

**EXHIBIT A  
TO MASTER DEED**

**COLLECTIVE ON FIFTH**

**CONDOMINIUM BYLAWS**

ARTICLE I

ASSOCIATION OF CO-OWNERS

Collective on Fifth, a business Condominium Project located in the City of Ann Arbor, Washtenaw County, Michigan, shall be administered by an Association of Co-owners which shall be a non-profit corporation, called the Collective on Fifth Condominium Association, hereafter 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 Condominium Documents and the laws of the State of Michigan. These Bylaws shall constitute both the Bylaws referred to in the Master Deed and required by Section 3(8) of the Act and the Bylaws provided for under the Michigan Nonprofit Corporation Act. Each Co-owner 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 the Co-owner's 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 or in the Common Elements shall be subject to the provisions and terms set forth in the aforesaid Condominium Documents.

ARTICLE II

ASSESSMENTS

All expenses arising from the management, administration and operation of the Association under 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 in accordance with the following provisions:

Section 1. Assessments for Common Elements. All costs incurred by the Association in satisfaction of any liability arising within, caused by, or connected with the General Common Elements or the administration of the Condominium Project or the maintenance, repair or replacement of any improvements within the Project premises for which the Association has primary responsibility under the Master Deed or the Bylaws 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.

Section 2. 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 in advance for each fiscal year and such budget shall project all expenses for the forthcoming year

which may be required for the proper operation, management and maintenance of the Condominium Project, including a reasonable allowance for contingencies and reserves and such assessments as may be levied pursuant to the Declaration. An adequate reserve fund for maintenance, repairs and replacement of those Common Elements that must be repaired or replaced on a periodic basis, and such structures and improvements the maintenance and repair and replacement of which the Association is responsible, shall be established in the budget and must be funded by regular periodic payments as set forth in Section 3, below, rather than by special assessments. At a minimum, the reserve fund shall be equal to ten (10%) percent of the Association's current annual budget on a noncumulative basis. Since the minimum standard required by this subparagraph may prove to be inadequate for this particular Project, the Association of Co-owners should carefully analyze the Condominium Project to determine if a greater amount should be set aside, or if additional reserve funds should be established for other purposes from time to time. Upon adoption of an annual budget by the Board of Directors, copies of the budget shall be delivered to each Co-owner and the assessment for said year shall be established based upon said budget, although the failure to deliver a copy of the budget to each Co-owner shall not affect or in any way diminish the liability of any Co-owner for any existing or future assessments. Should the Board of Directors at any time decide, in the sole discretion of the Board of Directors: (1) that the assessments levied are or may prove to be insufficient to pay the costs of operation and management of the Condominium, (2) to provide repairs or replacements of existing Common Elements, (3) to provide additions to the Common Elements or (4) in the event of emergencies, the Board of Directors shall have the authority to increase the general assessment or to levy such additional assessment or assessments as it shall deem to be necessary. The Board of Directors also shall have the authority, without Co-owner consent, to levy assessments pursuant to the provisions of Article V, Section 3, below. The discretionary authority of the Board of Directors to levy assessments pursuant to this subparagraph shall rest solely with the Board of Directors for the benefit of the Association and the members, and shall not be enforceable by any creditors of the Association or of the members thereof.

(b) Special Assessments. Special assessments, in addition to those required in subparagraph (a), above, may be made by the Board of Directors from time to time and approved by the Co-owners as provided in these Bylaws to meet other requirements of the Association, including, but not limited to: (1) assessments for additions to the General Common Elements which are approved by all Co-Owners, (2) assessments to purchase a Unit upon foreclosure of the lien for assessments described in Section 5 hereof, or (3) assessments for any other appropriate purpose not elsewhere herein described within the purposes described in Article II, Section 1 of these Bylaws. The authority to levy assessments pursuant to this subparagraph is solely for the benefit of the Association and the members and shall not be enforceable by any creditors of the Association or of the members thereof.

