of native species that would naturally occur in the woodland habitat found within the Woodland Preservation Area is permitted. Hiking, bird watching and nature studies shall also be permitted within the Woodland Preservation Area. All other activities in the Woodlands Preservation Area shall be conducted in accordance with the Preservation Management Plan and the Rules and Regulations of the Association. However, the following activities shall be prohibited within the Woodland Preservation Area without first obtaining the consent of the Association and the City of Ann Arbor:

a. storage or dumping of the refuse (whether solid, liquid, organic or inorganic);
b. adding or removing damage or destroying any animal or plant, except as set forth above;
c. clearing of land;

d. stock piling of soil or building materials or disturbance of soils;
e. use or storage of heavy equipment, vehicle or similar items;
f. cutting or storage of firewood or the removal of live or dead wood, except as set forth above;
g. collecting plants or animals;
h. off-trail bicycle riding;
i. operating motorized vehicles (other than in accordance with authorized maintenance); and
j. planting invasive or non-native plant species.

The Association shall have the power to engage whatever persons and entities it deems necessary in order to comply with the Preservation Management Plan, and may assess Co-owners in accordance with Section 2.3.D of the Condominium Bylaws in order to fund compliance with the Plan and maintenance of the Woodland Preservation Area. In connection with the construction of the Condominium Project, Developer shall have the right to install and thereafter to maintain the utility distribution systems through the Woodland Preservation Area in accordance with building and underground permits issued by the City of Ann Arbor, and to grant easements for any such utility systems in accordance with the terms of this Master Deed.

ARTICLE IX - AMENDMENT

§9.1. Modification Of Units Or Common Elements. No Unit dimension may be modified in any material way without the consent of the Co-owner nor may the nature or extent of Limited Common Elements, if any, or the responsibility for maintenance, repair or replacement of any Common Elements be modified without the written consent of the Co-owner of any Unit to which the Limited Common Elements are appurtenant or serve, except as otherwise expressly provided to the contrary in other portions of this Master Deed, the Condominium Bylaws and/or other Condominium Documents. In the event the consent of a Co-owner is required under this Section 9.1 and a modification or change materially alters or changes the rights of the mortgagee of such Unit, then the Amendment shall also require the approval of mortgagee of the Unit to be modified.

§9.2. By Board Of Directors. The Board of Directors may amend the Condominium Documents without the consent of Co-owners or mortgagees for any purpose if the amendment does not materially alter or change the rights of a Co-owner or mortgagee. Amendments which do not materially alter or change the rights of a Co-owner or mortgagee include, but are not limited to, amendments correcting survey or other errors made in the Condominium Documents, changes deemed necessary to comply with or include provisions permitted by the Act, or for the purpose of facilitating mortgage loan financing for existing or prospective Co-owners and to enable the purchase or insurance of such mortgage loans by any institutional participant in the secondary mortgage market which purchases or insures mortgages.

§9.3. Change In Percentage Of Value. The value of the vote of any Co-owner and the corresponding proportion of common expenses assessed against any Co-owner shall not be modified without the written consent of the affected Co-owner nor shall the percentage of value assigned to that Unit be modified without like consent, except as otherwise provided herein.

§9.4. Termination, Vacation, Revocation, Abandonment. The Condominium Project may not be terminated, vacated, revoked or abandoned without the written consent of 80% of all Co-owners.

§9.5. Mortgagee Consent. Whenever a proposed amendment would materially alter or change the rights of mortgagees generally, as provided in Section 90(a) of the Act, then the amendment shall require the approval of 66-2/3% of all first mortgagees of record, allocating one vote for each Unit mortgaged. Any mortgagee ballots not returned within ninety (90) days of mailing shall be counted as approval for the proposed amendment.

§9.6. Other Amendments. Except as otherwise specifically provided herein or in the condominium documents, the Master Deed and the Condominium Documents may be amended with the affirmative vote of 66-2/3% of all the Co-owners entitled to vote as of the record date for such votes.

ARTICLE X - OPERATIVE PROVISIONS

§10.1. Redefinition Of Common Elements. The amendment or amendments to this Restated Master Deed shall also contain any further definitions and redefinitions of Common Elements as may be necessary to adequately describe, provide access to and service the additional phase being added to the Project by the amendment. In connection with any amendment or amendments, the Association shall have the right to change the nature of any Common Element previously included in the Project for any purpose reasonably necessary to achieve the purposes of this Article.

UNIVERSITY COMMONS ASSOCIATION, a Michigan nonprofit corporation

By: Glenina Nolte
Glenina Nolte
Its: President

STATE OF MICHIGAN)
) ss.
COUNTY OF WASHTENAW)

On this 16 day of November 2009, in Washtenaw County, the foregoing Amended and Restated Master Deed was acknowledged before me by Glenina Nolte, the President of University Commons Association, a Michigan nonprofit corporation, on behalf of the corporation.

TRACY L. VINCENT
NOTARY PUBLIC, STATE OF MI
COUNTY OF WASHTENAW
MY COMMISSION EXPIRES Apr 8, 2013
ACTING IN COUNTY OF Washtenaw

Tracy L Vincent
Notary Public, Washtenaw County, MI
Acting in Washtenaw County
My Commission expires: April 8, 2013

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Exhibit A

AMENDED AND RESTATED CONDOMINIUM BYLAWS

UNIVERSITY COMMONS

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ARTICLE I

ASSOCIATION OF CO-OWNERS

1.1 **Formation; Membership**. University Commons, a residential condominium project located in the City of Ann Arbor, County of Washtenaw, Michigan, shall be administered by an association of Co-owners which shall be a non-profit corporation, hereinafter called the "Association," organized under the applicable laws of the State of Michigan, and responsible for the management, maintenance, operation and administration of the Common Elements, easements and affairs of the Condominium Project in accordance with the Master Deed, these Bylaws, the Articles of Incorporation, Bylaws and duly adopted rules and regulations of the Association, and the laws of the State of Michigan. These Bylaws shall constitute the Bylaws referred to in the Master Deed and required by Section 3(8) of the Act. Each Co-owner shall be entitled to membership 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. The Association shall keep current copies of the Master Deed, all amendments to the Master deed and other Condominium Documents for the Condominium Project available at reasonable hours to Co-owners, prospective purchasers and prospective mortgagees of Units in the Condominium Project. All Co-owners in the Condominium Project and all persons using or entering upon or acquiring any interest in any Unit therein or in the Common Elements thereof shall be subject to the provisions and terms set forth in the Condominium Documents.

1.2 **Definitions**. Capitalized terms used herein without further definition shall have the meanings ascribed to them in the Master Deed or the Act unless the context dictates otherwise.

1.3 **Voting**. Voting by members of the Association shall be in accordance with the following:

A. **Vote**. Except as limited in these Bylaws, each Co-owner shall be entitled to one vote for each Unit owned which vote shall be weighted in accordance with the percentage of value ("Value") as defined in Article V, Section 5.2 of the Master Deed.

B. **Eligibility To Vote**. No Co-owner shall be entitled to vote at any meeting of the Association until that Co-owner has presented evidence of ownership of a Unit in the Condominium Project to the Association. The vote of each Co-owner may only be cast by the individual representative designated by the Co-owner in the notice required in Subsection C, below, or by a proxy given by the individual representative.

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

D. **Annual Meeting**. There shall be an annual meeting of the members of the Association held as provided in Section 13.1. Other meetings may be provided for in the Bylaws of University Commons Association, a Michigan non-profit corporation (the

"Association Bylaws"). Notice of time, place and subject matter of all meetings shall be given as provided in the Association Bylaws.

E. **Quorum**. The presence, in person or by proxy, of 35% in number of the Co-owners qualified to vote shall constitute a quorum for holding a meeting of the members of the Association, except for voting on questions specifically required herein to require a greater quorum. The written vote of any person furnished at or prior to any duly called meeting at which meeting that person is not otherwise present in person or by proxy shall be counted in determining the presence of a quorum with respect to the question upon which the vote is cast.

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

G. **Majority**. A majority, except where otherwise provided herein, shall consist of more than 50% of those qualified to vote and present in person or by proxy (or written vote, if applicable) at a given meeting of the members of the Association. Whenever provided specifically herein, a majority may be required to exceed the simple majority hereinabove set forth of designated voting representatives present in person or by proxy, or by written ballot, if applicable, at a given meeting of the members of the Association.

H. **Other Provisions.** Other provisions as to voting by members, not inconsistent with the provisions herein contained, may be set forth in the Association Bylaws.

1.4 **Association Bylaws**. The Association Bylaws shall provide the designation, number, terms of office, qualifications, manner of election, duties, removal and replacement of the officers of the Association and may contain any other provisions pertinent to officers of the Association in furtherance of the provisions and purposes of the Condominium Documents and not inconsistent therewith. Officers may be compensated but only upon the affirmative vote of more than 66 2/3% of all Co-owners in number and in Value.

1.5 **Additional Policies, Rules, Regulations and Restrictions.** The Association has the authority to create additional policies, rules, regulations and restrictions for such matters including, without limitation, common dining room and meeting space for private affairs by the members of the Association, procedures for reserving the rental rooms, security issues, landscaping, waste disposal, smoking regulation and procedures regarding pets.

ARTICLE II

ASSESSMENTS

All expenses arising from the management, administration and operation of the Association in pursuance of its authorizations 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:

2.1 **Assessments For Common Elements.** All costs incurred by the Association in satisfaction of any maintenance costs or liability arising within, caused by, or connected with the Common Elements and easements for which the Association has maintenance responsibility or the administration of the Condominium Project shall constitute expenditures affecting the administration of the Project, and all sums received as the proceeds of, or pursuant to, any 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 Project shall constitute receipts affecting the administration of the Condominium Project, within the meaning of Section 54(4) of the Act.

2.2 **Expenditures And Receipts Affecting Administration Of The Project**. 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 Project shall constitute expenditures affecting the administration of the Project, 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 Project shall constitute receipts affecting the administration of the Condominium Project, within the meaning of Section 54(4) of the Act.

2.3 **Determination Of Assessments**. Assessments shall be determined in accordance with the following provisions:

A. **Budget**. The Board of Directors of the Association shall establish an annual budget (the "Budget") in advance for each fiscal year and the Budget shall project all expenses for the forthcoming year which may be required for the proper operation, management, and maintenance of the Condominium Project, including a reasonable allowance for contingencies and reserves. An adequate reserve fund for maintenance, repairs and replacement of those Common Elements that must be replaced by the Association on a periodic basis must be established in the Budget and must be funded by regular payments as set forth in Section 2.4, below, rather than by special assessments. At a minimum, the annual contribution to the reserve fund shall be equal to 10% of the Association's current annual Budget on a non-cumulative basis. The Association of Co-owners should carefully analyze the needs and requirements of the Condominium Project to determine if a greater amount should be set aside, or if additional reserve funds should be established for other purposes from time to time. Upon adoption of the Budget by the Board of Directors, copies of the Budget shall be delivered to each Co-owner and the assessment for the year shall be established based upon the Budget, although the delivery of the copy of the Budget to the Co-owner shall not affect the liability of any Co-owner for any existing or future assessments. If the Board of Directors, at any time determines, in its sole discretion, that the assessments levied are or may prove to be insufficient (i) to pay the costs of operation and management of the Condominium, (ii) to provide repairs or replacements of existing Condominium Elements, (iii) to provide additions to the Common Elements not exceeding $10,000.00 per year for the entire Condominium Project or (iv) in the event of emergencies, then the Board of Directors shall have the authority to increase the general assessment or to levy additional assessment(s) as it shall deem necessary. The Board of Directors also shall have the authority, without Co-owner consent, to levy assessments for repair and reconstruction in the event of casualty pursuant to the provisions of Article II hereof. The discretionary authority of the Board of Directors to levy assessments pursuant to this Article 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. <u>Special Assessment</u>. Special assessments, in addition to those required in Subsection A, above, may be made by the Board of Directors from time to time (if approved by the Co-owners as hereinafter provided) to meet other needs or requirements of the Association, including, but not limited to (i) assessments for capital improvements for additions to Common Elements, (ii) assessments to purchase a Unit upon foreclosure of the lien for assessments described in Section 2.6 hereof, or (iii) assessments for any other appropriate purpose not elsewhere herein described. Special assessments referred to in this Subsection B (but not including those assessments referred to in Subsection A, above, which shall be levied in the sole discretion of the Board of Directors) shall not be levied without the prior approval of more than 50% of all Co-owners. 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.

C. <u>Food Service And Educational Program Assessments</u>. The Board of Directors has the power to engage a food service provider for meals in the Condominium dining room, and to enter into contractual affiliations with the University of Michigan and others to provide the Co-owners with programs, meetings and guest lecturers at the Condominium Project. Assessments shall be charged to each Unit in an equal amount to help subsidize the regular service of meals and educational programs. The Board of Directors has the authority to determine the amount of these subsidies and may change the amounts as the Board of Directors deems appropriate. Co-owners shall have access to and may review the Budget to review the current estimated or, if available, actual assessments for these purposes. All increases and decreases in the food service assessment must be approved by the Board of Directors.

D. <u>Woodland Preservation Assessment</u>. The Board of Directors shall have the power to engage the employment of such persons as it may deem advisable in order to perform the obligations of the Association under the Preservation Management Plan as approved by the City of Ann Arbor. Any assessment shall be charged to each Unit in an equal amount. Co-owners shall have access to and may review the Budget to review the current estimated or, if available, actual assessments for this purpose. All increases and decreases in the Preservation Easement assessment must be approved by the Board of Directors.

E. <u>Other Assessments</u>. In addition to the assessments set forth above, the Association shall collect a pro rata share from each Co-owner of all assessments levied against the Association pursuant to the Declaration and other documents referred to in Article II of the Master Deed. The default and enforcement provisions contained in this Article and in Articles X and XI shall apply with respect to the collection of all assessments levied pursuant to the foregoing documents.

F. <u>University Commons Restricted Fund.</u>

The Board of Directors shall have the authority to disburse funds from the University Commons Restricted Fund for such cultural, educational, health, social, and wellness corporate purposes of the Association as it shall determine in its sole discretion.

2.4 <u>Apportionment Of Assessments And Penalty For Default</u>. Unless otherwise provided herein or in the Master Deed, 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 their percentage of value as set forth in the Master Deed. Annual assessments as determined in accordance with Section 2.3.A, above, shall be due by Co-owners as of the first day of each fiscal year of the Association and may be payable by the Co-owners in monthly installments, the first of which shall be due on the first day of first month of the fiscal year of the Association and the remaining monthly installments due on the first day of each month thereafter. Any Assessments not paid when due shall be in default and shall bear interest from the date of default (regardless of when notice of default is given) at the rate of the lesser of 7% per annum or the maximum legal rate of interest permitted by law, until paid in full. The Association may levy reasonable late charges or fines for late payment in addition to interest, including assessment of fines for chronic or continuing late payment of assessments. Each Co-owner (whether one or more persons) shall be, and remain, personally liable for the payment of all assessments pertinent to his Unit which may be levied while Co-owner is the owner thereof (including interest, fines for late payment, late charges and all costs of collection and enforcement of payment). Payments on account of installments of assessments in default shall be applied as follows:

A. the costs of collection and enforcement of payment, including actual attorneys' fees;

B. to any interest charges and fines for late payment on the installments; and

C. to installments in default in order of their due dates.

2.5 Waiver Of Use Or Abandonment Of Unit. 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.

2.6 Enforcement. In addition to any other remedies available to the Association, the Association may enforce collection of delinquent assessments by any lawful means, including but not limited to, a suit at law for a money judgment or by foreclosure of the statutory lien that secures payment of assessments. In the event of default by any Co-owner and the payment of any installments of the assessment levied against his Unit, the Association shall have the right to declare all unpaid installments of annual assessment for the pertinent fiscal year immediately due and payable.

A. Foreclosure Proceedings. Each Co-owner, and every other person who from time to time has any interest in the Project, shall be deemed to have granted to the Association the unqualified right to elect to foreclose such lien either by judicial action or by advertisement. The provisions of Michigan law pertaining to foreclosure of mortgages by judicial action and by advertisement, as the same may be amended from time to time, are incorporated herein by reference for the purposes of establishing the alternative procedures to be followed in lien foreclosure actions and the rights and obligations of the parties to such actions. Further, each Co-owner and every other person who from time to time has any interest in the Project, shall be deemed to have authorized and empowered the Association to sell or to cause to be sold the Unit with respect to which the assessment(s) is or are delinquent and to receive, hold and distribute the proceeds of such sale in accordance with the priorities established by applicable law. Each Co-owner of a Unit in the Project acknowledges that at the time of acquiring title to such Unit, they were notified of the provisions of this Subsection and that they 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 nonpayment prior to the sale of the subject Unit.

B. **Notice Of Actions**. Notwithstanding the foregoing, neither a foreclosure action nor a suit at law for a money judgment shall be commenced until the expiration of ten (10) days after mailing, by first class mail, postage prepaid, addressed to the delinquent Co-owner(s) at their last known address of a written notice that one or more installments of the annual assessment or any special assessment(s) levied against the pertinent Unit is or are delinquent and that the Association may invoke any if 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 notice of lien in affidavit form executed by an authorized representative or attorney of the Association that sets forth: (i) the affiant's capacity to make the affidavit; (ii) the statutory and other authority of the lien, (iii) the amount outstanding (exclusive of interest, costs, attorney fees and future assessments), (iv) the legal description of the subject Unit(s) and (v) the name(s) of the Co-owner(s) of record. The notice of lien shall be recorded in the Office of the Register of Deeds in the county in which the Project is located prior to the commencement of any foreclosure proceeding, but it need not have been recorded as of the date of mailing as aforesaid. If the delinquency is not cured within the 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 notice the delinquent Co-owner and shall inform him that he may request a judicial hearing by bringing suit against the Association.

C. **Other Remedies**. In the event of default by any Co-owner in the payment of any installment of the annual assessment or any special assessment(s) levied against his Unit, the Association shall have the right to declare all unpaid installments of the annual assessment for the pertinent fiscal year and all outstanding special assessments immediately due and payable. A Co-owner in default shall not be entitled to vote at any meeting of the Association so long as the default continues. In a judicial foreclosure action, a receiver may be appointed to collect a reasonable rental for the Unit from the Co-owner thereof or any persons claiming under him. The Association shall be entitled to collect interest and all reasonable costs and expenses incurred in pursuing its default remedies as outlined above including, but not limited to actual attorneys' fees and/or legal expenses.