Section 3. Apportionment of Assessments and Penalty for Default. Unless otherwise provided in these Bylaws 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 the percentage of value allocated to each Unit in Article V of the Master Deed, without increase or decrease for the existence of any rights to the use of Limited Common Elements, if any, appurtenant to a Unit. Annual assessments as determined in accordance with Article II, Section 2(a) above shall be payable by Co-owners in periodic installments as may be established by the Board of Directors, commencing with acceptance of a deed to or a land contract vendee's interest in a Unit, or with the acquisition of fee simple title to a Unit by any other means. The payment of an assessment shall be in default if such assessment, or any part of such assessment, is not paid to the Association in full on or before the due date for such payment. Each installment in default for ten (10) or more days may bear interest from the initial due date thereof at the rate of seven (7%) percent per annum until each installment is paid in full. The Association may assess reasonable automatic late charges or may levy fines for late payment of assessments in addition to such interest. Each Co-owner (whether one or more persons) shall be, and remain, personally liable for the payment of all assessments (including fines for late payment and costs of collection and enforcement of payment) pertinent to the Unit which may be levied while such Co-owner is the owner of it, except a land contract purchaser from any Co-owner, shall be so personally liable and such land contract seller shall not be personally liable for all such assessments levied, up

to, and including, the date upon which such land contract seller actually takes possession of the Unit following extinguishment of all rights of the land contract purchaser in the Unit. Payments on account of installments of assessments in default shall be applied as follows: first, to costs of collection and enforcement of payment, including reasonable attorney's fees; second, to any interest charges and fines for late payment on such installments; and third, to installments in default in order of their due dates.

Section 4. Waiver of Use or Abandonment of Unit. No Co-owner may exempt himself or herself from liability for the 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 or her Unit.

Section 5. Enforcement.

(a) Remedies. In addition to any other remedies available to the Association, the Association may enforce collection of delinquent assessments by a suit at law for a money judgment or by foreclosure of the statutory lien that secures payment of assessments. In the event of default by any Co-owner in the payment of any installment of the annual assessment levied against the Unit, the Association shall have the right to declare all unpaid installments of the annual assessment for the pertinent fiscal year immediately due and payable. In a judicial foreclosure action, a receiver may be appointed to collect a reasonable rental for the Unit from the Co-owner or any persons claiming under the Co-owner. All of these remedies shall be cumulative and not alternative.

(b) Foreclosure Proceedings. Each Co-owner, and every other person who from time to time has any interest in the Project, shall be deemed to have granted to the Association the unqualified right to elect to foreclose the lien securing payment of assessments either by judicial action or by advertisement. The provisions of Michigan law pertaining to foreclosure of mortgages by judicial action and by advertisement, as they may be amended from time to time, are incorporated 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, HE OR SHE WAS NOTIFIED OF THE PROVISIONS OF THIS SUBPARAGRAPH AND THAT HE OR SHE VOLUNTARILY, INTELLIGENTLY AND KNOWINGLY WAIVED NOTICE OF ANY PROCEEDINGS BROUGHT BY THE ASSOCIATION TO FORECLOSE BY ADVERTISEMENT THE LIEN FOR NONPAYMENT OF ASSESSMENTS AND A HEARING ON THE SAME PRIOR TO THE SALE OF THE SUBJECT UNIT.

(c) Notice of Lien. The Association may not commence proceedings to foreclose a lien for unpaid assessments without recording and serving a notice of lien in the following manner:

(1) The notice of lien shall set forth the legal description of the Unit or Units to which the lien attaches, the name of the Co-owner of record thereof, and the amount due the Association as of the date of notice, exclusive of interest, costs, attorney's fees and future assessments.

(2) The notice of lien shall be in recordable form, executed by an authorized representative of the Association, and may contain such other information as the Association deems appropriate.

(3) The notice of lien shall be recorded in the office of the Oakland County Register of Deeds and shall be served upon the delinquent Co-owner by first class mail,

postage prepaid, addressed to the last known address of the Co-owner at least ten (10) days in advance of the commencement of the foreclosure proceedings.

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

Section 6. Liability of Mortgagee. Notwithstanding any of the provisions of the Condominium Documents to the contrary, if the mortgagee of a first mortgage of record or other purchaser of a Unit obtains title to the Unit as a result of foreclosure of the first mortgage, unless a Notice of Lien was recorded by the Association prior to the recording of the first mortgage, that mortgagee or purchaser and his or her successors and assigns are not liable for the assessments by the Association that became due prior to the acquisition of title to the Unit by that mortgagee or purchaser and his or her successors and assigns.

Section 7. Property Taxes and Special Assessments. All property taxes and special assessments levied by any public taxing authority shall be assessed in accordance with Section 131 of the Act.