In conjunction with or as an alternative to foreclosure proceedings, the Association may authorize the managing agent, after sixty (60) days' written notice to the Co-owner and to the Co-owner's first mortgagee of the nonpayment of any installment of the annual assessment or any special assessment(s), to terminate without further notice the delinquent Co-owner's access to the Common Elements (except such Common Elements as shall afford reasonable access to the delinquent Co-owner's unit) and cease supplying a delinquent Co-owner with any and all services, including but not limited to utility services, normally supplied or paid for by the Association. Any terminated services and privileges shall be restored upon payment of all amounts owing to render the delinquent Co-owner's account current, including any costs and attorney's fees incurred by the Association in pursuing collection of the delinquent Co-owner's account.

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

2.7 Liability Of Mortgagee. Notwithstanding any other provisions of the Condominium Documents, the holder of any first mortgage of record covering any Unit in the Project 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, 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 acquires title to the Unit (except for claims for assessments or charges resulting from a pro rata reallocation of such assessments or charges to all Units, including the mortgaged Unit).

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

2.9 Taxing Authority. All property taxes and special assessments levied by any public taxing authority shall be assessed in accordance with Section 131 of the Act.

2.10 Liens. Any construction lien arising pursuant to the laws of the State of Michigan with respect to the Condominium or any Unit therein shall be subject to Section 132 of the Act.

2.11 Statement As To Unpaid Assessments. Pursuant to the provisions of Section 111 of the Act, the purchaser of any Unit may request a statement from the Association setting forth the outstanding amount of any unpaid Association assessments thereon, whether regular or special. The Association may require the advance payment of a reasonable processing fee for the issuance of such written statement and, in addition, each new member of the Association shall be obligated to pay $500.00, or such larger sum as shall be determined by the Board of Directors, into the University Commons Restricted Fund for discretionary use by the Board of Directors for such of the cultural, educational, health, social, and wellness corporate purposes of the Association as it shall determine in its sole discretion as provided in Section 2.3F above. Upon written request to the Association accompanied by a copy of the executed purchase agreement pursuant to which the purchaser holds a right to acquire a Unit, the Association shall provide a written statement of such unpaid assessments as may exist or a statement that none exist, which statement shall be binding upon the Association for the period stated herein. 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, subject to the provisions of Section 2.7 above, that the failure of a purchaser to request a statement at least five days prior to the closing of the purchase of such Unit, shall render any unpaid assessments and the lien securing the unpaid assessment, together with interest, costs and attorneys' fees incurred in the collection thereof, 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 superior to all claims except amounts due the state, any subdivision thereof, and first mortgages of record.

ARTICLE III

JUDICIAL ACTIONS AND CLAIMS; ARBITRATION

3.1 Rights Of The Association. 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.

3.2 Location And Governing Rules. Any arbitration conducted pursuant to these Bylaws shall be held in Washtenaw County, Michigan. Arbitration will be held pursuant to the Commercial Arbitration Rules of the American Arbitration Association (the "Rules") currently in effect except as modified by these Bylaws or any future agreement for alternative dispute resolution between the parties.

3.3 Modification Of Rules. It is expressly understood between the Parties that the Rules and those modifications contained herein shall control the process and disposition of arbitration pursuant to these Bylaws and shall be specifically enforced by the arbitrator subject only to any discretion granted herein (the "Modified Rules"). The arbitrator shall have authority to waive enforcement of the Modified Rules only if a Party seeking such waiver shows both good cause for the need to waive such rules and that such waiver will serve substantial justice. It is further the intent of the Parties that the time limitations and filing deadlines contained in these Bylaws shall be enforced.

3.4 Demand And Claim. Within a reasonable time, but (to the extent permitted by applicable law) in no event later than one year, of learning of a controversy or claim subject to these Bylaws, any Party claiming injury for which they assert another Party is responsible ("the Claimant") shall submit a demand for arbitration to the American Arbitration Association (the "Demand"). The Demand must include the following:

(a) A specific statement of facts;

(b) A specific computation of all damages claimed to have been sustained by the Claimant; and

(c) A specific statement setting forth the reason why Claimant believes that the other Party is responsible for such damages including listing any and all contract or other provisions of the Condominium Documents or applicable law alleged to have been violated and any and all legal theories which support the claimed injury.

No Demand which fails to meet these provisions will be considered effective or will be considered a tolling period contained in these Bylaws or any statute of limitations. The Demand shall be served both on the American Arbitration Association and all other Parties subject to such Arbitration (the "Respondent").

3.5 Response To Demand And Claim. Within twenty-eight (28) days of receiving the Demand, Respondent shall answer the Demand specifically setting forth:

(a) A specific response to the facts contained in the Demand;

(b) Any legal theories which support the conclusion that the Respondent is not responsible for such claimed damages; or

(c) Any affirmative defenses to the Demand (the "Answer").

At such time, Respondent shall also submit any counter-demand. Such counter-demand must meet the requirements of the proceeding paragraph.

3.6 Arbitration Procedure. Within thirty (30) days of receiving the Answer, the American Arbitration Association shall appoint an arbitrator or arbitrators pursuant to Rule 13 of the Rules. Within ten (10) days of the appointment of the arbitrator, the arbitrator(s) shall hold a telephone conference to establish a scheduling and discovery order setting forth dates for the following events:

(a) The exchange of documents;

(b) The exchange of witness lists; and

(c) The date for Arbitration.

3.7 **Discovery**. No other discovery shall be conducted unless otherwise provided by the Rules or as mutually agreed to between the Parties involved in such Arbitration. It is expressly agreed between the Parties that efficiency and speed are of primary importance to each Party. Therefore, the waiver or modification of the time limits contained herein or the adjournment of matters set forth herein shall not be possible without approval of the arbitrator. The arbitrator shall only provide such approval in extreme circumstances.

3.8 **Conduct Of Hearings**. The arbitrator shall have sole discretion with respect to the conduct of the hearings, to conduct a hearing or hearings pursuant to the Rules except that the arbitrator is, subject to his discretion, encouraged to conduct an attorney conference (with or without the Parties) at the start of the hearing for the purpose of focusing on the issues in dispute and the evidence necessary to resolve such issues.

3.9 **Binding Effect Of Award**. The Arbitrator's(s') award shall be final and binding on all Parties and a judgment upon such award may be entered and enforced in any court having jurisdiction.

ARTICLE IV

INSURANCE

4.1 **Extent Of Coverage**. The Association shall, to the extent appropriate in light of the nature of the General Common Elements of the Project, carry liability insurance and worker's compensation insurance in minimum amounts to be determined by the Association in its discretion, but in no event less than what is customary for a project of this type. The Association shall carry any other insurance the Association may deem applicable, desirable or necessary, pertinent to the ownership, use and maintenance of the Common Elements of the Condominium Project and the administration of the Condominium Project. The Board of Directors shall have the right to require that the Association carry officer's and director's liability insurance in such amounts determined by the Board of Directors. Such insurance shall be carried and administered in accordance with the following provisions:

A. **Responsibility Of Association**. All 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.

B. **Insurance Of Common Elements**. All Common Elements of the Condominium Project shall be insured against fire and other perils covered by a standard extended coverage endorsement, replacement value with an agreed amount endorsement, excluding foundation and excavation costs, as determined annually by the Board of Directors of the Association.

C. **Premium Expenses**. 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 repair or reconstruction shall be applied to such repair or reconstruction and costs in connection with the collection thereof and in no event shall hazard insurance proceeds be used for any purpose other than for repair, replacement or reconstruction of the Project and costs in connection with the collection thereof unless all of the institutional holders of first mortgages on Units in the Project have given their prior written approval.

E. **Deductible**. When a claim is made on any of the insurance policies maintained by the Association which is subject to a deductible amount, the deductible amount shall be paid by the Co-owner of the damaged Unit or appurtenant Limited Common Element sustaining the damage. In the case of damage to a General Common Element, the deductible shall be paid by the Association.

4.2 Authority Of Association To Settle Insurance Claims. Each Co-owner, by ownership of a Unit in the Condominium Project, shall be deemed to appoint the Association as his true and lawful attorney-in-fact to act in connection with all matters concerning insurance pertinent to the Condominium Project and the General Common Elements appurtenant thereto, with such insurers as may from time to time provide such insurance for the Condominium Project. Without limiting the generality of the foregoing, the Association as said attorney, to the extent authorized by the Board of Directors, shall have full power and authority to purchase and maintain such insurance, to collect and remit premiums therefor, to collect proceeds and to distribute the same to the Association, the Co-owners and respective mortgagees, as their interests may appear (subject always to the Condominium Documents), to settle all insurance claims, to execute releases of liability and to execute all documents and to do all things on behalf of the Co-owners and the Condominium as shall be necessary or convenient to the accomplishment of the foregoing.