Section 8. Personal Property Tax Assessment of Association Property. The Association shall be assessed as the person or entity in possession of any tangible personal property of the Condominium owned or possessed in common by the Co-owners, and personal property taxes based thereon shall be treated as expenses of administration.

Section 9. Construction Lien. A construction lien otherwise arising under Act No. 497 of the Michigan Public Acts of 1980, as amended, shall be subject to Section 132 of the Act.

Section 10. Statement as to Unpaid Assessments. The purchaser of any Unit may request a statement of the Association as to the amount of any unpaid Association assessments thereon, whether regular or special. Upon written request to the Association, accompanied by a copy of the executed purchase agreement pursuant to which the purchaser holds the right to acquire a Unit (the economic terms may be redacted), 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 therein. Upon the payment of that sum within the period stated, the Association's lien for assessments as to such Unit shall be deemed satisfied; provided, however, that the failure of a purchaser to request such statement at least five (5) days prior to the closing of the purchase of such Unit shall render any unpaid assessments and the lien securing the same fully enforceable against such purchaser and the Unit itself, to the extent provided by the Act. Sums assessed to a Co-owner by the Association that are unpaid, together with interest on such sums, collection and late charges, advances made by the Association for taxes or other liens to protect its lien, attorney fees, and fines in accordance with the Condominium Documents, constitute a lien upon the Unit or Units in the Condominium owned by the Co-owner at the time of the assessment before all other liens except tax liens on the Unit in favor of any state or federal taxing authority and sums unpaid on a first mortgage of record, except that past due assessments that are evidenced by a notice of lien, recorded as set forth in Section 5(c) above, have priority over a first mortgage recorded subsequent to recording of the notice of lien.

Section 11. Developer's Responsibility for Assessments. The Developer and/or any successor developers, if any, of the Condominium, shall be responsible for payment of the regular Association assessments as to the Unit(s) it owns in the same manner and subject to the same terms as other Co-owners of the Condominium.

### ARTICLE III

#### INSURANCE

Section 1. Extent of Coverage. The Co-owners and the Association shall be obligated respectively to obtain the insurance coverage as follows:

- (a) Responsibilities of Co-owners. Each Co-owner shall be responsible for obtaining, at its sole cost and expense, fire and extended coverage and vandalism and malicious mischief insurance with respect to its Unit together with (as to the Tower Unit) the building and all other improvements therein, and (as to the Parking Unit) all those portions of the building and improvements therein which are not General Common Elements, and all Limited Common Elements, if any, appurtenant to its Unit and for its personal property located therein or elsewhere within the Condominium Project. All such insurance shall be carried by each Co-owner in an amount not less than the maximum insurable replacement value, excluding foundation and excavation costs. Additionally, each Co-owner shall separately maintain and carry, at its sole cost and expense, commercial general liability insurance, covering claims for personal and bodily injury and property damage occurring in, on, under, within, upon or about its Unit, or as a result of operations, activities or inactivity thereon, insuring against hazards of premises/operation, products and completed operations, contractual liability, personal injury liability, and independent contractors, in such amounts as may be required by law and as from time to time shall be carried by prudent owners of similar mixed-use buildings in the City of Ann Arbor , but in all events for limits of not less than \$1,000,000 per occurrence with a general policy aggregate of \$2,000,000 for personal and bodily injury or property damage with at least an additional \$5,000,000 umbrella coverage. The commercial general liability insurance policy shall be endorsed to cover cross-liability claims of one insured against another, and shall contain a “severability of interest” endorsement which shall preclude the insurer from denying the claim of one insured on account of the negligent acts of another insured. Said policies shall contain an inflation guard endorsement and a building ordinance or law endorsement provided same are commercially available. Each Owner shall name the other Owner as an additional insured under its commercial general liability insurance policy and such Owner’s commercial general liability insurance policy is designated as the primary, non-contributory insurance for the Unit (and Limited Common Elements) of such Owner.
- (b) Responsibilities of the Condominium Association. The Association shall separately maintain and carry, at its sole cost and expense, fire and extended coverage and vandalism and malicious mischief insurance with respect to the General Common Elements (including without limitation the Structural Elements). Such insurance shall be carried by the Association in an amount not less than the maximum insurable replacement value, excluding foundation and excavation costs. Additionally, the Association shall maintain and carry, at its sole cost and expense, commercial general liability insurance, covering claims for personal and bodily injury and property damage occurring in, on, under, within, upon or about the General Common Elements (including without limitation the Structural Elements), or as a result of operations, activities or inactivity thereon, insuring against hazards of premises/operation, products and completed operations, contractual liability, personal injury liability (with exclusions (a) and (c) deleted), and independent contractors, in such amounts as may be required by law and as from time to time shall be carried by prudent owners of similar mixed-use buildings in the City of Ann Arbor , but in all events for limits of not less than \$1,000,000 per occurrence with a general policy aggregate of \$2,000,000 for personal and bodily injury or property damage with at least an additional \$5,000,000 umbrella coverage. The commercial general liability insurance policy shall be endorsed to cover cross-liability claims of one insured against another, and shall contain a “severability of interest”