4.3 Responsibilities Of Co-Owners. Each Co-owner shall be obligated and responsible for obtaining fire and extended coverage and vandalism and malicious mischief insurance with respect to the Unit owned by such Co-owner and for the Co-owner's personal property located therein or thereon or elsewhere on the Condominium Project. All policies shall contain standard mortgage clauses naming the mortgagees or the servicers of mortgages, as the case may be. There is no responsibility on the part of the Association to insure any such improvements or personal property whatsoever. All insurance each Co-owner is required to carry shall be an amount equal to the full replacement value, excluding foundation and excavation costs. Each Co-owner shall be obligated to obtain insurance coverage for personal liability for occurrences associated with his Unit (naming the Association as additional insured), and also for any other personal insurance coverage that the Co-owner wishes to carry. Such insurance shall be carried in such minimum amounts as may be specified by the Association and each Co-owner shall furnish evidence of such coverage to the Association upon request. Each policy shall provide for notification to the Association and each first mortgage holder named in the mortgage clause at least 10 days prior to cancellation or material change in coverage. Each Co-owner shall deliver certificates of insurance to the Association from time to time to evidence the continued existence of all insurance required to be maintained by the Co-owner hereunder. In the event of the failure of a Co-owner to obtain such insurance or to provide evidence thereof to the Association, the Association may obtain such insurance on behalf of such Co-owner and the premiums therefor shall constitute a lien against the Co-owner's Unit which may be collected from the Co-owner in the same manner that Association assessments may be collected in accordance with Article II hereof.

4.4 **Waiver Of Right Of Subrogation**. The Association and each Co-owner shall use their best efforts to cause all property and liability insurance carried by the Association or any Co-owner to contain appropriate provisions whereby the insurer waives its right of subrogation as to any claims against a Co-owner or the Association.

4.5 **Indemnification**. Each Co-owner shall indemnify and hold harmless every other Co-owner and the Association for all damages and costs, including attorneys' fees, which any other Co-owner or the Association may suffer as a result of defending any claim arising out of an occurrence or within an individual Co-owner's Unit and shall carry insurance to secure this indemnity if so required by the Association. This Section 4.5 shall not be construed to give any insurer any subrogation rights or other right or claim against any individual Co-owner, whatsoever.

ARTICLE V

RECONSTRUCTION OR REPAIR

5.1 **Association Responsibility For Repair**. Except as otherwise provided in the Master Deed, the Association shall be responsible for the reconstruction, repair and maintenance of the General Common Elements. Immediately after a casualty causing damage to property for which the Association has the responsibility of maintenance, repair and reconstruction, the Association shall obtain reliable and detailed estimates of the cost to replace the damaged property to 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 the reconstruction or repair, the funds for the payment of the costs thereof are insufficient, and Association funds in the sole discretion of the Board of Directors are not otherwise available, assessments shall be made against all Co-owners for the cost of reconstruction or repair of the damaged property in sufficient amounts to provide funds to pay the estimated or actual cost of repair.

5.2 **Timely Reconstruction And Repair**. If damage to General Common Elements or a Unit adversely affects the appearance or utility of the Project, the Association or Co-owner responsibility for the reconstruction, repair and maintenance thereof shall thereafter proceed with replacement of the damaged property without delay.

5.3 **Co-Owner's Responsibility For Repair.**

A. **Definition Of Co-Owner Responsibility**. If the damage is only to a part of a Unit which is the responsibility of a Co-owner to maintain, repair or replace as set forth in Section 4.3 of the Master Deed, it shall be the responsibility of the Co-owner to maintain, repair and replace such damage in accordance with Section 5.3.B below. In all other cases, the responsibility for maintenance, repair and replacement shall be that of the Association.

B. **Damage To Unit**. Each Co-owner shall be responsible for the maintenance, repair and replacement of the contents of such Co-owner's Unit, including, but not limited to, floor coverings, wall coverings, window shades, draperies, interior walls (but not any Common Elements therein), interior trim, furniture, light fixtures and all appliances, whether freestanding or built-in. In the event damage to interior walls within a Co-owner's Unit, or to pipes wires, conduits, ducts or other Common Elements therein, or to any fixtures and equipment which are standard items within a Unit, is covered by insurance held by the Association, then the replacement or repair shall be the responsibility of the Association in accordance with Section 5.1, however, any applicable insurance deductible amount shall be paid by the Co-Owner of the Unit and/or appurtenant Limited Common Element. If any other items located within a Unit are 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 such insurance, and if there is a mortgagee's 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.

5.4 Eminent Domain. The following provisions shall control upon any taking by eminent domain:

A. Taking Of General Common Elements. If any portion of the General Common Elements is taken by eminent domain, the award shall be allocated to the Co-owners and their mortgagees in proportion to their respective undivided interests in the Common Elements and the affirmative vote of more than 50% of the Co-owners in number and Value shall determine whether to rebuild, repair or replace the portion so taken or to take any other action as they deem appropriate. The Association, acting through its Board of Directors, may negotiate on behalf of all Co-owners for any taking of Common Elements. Any negotiated settlement approved by not less than 66 2/3% of the Co-owners in number and Value shall be binding on all Co-owners.

B. Taking Of Unit. In the event of any taking of all or any portion of a Unit by eminent domain, the award for that taking shall be paid to the Co-owner of that Unit and the mortgagee thereof, as their interests may appear, notwithstanding any provision of the Act to the contrary. If a Co-owner's entire Unit is taken by eminent domain, that Co-owner and his mortgagee shall, after acceptance of the condemnation award thereafter, be divested of all interest in the Condominium Project.

C. Continuation Of Condominium After Taking. In the event the Condominium Project continues after taking by eminent domain, then the remaining portion of the Condominium Project shall be re-surveyed and the Master Deed amended accordingly, and, if any unit shall have been taken, then Article V of the Master Deed shall also be amended to reflect such taking and to proportionately readjust the percentage of value of the remaining Co-owners based upon the continuing value of the Condominium of 100%. The amendment may be effected by an officer of the Association duly authorized by the Board of Directors without the necessity of execution or specific approval by any Co-owner or their mortgagee.

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 of the Condominium.

E. Applicability Of The Act. To the extent not inconsistent with the foregoing provisions, Section 133 of the Act shall control upon any taking by eminent domain.

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

ARTICLE VI

BUILDING AND USE RESTRICTIONS

6.1 Purpose. These restrictions are intended to perpetuate a beautiful, serene, private residential community with educational amenities in affiliation with the University of Michigan. To that end the natural environment will be preserved and controlled for the common good and the quality of all Units, and improvements constructed shall be harmonious and meet certain minimum aesthetic standards. In order to maximize friendly and tranquil relations among Co-owners individual responsibilities are clarified, based on mutual respect, and certain conduct is prohibited, based on common sense. Finally, enforcement of these restrictions and flexibility to provide future reasonable regulations to meet changing circumstances and needs of future Co-owners is vested in the Association.

6.2 Residential Use, Housing For Qualified Owners. The Condominium is a residential facility with common areas consisting of lecture halls, classrooms and a common dining room to provide a community atmosphere focused on educational programs in affiliation with the University of Michigan. Except as otherwise set forth in subsection B below, the Units must be owned by a specific class of persons referred to herein as "Qualified Owners." Qualified Owners are persons who are (A) fifty-five (55) years of age or older and are present or former faculty, staff or degreed alumni of the University of Michigan or degreed alumni of another accredited four-year college or university, or (B) are a surviving spouse or surviving companion (as approved by the Board of Directors) of a person who has previously been determined by the Board of Directors to be a Qualified Owner. With these purposes in mind, the following encumbrances and restrictions are placed on all Units in the Condominium:

A. **Housing For Qualified Owners**. Each Unit in the Condominium is limited in use to residential purposes as provided in Section 6.6A hereof. Each Unit must be occupied, if at all, by persons who are "Qualified Occupants." A "Qualified Occupant" is a person who meets at least one of the following criteria: (i) is a Qualified Owner; (ii) meets the requirements of a Qualified Owner without regard to ownership of a Unit; (iii) is the spouse, companion as approved by the Board of Directors, or surviving spouse of a Qualified Owner; (iv) is the surviving companion (as approved by the Board of Directors) of a Qualified Owner; (v) is providing health care or other services to or for a resident of that Unit; or (vi) other individuals that receive approval from the Board of Directors.

B. **Inheritance; Exceptions To Age 55 Requirements**. Upon the death of a Qualified Owner, an individual that inherits a Unit who is not a Qualified Owner must either become a Qualified Owner or transfer the Unit to a Qualified Owner, in each case within two (2) years after the death of the deceased Qualified Owner. During this two (2) year period, the individual that inherits the Unit may lease the Unit to a Qualified Occupant in accordance with Section 6.3 of these Bylaws. In addition, a person who is at least fifty-three (53) years of age and otherwise meets the definition of a Qualified Owner may become a Co-owner of a Unit and may lease the Unit to a Qualified Occupant in accordance with Section 6.3 of these Bylaws until the time the Co-owner attains the age of fifty-five (55) and becomes a Qualified Owner.

C. **Further Use And Occupancy Restrictions**. Each Unit shall be occupied by no more than two (2) persons as a single-family residence, unless otherwise approved by the Association. Co-owners are permitted to have visitors and guests that are not Qualified Occupants temporarily stay at the Unit for a limited period of time not to exceed a total of thirty (30) days in any 365-day period unless approved by the Association. Co-owners shall not use their Unit, its appurtenant Limited Common Elements, if any, or the Common Elements in any manner inconsistent with the purposes of the Project or in any manner which will interfere with or impair the rights of any other Co-owners in the use and enjoyment of their Unit or the Common Elements. Co-owners shall not do or permit anything to be done or keep or permit to be kept in their Unit or on the Common Elements anything that will increase the insurance rate on the Project without the written approval of the Association. Each Co-owner who is the cause thereof shall pay to the Association the increased cost of insurance premiums resulting from any such activity or the maintenance of any such condition.