endorsement which shall preclude the insurer from denying the claim of one insured on account of the negligent acts of another insured.

- (c) Premium Expenses. All premiums upon insurance purchased by the Association pursuant to these Bylaws shall be expenses of administration to be paid by all Co-owners proportionately based on the percentages of value set forth in Article V of the Master Deed.
- (d) Proceeds of Insurance Policies. Proceeds of all insurance policies owned by the Association shall be received by the Association, held in a separate bank account and distributed to the Association, and the Co-owners and their mortgagees, as their interests may appear; provided, however, whenever repair or reconstruction of the Condominium shall be required as provided in Article V of these Bylaws, the proceeds of any insurance received by the Association as a result of any loss requiring repair or reconstruction shall be applied for such repair or reconstruction.
- (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, except if the damage is to a Structural Element of the building, then the Association shall pay the deductible. In the case of damage to a General Common Element, the deductible shall be paid by the Association.
- (f) Rating of Insurance Companies. Insurance policies required by this Section shall be purchased from insurance companies authorized and licensed to transact business in the State of Michigan who shall hold a current Policyholder's Alphabetic and Financial Size Category Rating of not less than A/XII according to the then most current Best's Key Rating Guide or a substantially equivalent rating from a nationally-recognized insurance rating service. Each of the Owners agrees to cooperate to procure and maintain the insurance policies described in this Section. So long as any portion of the Condominium Property remains subject to the provisions of the Act, insurance on additions, alterations, improvements and betterments to individual Units shall be the responsibility of the Unit Owners. Each Unit Owner's policies (whether property or liability) shall be subject to and consistent with the provisions of this Article IV. No Owner shall be responsible for any premiums or other costs related to the insurance policies required to be carried by Unit Owners individually.
- (g) Policy Requirements. Each policy described in this Section: (i) shall provide, if available, that the knowledge or acts or omissions of any insured party shall not invalidate the policy as against any other insured party or otherwise adversely affect the rights of any other insured party under any such policy; (ii) shall name each Owner as a named insured thereunder and shall set forth each Owner's address for purposes of notices under the clause; and (iii) shall provide for a minimum of thirty (30) days' advance written notice of cancellation, non-renewal or material modification thereof to all named insureds and additional insureds thereunder, to any Mortgagee and to the holder of any recorded first mortgage or trust deed encumbering a Unit.
- (h) Limits of Liability. Limits of liability or types of insurance specified in this Section 1 shall be reasonable and prudent for an Owner of a mixed-use development similar to the Condominium and shall be reviewed by the Association, on behalf of the Owners, at least annually to determine if such limits, deductible amounts and types of insurance are reasonable and prudent in view of the type, place and amount of risk to be transferred, and to determine whether such limits, deductible amounts and types of insurance comply with the requirements of all applicable statutes (including, if applicable, the Act), laws, ordinances, codes, rules, regulations or orders and whether on a risk management basis, additional types of insurance or endorsements against special risks should be carried or whether required coverage or

endorsements should be deleted. Replacement cost values shall be reviewed annually. Deductible amounts for insurance required under Section 1(e) shall be in such amounts as are customary or prevalent for an Owner of a mixed-use development similar to the Condominium; provided, however, that no deductibles shall exceed \$10,000.00 (or such other amount mutually agreed to by the Owners), and deductibles shall be on a per claim basis. Subject to the terms set forth in this Article III, such limits shall be increased or decreased, deductible amounts increased or decreased or types of insurance shall be modified, if justified, based upon said annual review, and upon any such increase, decrease or modification, the Owners shall execute an instrument in recordable form evidencing such increase, decrease or modification. Notwithstanding the foregoing, the City of Ann Arbor may in its discretion utilize its Self Insurance Retention program for not more than \$1,000,000 of its required general liability coverage insurance obligation as Co-owner of the Garage Unit, and for not more than \$100,000 of its required fire and extended coverage insurance obligation as Co-owner of the Garage Unit.