D. **Enforcement Of Restrictions On Use**. The limitations on use of the Project as residential housing for older persons as set forth above, is a binding covenant which runs with the land and which may be enforced by the Association. In order to insure that the foregoing restrictions on use continue as required, each Co-owner shall provide the Association with thirty (30) days prior written notice of any sale, transfer, assignment or lease of the Co-owner's Unit, and a certification acceptable to the Association signed by the Co-owner and the Co-owner's purchaser, assignee, transferee or lessee certifying that the Unit will be owned by a Qualified Owner and occupied by a Qualified Occupant after such sale, assignment, transfer or lease and otherwise used and occupied in accordance with the requirements and restrictions of the Master Deed or Bylaws and the policies, rules, regulations and restrictions of the Association.

E. **Determination Of Qualified Owners And Qualified Occupants**. The Board of Directors shall review the application of all potential Qualified Owners and Qualified Occupants to determine whether the applicants satisfy the requirements under these Bylaws. The Board of Directors, in its sole discretion, shall make a determination as to whether the applicant may purchase a Unit as a Qualified Owner or may reside at a Unit as a Qualified Occupant.

F. WARNING: BY PURCHASING A UNIT IN THE CONDOMINIUM, CO-OWNERS AGREE TO BE BOUND BY AND SUBJECT TO ALL OF THE TERMS AND CONDITIONS OF THE MASTER DEED, THE BYLAWS, AND POLICIES, RULES, REGULATIONS AND RESTRICTIONS OF THE ASSOCIATION, WHICH CONTAIN CERTAIN PROVISIONS CONCERNING, WITHOUT LIMITATION, THE USE AND LIMITED TRANSFERABILITY OF THE UNIT AND THE RESTRICTIONS ON LEASING UNITS. THE CO-OWNERS RECOGNIZE THAT BEING BOUND BY THESE RESTRICTIONS MAY IMPACT THE PRICE (AND RENT) A CO-OWNER MAY RECEIVE FOR A UNIT AND REDUCES THE NUMBER OF POTENTIAL PURCHASERS (AND LESSEES) OF THE UNITS.

6.3 Leasing And Rental.

A. Right To Lease. Any Co-owner may lease a Limited Common Element parking space to another Co-owner or Qualified Occupant on a month-to-month or annual basis provided written disclosure of parking space leased, the name of the lessee and the term of the lease for such transaction is submitted to the Board of Directors of the Association prior to the commencement of the lease. The Association may (but shall not be obligated to) keep and maintain a waiting list of Co-Owners and Qualified Occupants who are prospective lessees of additional parking spaces, but Co-owners who are lessors shall not be obligated to use the list or be bound by the priorities, if any, set forth on the list. A Qualified Owner may lease a Unit for the same purposes set forth in Section 6.1, pursuant to the same Restrictions in Section 6.2 of these Bylaws and Section 4.5 of the Master Deed, provided that written disclosure of such lease transaction is submitted to the Board of Directors of the Association in the manner specified below. With the exception of a lender in possession of a Unit following a default of the first mortgage, foreclosure or deed or other arrangement in lieu of foreclosure, no Co-owner shall lease less than an entire Unit in the Condominium, all tenants must be Qualified Occupants and no tenant shall be permitted to occupy except under a lease for a term of not less than six (6) months nor greater than two (2) years unless otherwise specifically approved in writing by the Association. Multiple renewal terms of less than two (2) years each shall be permitted, although each renewal term shall be subject to the review and approval of the Association as if it were a new lease. All leases must be on a form approved by the Association, and shall be delivered to the lessee with an occupancy package which includes all of the Condominium Documents. All leases shall incorporate, and shall be deemed to incorporate, all of the provisions of the Condominium Documents.

B. Leasing Procedures. The leasing of Units in the Project shall conform to the following provisions:

(i) A Co-owner desiring to rent or lease a Unit, shall disclose that fact in writing to the Association at least ten (10) days before presenting a proposed lease form to a potential lessee of the Unit and, at the same time, shall supply the Association with a true copy of the lease for its review for compliance with the Condominium Documents. The Association may require as part of its approval process, execution by the Co-owner and lessee of an approved addendum to the lease. Lessee shall also submit to the Association an application for lease on a form provided by the Association for its approval.

(ii) The Association shall have ten (10) days to review the lease and application and determine whether the lessee is a Qualified Occupant. The Association must respond to a Co-owner's request to lease the Unit, in writing, within said ten (10) day period after submission of the lease form and application, and if it fails to respond within such ten (10) day period, the request shall be deemed approved. Such automatic approval of a lease shall not relieve a lessee from strict compliance with the Qualified Occupant requirements of Section 6.2(a) of the Condominium Bylaws.

(iii) Lessees or non-owner occupants shall comply with all of the conditions of the Condominium Documents of the Condominium Project and all leases and rental agreements shall so state.

(iv) Lessees shall not have the authority to sublet any Unit.

(v) If the Association determines that the lessee or non-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 lessee.

2. The Co-owner shall have fifteen (15) days after receipt of such notice to investigate and correct the alleged breach by the lessee 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 take action to correct the violation including instituting on its behalf, , an action for eviction against the lessee or non-owner occupant and simultaneously for money damages in the same action against the Co-owner and lessee or non-owner occupant for breach of the conditions of the Condominium Documents. The relief provided in this subparagraph may be by summary proceeding. The Association may hold both the lessee and the Co-owner liable for any damages to the Common Elements caused by the Co-owner or lessee in connection with the Unit or Condominium Project and for actual legal fees and court costs incurred by the Association in connection with legal proceedings hereunder.

(vi) When a Co-owner is in arrears to the Association for assessments, the Association may give written notice of the arrearage to the lessee occupying a Co-owner's Unit under a lease or rental agreement and the lessee, after receiving the notice, shall deduct from rental payments due the Co-owner the arrearage and further assessments as they fall due and pay them to the Association. The deductions shall not constitute a breach of the rental agreement or lease by the lessee. The form of the lease used by the Co-owner shall explicitly contain the foregoing provisions.

(vii) All leasing shall comply with all civil rights laws, including, but not limited to, the Michigan Elliott-Larsen Civil Rights Act (Act No. 453 of the Public Acts of 1976, as amended) which prohibits discrimination in housing based upon religion, race, color, national origin, age, sex, height, weight, familial status, or marital status.

6.4 **General Conditions**. The following general conditions shall be in effect:

A. Co-owners shall maintain their Units in a good and attractive condition and prevent the development of any unclean, unsightly conditions that negatively affect the views from other Units or the natural beauty of the Project as a whole.

B. Co-owners shall maximize the use of garages to assure that visibility of vehicles from roads and Units is minimized. To this end, storage of any materials in the parking areas of the Woodbridge Buildings is prohibited, and storage of materials in all other garage areas is permitted only in a clean, safe, secure and neat manner which, in all cases, does not interfere with the parking of vehicles therein. Co-owners shall be permitted to use any spaces designated by the Association as "Visitor Parking Spaces" on an occasional basis, as necessary. Vehicles shall not be stored or parked ON any road, driveway or elsewhere except in the Co-owner's Limited Common Element parking space located in Woodbridge Residences and Houghton Hall or a garage which is part of a Unit or leased space (in compliance with Section 6.3) without the prior written approval of the Association.

C. Co-owners shall store garbage and trash in covered sanitary containers inside garages, utility rooms, basements, and not on the Unit or Common Elements except for such short periods of time as may be reasonably necessary to permit periodic collection.

D. Co-owners shall be responsible for damage or disruption to the Common Elements including roads, drains, sewer, water, gas, plumbing, electrical, telephone, and other utility lines and conduits.

E. Co-owners shall treat all other Co-owners and their guests with respect and courtesy at all times.

F. Co-owners shall endeavor to participate in Association affairs to the maximum possible extent.

G. Co-owners shall be responsible to see that they and their guests and invitees observe the restrictions and terms and conditions of these Bylaws and Master Deed at all times.

H. Smoking shall not be permitted in the interior of the Project other than in individual Units. Smoking shall be permitted outside all buildings, but not in any "No Smoking" outdoor areas which may be designated by the Board of the Directors of the Association in the exercise of its discretion.

6.5 **Maintenance Of Improvements**. Each Co-owner, at his sole cost and expense, shall keep all improvements on his Unit in good condition and in good repair at all times.

6.6 **Activities In Project Or Units.**

A. **Permitted Activities**. Occupancy and use of a Unit for residential purposes shall include use of a Unit for research, professional or educational activities which do not involve regular or more than occasional visits by customers or clients or business associates, and which do not unreasonably interfere with the use and enjoyment of the remainder of the Project by the other Co-owners.

B. **Prohibited Activities**. All uses which are not permitted under Section 4.4 of the Master Deed or 6.6.A, above, shall be prohibited. In addition, all of the following are prohibited activities: (i) any activity which is dangerous, unsightly, unpleasant, or otherwise detrimental to the appearance of the Project, or becomes an annoyance to, endangers the security or property of others or unreasonably diminishes or destroys the quiet enjoyment of other Co-owners; (ii) manufacturing, assembling or storage of materials or inventories; (iii) conducting a retail business; (iv) installation of air conditioning units in any window visible from any roadway or common driveway; (v) installing window treatments visible from any road or common driveway which do not conform to a neutral, off-white color scheme; (vi) unreasonably noisy activity; (vii) activities which increase the cost of liability insurance of the Association; (viii) hunting and trapping of birds, deer and other animals; (ix) discharge of firearms and other weapons; and (x) burning of garbage, trash and leaves.