- (i) Certificates. Certificates delineating all forms of coverage and endorsements required hereunder shall be delivered to each Owner and the Association. Copies of such policies shall be delivered to each Owner upon request.
- (j) Extra Charge or "Load". In the event an Owner is subject to any extra charges or loads or expenses charged by the insurance carrier, including, without limitation, any general liability load or umbrella liability load as a result of any use or operation of the other Owner's portion of the Condominium in connection with any insurance policy maintained pursuant to this Article IV, then the Owner whose use or operation results in such loads, charges or expenses shall be liable therefor.

Section 2. Authority of Association to Settle Insurance Claims. Each Co-owner shall be responsible for the maintenance, receipt, settlement and application of all insurance carried or required to be carried by such Co-owner under this Article III, subject to such Co-owner's obligations under Article V. Each Co-owner, by ownership of a Unit in the Condominium Project, shall be deemed to appoint the Association as his true and lawful attorney-in-fact to act in connection with all matters concerning the maintenance of fire and extended coverage, vandalism and malicious mischief, liability insurance and workmen's compensation insurance, if applicable, on the General Common Elements, with such insurer as may, from time to time, provide such insurance for therefor. Without limitation on the generality of the foregoing, the Association as said attorney shall have full power and authority to purchase and maintain such insurance, to collect and remit premiums therefor, to collect proceeds and to distribute the same to the Association, the Co-owners and respective mortgagees, as their interests may appear (subject always to the Condominium Documents), to execute releases of liability and to execute all documents and to do all things on behalf of such Co-owner and the Condominium as shall be necessary or convenient to the accomplishment of the foregoing Association-maintained insurance.

Section 3. Indemnification. To the extent allowed by law, each Co-owner shall indemnify, defend and hold harmless the other Co-owners, their agents, servants, employees, officers and directors, from damages (including reasonable attorney fees) which they may suffer as a result of causes of action, suits, claims or judgments in connection with loss of life, bodily injury and/or property damage arising from any occurrence (a) on a Co-owner's Unit, unless the same is caused by the negligence of the indemnitee, its agents, servants, employees, officers, directors, or contractors, and (b) elsewhere on the Condominium Premises other than the indemnitor Co-owner's Unit if such occurrence is occasioned wholly or partly by the negligence of the Co-owner, its agents, servants, employees, officers, directors, or contractors or any occurrence within such Co-owner's Unit or a Limited Common Element appurtenant thereto which occurrence gave rise to a claim against the other Co-owner in the Condominium. No provision of these bylaws shall be construed to waive or impair any rights or defenses related to governmental immunity.

Section 4. Subrogation. The Association, as to all policies which it obtains, and all Co-owners, as to all policies which they obtain, shall see that all property and liability insurance carried by the Association or any Co-owner contains appropriate provisions whereby the insurer waives its right of subrogation as to any claims against any Co-owner or the Association. Additionally, all general liability insurance policies shall name all Co-owners and the Association, and their mortgagees, as a group and any other entities as may reasonably be requested as additional insureds.

## ARTICLE IV

### RECONSTRUCTION OR REPAIR

Section 1. Determination to Reconstruct or Repair. The determination to reconstruct or repair any part of the Condominium Premises that is damaged shall be made in accordance with and subject to the terms and conditions set forth below. If the Co-owners of the Tower Unit elect to reconstruct or repair its Unit, then to the extent of any damage to the Parking Unit, General Common Elements or Limited Common Elements, such areas must be reconstructed or repaired to substantially the same condition as existed prior to the casualty in a diligent manner so as to allow for the prompt reconstruction and repair of the Tower Unit Improvements.

Section 2. Repair in Accordance with Plans and Specifications. Any reconstruction or repair pursuant to Section 1 above shall be substantially in accordance with the Master Deed and the plans and specifications for the Project to a condition as comparable as possible to the condition existing prior to damage unless the Co-owners shall unanimously decide otherwise. The Co-owners of the Tower Unit shall have the right to make such modifications to the improvements within its Unit as are permitted by law.