6.7 **Animals**. At the time a Qualified Occupant first takes occupancy of a Unit, no more than two (2) pets (dogs or cats) may be kept at the Unit. The pets may be two (2) dogs or two (2) cats or one (1) dog and one (1) cat. The two (2) initial pets may be kept at the Unit until one pet dies or otherwise is no longer kept at the Unit. Thereafter, and in all other cases, no more than one (1) dog or two (2) cats (but not one (1) dog and one (1) cat) may be kept at any Unit at any time. Additionally, Co-owners may keep birds in cages and fish tanks in the Units. No other animals and no vicious or dangerous pets or animals shall be kept at any time. Pets causing any destruction or other nuisance at the Project shall not be permitted to remain. Pets shall not be permitted to run loose in the Project and Co-owners shall assure that all pets have such care and restraint so as not to be obnoxious or offensive on account of noise, odor or unsanitary conditions and are leashed and attended while on the Common Elements at all times. Co-owners shall immediately collect and dispose of fecal deposits of their pets. Co-owners shall be responsible at all times for injury or damage caused by their pets. The Board of Directors may designate areas that restrict or prohibit pets.

6.8 **Vehicles, Boats And Other Modes Of Transportation**. No house trailers, commercial vehicles, boat trailers, boats, camping vehicles, camping trailers, motorcycles, all terrain vehicles, snowmobiles, snowmobile trailers or vehicles, other than automobiles or vehicles used primarily for general personal transportation use, may be parked or stored upon the premises of the Project, unless parked in the garage with the door closed. No inoperable vehicles of any type may be brought or stored upon the Project either temporarily or permanently. Commercial vehicles and trucks shall not be parked in or about the Project (except as above provided) unless while making deliveries or pickups in the normal course of business. Co-owners shall, if the Association shall require, register with the Association all cars maintained on the Project. The Association shall have the right to place or cause to be placed adhesive windshield stickers on cars improperly parked and may also allow towing of improperly parked vehicles to off-premises locations, all without any liability on the part of the Association to the owners and users of any such improperly parked vehicles.

6.9 **Parking Restrictions**. Each Unit must have at least one (1) Limited Common Element parking space, unless the Co-owner has leased their space to another Co-Owner or Qualified Occupant in accordance with Section 6.3 of these Bylaws. Except as may be permitted by the Board of Directors, there shall be no parking within any roadways or road rights of way at any time. Commercial vehicles and trucks shall be parked in garages, except for deliveries in the normal course of business. See Section 6.4 of these Bylaws for additional parking restrictions.

6.10 **Noise Abatement And Vibration**. Co-owners shall use reasonable efforts to prevent any noise emanating from within any Unit to be heard outside of any Unit. Similarly, Co-owners shall take all reasonable efforts so as to minimize any vibration from emanating from within any Unit to not be felt by humans outside of any Unit. The intent of the provisions of this paragraph is to avoid disturbing occupants of neighboring Units.

6.11 **Litter And Pollution; Storage**. No Co-owner shall throw or allow to accumulate on his or any other Unit or any Common or Limited Common Area, trash, refuse or rubbish of any kind. No Co-owner shall dump or otherwise dispose of chemicals, motor oil, paint, gasoline, petroleum distillates or other materials of a hazardous nature in, over or within the Condominium or the sanitary or storm drains serving the Condominium. No personal property shall be stored outside of any Unit except in a Limited Common Element Garage and no property shall be stored in any General Common Element Garage area, except as otherwise may be designated by the Board of Directors of the Association in the excise of their reasonable discretion.

6.12 **Advertising.** No signs or other advertising devices of any kind shall be displayed which are visible from the exterior of the Unit or the Common Elements, including "For Sale" signs, without written permission from the Association.

6.13 **Policies, Rules, Regulations and Restrictions.** It is intended that the Board of Directors of the Association may make policies, rules, regulations and restrictions from time to time which they believe reflect the needs and desires of the majority of the Co-owners in the Condominium. Reasonable policies, rules, regulations and restrictions consistent with the Act, the Master Deed and these Bylaws concerning the use of the Common Elements, including the area covered by the Preservation Easement, may be made and amended from time to time by any Board of Directors of the Association. Copies of all such policies, rules, regulations and restrictions, and amendments thereto shall be furnished to all Co-owners.

6.14 **Association's Right Of Access.** The Association or its duly authorized agents shall have access to each Unit thereon from time to time, during reasonable working hours, upon notice to the Co-owner thereof, as may be necessary for the maintenance, repair or replacement of any of the Common Elements. The Association or its agents shall also have access to each Unit thereon at all times without notice as may be necessary to make emergency repairs to prevent damage to the Common Elements or to any Unit or to the improvements thereon. In the event of an emergency, the Association may gain access in such manner as may be reasonable under the circumstances and shall not be liable to such Co-owner for any necessary damage to such Co-owner's Unit.

6.15 **Landscaping.** No Co-owner shall perform any landscaping or plant any trees, shrubs or flowers or place any ornamental materials upon the Common Elements without the prior written approval of the Association in which case the Co-owner making the request shall bear the expense of any additional maintenance that may be incurred by the Association.

6.16 **Common Element Maintenance.** Sidewalks, yards, landscaped areas, driveways, roads and parking areas, shall not be obstructed nor shall they be used for purposes other than for which they are reasonably and obviously intended. No bicycles, vehicles, chairs or other obstructions may be left unattended on or about the Common Elements. Use of recreational facilities, if any, in the Condominium may be limited to such times and in such manner as the Association shall determine by duly adopted rules and regulations.

6.17 **Co-Owner Maintenance, Alterations and Modifications.** Each Co-owner shall maintain such Co-owner's Unit and any Limited Common Elements appurtenant thereto for which such Co-owner has maintenance responsibility in a safe, clean and sanitary condition. A Co-owner shall not

(A) make any changes to the exterior of a Unit (including without limitation painting, lights, awnings, windows or doors) or to the Limited Common Elements appurtenant to a Unit or to the interior which may be or become an annoyance or nuisance to other Co-owners including, but not limited to, an increase in noise levels resulting from the installation of wood, tile or similar flooring;

(B) damage or alter any of the Common Elements or Limited Common Elements as defined in Article IV, Sections 4.1 and 4.2 of the Master Deed including, but not limited to, the building improvements, telephone, water, gas, plumbing, electrical or other utility conduits and systems, load bearing walls or walls between units, and any other elements in any Unit which are appurtenant to or which may affect any other Unit

without approval of the Association. Notwithstanding having obtained such approval by the Association, if required, the Co-owner shall obtain any required building permits and shall otherwise comply with all building requirements of the City. Each Co-owner shall be responsible for damages or costs to the Association resulting from negligent damage to, alteration of, or misuse of any of the Common Elements or Limited Common Elements by such Co-owner or the Co-owner's family, guests, agents or invitees, unless such damages or costs are covered by insurance carried by the Association (in which case there shall be no such responsibility, unless reimbursement to the Association is excluded by virtue of a deductible provision, in which case the responsible Co-owner shall bear the expense to the extent of the deductible amount). Any costs or damages to the Association may be assessed to and collected form the responsible Co-owner in the manner provided in Article II above.

6.18 <u>WARNING: MEDICAL, EMERGENCY AND OTHER SERVICES</u>. CO-OWNERS UNDERSTAND THAT THE CONDOMINIUM PROJECT IS NOT A NURSING HOME OR AN ASSISTED LIVING CARE FACILITY. RATHER, THE CONDOMINIUM PROJECT IS ESTABLISHED TO ACHIEVE A COMMON GOAL OF LEARNING, SOCIALIZING, DINING AND OTHER ACTIVITIES FOR ITS RESIDENTS. ACCORDINGLY, THE CO-OWNERS UNDERSTAND THAT THERE WILL NOT BE ANY MEDICAL CARE AVAILABLE AT THE CONDOMINIUM PROJECT TO PROVIDE TO THE CO-OWNERS THAT REQUIRE SUCH CARE. THE CO-OWNERS FURTHER UNDERSTAND THAT THERE IS NO EXPECTATION THAT THERE WILL BE ANY HEIGHTENED MEASURES TO PROTECT THE MEDICAL CONDITION OF THE CO-OWNERS. THE ASSOCIATION WILL NOT PROVIDE ANY FACILITIES FOR ANY MEDICAL EMERGENCY SERVICES OTHER THAN ACCESS TO GENERAL EMERGENCY SERVICES AVAILABLE TO THE PUBLIC. ADDITIONALLY, THERE ARE NO PHYSICIANS, NURSES OR OTHER HEALTH CARE PROVIDERS AT THE CONDOMINIUM PROJECT AVAILABLE TO AID CO-OWNERS IF ANY TYPE OF EMERGENCY WERE TO ARISE. IN ADDITION, THE ASSOCIATION MAY, FROM TIME TO TIME IN ITS DISCRETION, PROVIDE EMERGENCY NOTIFICATION, SECURITY OR OTHER SERVICES, AND CERTAIN ASPECTS OF THE PROJECT MAY BE DESIGNED, IN ACCORDANCE WITH APPLICABLE LAW, FOR PERSONS WHO DO NOT REQUIRE A NURSING HOME OR ASSISTED LIVING AND EACH CO-OWNER AND OCCUPANT SHOULD, PRIOR TO OWNING OR OCCUPYING A UNIT DETERMINE THAT THE PROJECT AND EACH UNIT WILL BE SUITABLE FOR EACH CO-OWNER' S AND OCCUPANT'S PARTICULAR NEEDS, RECOGNIZING THAT THE LEVEL OF SERVICE PROVIDED MAY, FROM TIME TO TIME, CHANGE IN ACCORDANCE WITH THE DETERMINATION OF THE BOARD OF DIRECTORS OF THE ASSOCIATION. FURTHER, EACH CO-OWNER AND OCCUPANT, BY VIRTUE OF OWNING OR OCCUPYING A UNIT, ACKNOWLEDGES AND AGREES THAT EACH CO-OWNER ANTICIPATES HAVING THE FINANCIAL RESOURCES NECESSARY TO PROVIDE FOR THE CO-OWNER'S OWN CARE, CONSISTENT WITH THE LIMITS OF THE PROJECT WITHOUT FINANCIAL ASSISTANCE

FROM THE ASSOCIATION OR MODIFICATION OF THE PROJECT IN CONNECTION THEREWITH.

ARTICLE VII

MORTGAGES

7.1 **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 "Mortgagees of Units." The Association may, at the written request of a mortgagee of any Unit, report any unpaid assessments due from the Co-owner of such Unit. Upon the written request of a mortgagee, the Association shall give to the holder of any first mortgage covering any Unit in the Project written notification of any default in the performance of the obligations of the Co-owner of such Unit that is not cured within 60 days.

7.2 **Insurance**. The Association, upon written request of a mortgagee, shall notify such 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.

7.3 **Notification Of Meetings**. Upon written request submitted to the Association, any institutional holder of a mortgage lien on any Unit in the Condominium shall be entitled to receive written notification of every meeting of the members of the Association and to designate a representative to attend such meeting.

ARTICLE VIII

AMENDMENTS

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

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

8.3 **Voting**. Except as expressly limited in Section 8.4, these Bylaws may be amended by the Association at any regular annual meeting or a special meeting called for such purpose, by an affirmative vote of not less than 66-2/3% of all Co-owners and, if the amendment will materially alter or change the rights of mortgagees, then also with the written consent of not less than 66-2/3% of all mortgagees. See Section 90a of the Act.

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

8.5 When Effective. Any amendment to these Bylaws (but not the Association Bylaws) shall become effective upon recording of the amendment in the Office of the Washtenaw County Register of Deeds.

8.6 Binding. 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 Project irrespective of whether any persons actually receive a copy of the amendment.

ARTICLE IX

COMPLIANCE

9.1 Governance. The Association of Co-owners and all present or future Co-owners, Qualified Occupants, lessees, future lessees, or any other occupants or persons acquiring an interest in or using the facilities of the Project in any manner are subject to and shall comply with the Act, as amended, the Condominium Documents, any Policies, Rules, Regulations and Restrictions promulgated by the Association and other applicable laws. 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 provisions of the Act shall govern.

9.2 Covenants Committee.

A. Purpose. The Board of Directors may establish a Covenants Committee, consisting of three members appointed by the Board, each for a term of one (1) year, in order to assure that the condominium shall always be maintained in a manner: (1) providing for visual harmony and soundness of repair; (2) avoiding activities deleterious to the esthetic or property values of the Condominium; (3) furthering the comfort of the Co-owners and Qualified Occupants, their guests and lessees; and (4) promoting the general welfare and safety of the Condominium community. Each member of the Covenants Committee must be a Co-owner, need not be a member of the Board of Directors, shall serve at the pleasure of the Board and may be removed by the Board at any time in the exercise of its discretion.

B. Powers. At the direction of the Board of Directors, the Covenants Committee may regulate the external design, appearance, use and maintenance of the Units and the Common Elements. The Covenants Committee shall have the power to impose reasonable application fees as well as the costs of reports, analyses, or consultations required in connection with improvements, modifications, alternations, or changes proposed by a Co-owner. The Covenants Committee shall have the power to impose reasonable charges (pursuant to Section 11.3) upon, and issue a cease and desist request to, a Co-owner, Qualified Occupant, or their respective guests, invitees, lessees, agents or employees whose actions are inconsistent with the provisions of the Condominium Documents, the policies, rules, regulations and restrictions, or resolutions of the Board of Directors. The Covenants Committee shall from time to time, as required, provide interpretations of the Condominium Documents, policies, rules, regulations and restrictions, and resolutions pursuant to the intents, provisions and qualifications thereof when requested to do so by a Co-owner or the Board of Directors. Any action, ruling or decision of the Covenants Committee may be appealed to the Board Directors by any party deemed by the Board to have standing as an aggrieved party and the Board may modify or reverse any such action, ruling or decision in the exercise of its discretion.

C. **Authority.** The Covenants Committee shall have such additional duties, powers and authority as the Board of Directors may from time to time provide by resolution. The Board of Directors may relieve the Covenants Committee of any of its duties, powers and authority either generally or on a case-by-case basis. The Covenants Committee shall carry out its duties and exercise its powers and authority in the manner provided for in the rules and regulations or by resolution of the Board of Directors. The Covenants Committee shall act on all matters properly before it within forty-five (45) days; failure to do so within the stipulated time shall constitute an automatic referral of such matters to the Board of Directors for consideration.

ARTICLE X

REMEDIES FOR DEFAULT

10.1 **Relief**. Except as may otherwise have been agreed pursuant to Article III, any default by a Co-owner shall entitle the Association or another Co-owner to the following relief:

A. **Legal Action**. Failure to comply with any of the terms or provisions of the Condominium Documents or the Act shall be grounds for relief, which may include without limitation, 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 any proceeding arising because of an alleged default by any Co-owner, the successful party shall be entitled to recover the costs of the proceeding and such actual and reasonable attorneys' fees (not limited to statutory fees).

C. **Removal And Abatement**. The violation of any of the provisions of the Condominium Documents shall also give the Association or its duly authorized agents the right, in addition to the rights set forth above, to enter upon the Common Elements, Limited or General, or upon any Unit (but not inside any building) 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 no construction shall be altered or demolished except pursuant to judicial process. The Association shall have no liability to any Co-owner arising out of any removal and abatement.

D. **Assessment Of Fines**. The violation of any of the provisions of the Condominium Documents by any Co-owner shall be grounds for assessment by the Association, acting through its duly constituted Board of Directors, of monetary fines for such violations in accordance with Article XI of these Bylaws.

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

10.3 **Cumulative Rights, Remedies And Privileges**. All rights, remedies and privileges granted to the Association or any Co-owner or Co-owners pursuant to any terms, provisions, covenants or conditions of the aforesaid Condominium Documents shall be deemed to be cumulative and the exercise of any one or more shall not be deemed to constitute an election of remedies, not shall it preclude the party thus exercising the same from exercising such other and additional rights, remedies or privileges as may be available to that party at law or in equity.

10.4 **Enforcement Of Provisions Of Condominium Documents**. 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 XI

ASSESSMENT OF FINES

11.1 **General**. The violation by any Co-owner, Qualified Occupant, lessee or guest, of any of the provisions of the Condominium Documents including any duly adopted policies, rules, regulations and restrictions shall be grounds for assessment by the Association, acting through its duly constituted Board of Directors, of monetary fines against the involved Co-owner. Such Co-owner shall be deemed responsible for violations whether they occur as a result of his personal actions or the actions of his guests, lessees or any other persons admitted through such Co-owner to the Condominium Premises.

11.2 **Procedures**. Upon any such violation being alleged by the Board of Directors, the following procedures will be followed:

A. **Notice**. Notice of the violation (the "Notice"), including the Condominium Document provisions violated, together with a description of the factual nature of the alleged offense set forth with reasonable specificity sufficient to place the Co-owner on notice as to the violation, shall be sent by first class mail, postage prepaid, or personally delivered to the representative of the Co-owner at the address as shown in the notice required to be filed with the Association pursuant to Subsection 1.3.C of these Bylaws.

B. **Opportunity To Defend**. The offending Co-owner shall have an opportunity to appear before the Board of Directors and offer evidence in defense of the alleged violation. The appearance before the Board of Directors may be at its next scheduled meeting or at a meeting called for such purpose, but in no event shall the Co-owner be required to appear less than 10 days from the date of the Notice.

C. **Default**. Failure to respond to the Notice constitutes a default.

D. **Hearing And Decision**. Upon appearance by the Co-owner before the Board of Directors and presentation of evidence of defense, or, in the event of the Co-owner's default, the Board of Directors shall, by majority vote of a quorum of the Board of

Directors, decide whether a violation has occurred. The Board of Directors' decision is final.

11.3 **Amounts**. Upon violation of any of the provisions of the Condominium Documents and after default of the offending Co-owner or upon the decision of the Board of Directors as recited above, the Board of Directors shall have the right to authorize the Association to levy fines in the form and amount determined by the Board of Directors, in its sole discretion. The fine for the third and each subsequent violation of these Bylaws shall be at least $100.00. These fines may, but not necessarily, include only a warning for a first offense if deemed appropriate by the Board of Directors, and the Board of Directors, at its option may increase the amount of fines in its sole and absolute discretion.

11.4 **Collection**. The fines levied pursuant to Section 11.3 above, shall be assessed against the Co-owner and shall be due and payable within 30 days of the Co-owner receiving notice of such assessment for such fines. Failure to pay the fine will subject the Co-owner to all liabilities set forth in the Condominium Documents including, without limitation, those described in Article II, Article X and Article XI of these Bylaws.

ARTICLE XII

RIGHTS AND POWERS RESERVED TO ASSOCIATION

12.1 **Enforcement Of Condominium Documents.** The Condominium Project shall at all times be maintained in a manner consistent with the highest standards of a beautiful, serene, private, residential community for the benefit of the Co-owners and all persons interested in the Condominium.

ARTICLE XIII

ANNUAL MEETING OF CO-OWNERS

13.1 **Annual Meeting.** An annual meeting of members of the Association shall be held on such date as is specified in the Association Bylaws.

ARTICLE XIV

BOARD OF DIRECTORS

14.1 **Management Agent**. The Board of Directors shall employ for the Association a professional management agent at reasonable compensation established by the Board of Directors to perform such duties and services as the Board of Directors shall authorize. In the event the Board of Directors does employ professional management for the Association, the Board of Directors shall secure the written approval of each institutional holder of a first mortgage lien on any Unit prior to terminating professional management and assuming self-management. In no event shall the Board of Directors be authorized to enter into any contract with a professional management agent in which the maximum term is greater than three years or which is not terminable by the Association upon 90 days' written notice thereof and without payment of a termination fee to the other party, and no such contract shall violate the provisions of Section 55 of the Act.

14.2 **Officers**. The Association Bylaws shall provide for the designation, number, terms of office, qualifications, manner of election, duties, matter of removal and replacement of the officers of the Association and doing of all things not prohibited by the Condominium Documents or required by the Condominium Documents to be exercised and done by the Co-owners. The Association Bylaws may contain any other provisions pertinent to the officers of the Association. Officers may be compensated, but only upon the affirmative vote of more than 66 2/3% in number and Value of the Co-owners.

14.3 **Hiring A Food Service Provider**. The Board of Directors shall have the right to enter into an agreement with a food service provider for the service of meals in the Condominium dining room. If the price for this service increases and requires an increase in the assessment, the Board of Directors may increase the amount of the assessment in accordance with Section 2.3.C of these Condominium Bylaws. The Board of Directors shall have the right to fix the hours of operation for the food service. The Board of Directors shall have the right to modify or terminate the providing of food services, at all times or at some times.

14.4 **Execution Of Contracts With The University Of Michigan**. The Board of Directors has the authority to execute all contracts and enter into non-contractual affiliations with the University of Michigan and others to provide the Co-owners with programs, meetings and guest lecturers at the Condominium Project. The Board of Directors may execute all contracts and agreements with representatives from the University of Michigan that shall be binding upon the Association and not require the approval from the Association.

ARTICLE XV

RECORDS

15.1 The Association shall keep detailed books of account showing all expenditures and receipts of administration which shall specify the maintenance and repair expenses of the Common Elements and any other expenses incurred by or on behalf of the Association and the Co-owners. Such accounts and all other Association records shall be open for inspection by the Co-owners and their mortgagees during reasonable working hours. 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. Any institutional holder of a first mortgage lien on any Unit in the Condominium shall be entitled to receive a copy of such annual financial statement within 90 days following the end of the Association's fiscal year upon request therefor. The costs of any accounting expenses shall be expenses of administration. The Association also shall maintain on file current copies of the Master Deed for the Project, any amendments thereto and all other Condominium Documents and shall permit all Co-owners, prospective purchasers and prospective mortgagees interested in the Project to inspect them during reasonable hours.

ARTICLE XVI

INDEMNIFICATION OF OFFICERS AND DIRECTORS

16.1 Third-Party Actions. The Association shall indemnify a person who was or is a party or is threatened to be made a party to a threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative and whether formal or informal, other than an action by or in the right of the corporation, by reason of the fact that the person is or was a Director or officer of the Association, or is or was serving at the request of the Association as a director, officer, partner, trustee, employee or agent of another foreign or domestic corporation, partnership, joint venture, trust or other enterprise, whether for profit or not for profit, against expenses, including attorneys' fees, judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with the action, suit, or proceeding, if the person acted in good faith and in a manner he or she reasonably believed to be consistent with and not in contravention of these Bylaws or the Master Deed, and with respect to a criminal action or proceeding, if the person had no reasonable cause to believe his or her conduct was unlawful. The termination of an action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, does not, of itself, create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the Association or its members, and, with respect to a criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful. Indemnification shall not be made for willful and wanton misconduct and for gross negligence. Co-owners shall be given ten (10) days' notice before payment is made.

16.2 Actions In The Right Of The Association. The Association shall indemnify a person who was or is a party to or is threatened to be made a party to a threatened, pending, or completed action or suit by or in the name of the Association to procure a judgment in its favor by reason of the fact that the person is or was a Director or officer of the Association, or is or was serving at the request of the Association as a director, officer, partner or trustee of another corporation, partnership, joint venture, trust or other enterprise, whether for profit or not, against expenses, including actual and reasonable attorneys' fees, and amounts paid in settlement incurred by the person in connection with the action or suit, if the person acted in good faith and in a manner the person reasonably believed to be consistent with and not in contravention of these Bylaws or the Master Deed. However, indemnification shall not be made for a claim, issue, or matter in which the person has been found liable to the Association unless and only to the extent that the court in which the action or suit was brought has determined upon application that, despite the adjudication of liability but in view of all circumstances of the case, the person is fairly and reasonably entitled to indemnification for the expenses which the court considers proper.

16.3 Mandatory And Permissive Payments. To the extent that a Director or officer of the Association has been successful on the merits or otherwise in defense of an action, suit, or proceeding referred to in Section 16.1 or Section 16.2, or in defense of a claim, issue, or matter in the action, suit, or proceeding, the successful party shall be indemnified against expenses, including actual and reasonable attorneys' fees, incurred by him or her in connection with the action, suit, or proceeding and an action, suit, or proceeding brought to enforce the mandatory indemnification provided in this Section.

An indemnification under Section 16.1 or Section 16.2, unless ordered by a court, shall be made by the Association only as authorized in the specific case upon a determination that indemnification of the Director or officer is proper in the circumstances because a person has met the applicable standard of conduct set forth in Sections 16.1 and 16.2. This determination shall be made in any of the following ways:

A. By a majority vote of a quorum of the Board of Directors consisting of Directors who were not parties to the action, suit, or proceeding.

B. If the quorum described in Subsection A is not obtainable, then by a majority vote of a committee of Directors who are not parties to the action. The committee shall consist of not less than two disinterested Directors.

C. By independent legal counsel in a written opinion.

D. By the members.

If a person is entitled to indemnification hereunder for a portion of expenses including attorneys' fees, judgments, penalties, fines and amounts paid in settlement but not for the total amount thereof, the Association may indemnify the person for the portion of the expenses, judgment, penalties, fines or amounts paid in settlement for which the person is entitled to be indemnified.

16.4 **Expenses Advances**. Expenses incurred in defending a civil or criminal action, suit, or proceeding described in Section 16.1 or Section 16.2 may be paid by the Association in advance of the final disposition of the action, suit, or proceeding upon receipt of an undertaking by or on behalf of the Director or officer to repay the expenses if it is ultimately determined that the person is not entitled to be indemnified by the Association. The undertaking shall be by unlimited general obligation of the person on whose behalf advances are made but need not be secured.

16.5 **Insurance**. The Board of Directors may require the Association to purchase and maintain insurance on behalf of any person who is or was a Director or officer of the Association, or is or was serving at the request of the Association as a director or officer of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in any such capacity or arising out of his status as such, whether or not the Association would have power to indemnify him against such liability under Sections 16.1 and 16.2 However, the total amount of expenses advanced or indemnified pursuant to Section 16.4 or indemnified from all sources combined shall not exceed the amount of actual expenses incurred by the person seeking indemnification or advancement of expenses.

Notwithstanding the foregoing, the indemnification provided to any person described above shall be only in excess of any valid and collectible insurance or other source of indemnification available for the benefit of such person. No rights of subrogation are intended to be created hereby. The Association may purchase and maintain insurance on behalf of any person described above against any liability asserted against or incurred by him in any such capacity or arising out of his status as such, whether or not the Association would have power to indemnify him against such liability under the indemnification provisions set forth above.

16.6 **Continuation Of Indemnification**. The indemnification provided for in this Article XVI continues as to a person who ceases to be a Director or officer and shall inure to the benefit of the heirs, executors, and administrators of the person.

ARTICLE XVII

SEVERABILITY

17.1 **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 these documents or the remaining portions of any terms, provisions or covenants held to be partially invalid or unenforceable.

Exhibit B

Condominium Subdivision Plan

University Commons

The Condominium Subdivision Plan for University Commons has previously been recorded with the Washtenaw County Register of Deeds as follows:

Sheets 1-6, inclusive, and 8-29, inclusive, in Liber 3881, Page 237, and Amended Sheet 7 in Liber 4443, Page 959, and is incorporated herein by reference.