#### Section 3. Co-owner Responsibility for Repair.

- (a) Definition of Co-owner Responsibility. If the damage is only to a part of the contents of a Unit or a Limited Common Element relating to such Unit which are the responsibility of a Co-owner to maintain, repair and replace, it shall be the responsibility of the Co-owner to maintain, repair and replace such damage in accordance with subsection (b) hereof. 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 its Unit and Limited Common Elements appurtenant to such Unit, including, but not limited to, floors, floor coverings, interior and exterior walls and roof (but not any Common Elements therein), light fixtures and all fixtures and equipment, whether free-standing or built-in. In the event damage to interior walls within a Co-owner's Unit, or to pipes, wires, conduits, ducts or other Common Elements therein, or to any fixtures and equipment within a Unit and/or its appurtenant Limited Common Elements is covered by insurance held by the Association, then the replacement or repair shall be the responsibility of the Association in accordance with Section 4 of this Article V; provided, however, any and all insurance deductible amount shall be paid by the Co-owner of the Unit and/or appurtenant Limited Common Element sustaining the damage. 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 insurance relative thereto, and if there is a mortgagee endorsement, the proceeds shall be payable to the Co-owner and the mortgagee jointly.

Section 4. 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 including without limitation all Structural Elements of the Project. Immediately after a casualty causing damage to property for which the Association has the responsibility of maintenance, repair and reconstruction, the Association shall obtain reliable and detailed estimates of the cost to replace the damaged

property in a condition as good as that existing before the damage. If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction or repair required to be performed by the Association, or if at any time during such reconstruction or repair, or upon completion of such reconstruction or repair, the funds for the payment of the cost thereof are insufficient, assessment 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. This provision shall not be construed to require replacement of mature trees and vegetation with equivalent trees or vegetation.

Section 5. Timely Reconstruction and Repair. If damage to Common Elements or a Unit adversely affects the appearance of the Project, the Association or Co-owner responsible for the reconstruction, repair and maintenance thereof shall proceed with replacement of the damaged property without delay, and shall complete such replacement within a reasonable time thereafter using its or his best efforts, after the date of the occurrence which caused damage to the property.

Section 6. Coordination and Management of Reconstruction. If and in the event of a fire or other casualty involving (i) damage to both the Parking Unit and the Tower Unit, or (ii) damage to the Parking Unit or the Common Elements which impacts the practical utilization of the Tower Unit for its intended purposes, even in the absence of damage to the Tower Unit, the repair or reconstruction of such damage shall be coordinated and managed by a project manager or construction manager selected and engaged by the Association and paid for by the Co-owners in proportion to the cost to repair the damage to their Unit. The utilization of such project manager or construction manager shall not relieve the respective Co-owners of the Parking Unit or the Tower Unit (or the Association as to General Common Elements) of their financial, insurance and other obligations under this Article V, but is intended to facilitate and assure the prompt and coordinated completion of all repair or reconstruction work within the Project. Notwithstanding the foregoing, the parties acknowledge and agree that any and all construction contracts solely with respect to the Parking Unit shall be subject to all applicable Federal, State and local statutes, regulations, rules and ordinances pertaining to construction of public buildings, including without limitation, to the extent required by law, competitive bidding requirements.

Section 7. Eminent Domain. Section 133 of the Act shall control upon any taking by eminent domain.

Section 8. Priority of Mortgagee Interests. Nothing contained in the Condominium Documents shall be construed to give a Condominium Unit Owner, or any other party, priority over any rights of first mortgagees of Condominium Units pursuant to their mortgages in the case of a distribution to Condominium Unit Owners of insurance proceeds or condemnation awards for losses to or a taking of Condominium Units and/or Common Elements.

## ARTICLE V RESTRICTIONS

All of the Units in the Condominium shall be held, used and enjoyed subject to the following limitations and restrictions:

Section 1. Right of Access of Association, Developer and Co-owners. The Association or its duly authorized agents, the Developer, Co-owners and utility service providers shall have access to each Unit and the Common Elements as may be necessary to carry out any rights and/or responsibilities set forth in the Condominium Documents. The Association, Developer or Co-owners or their agents shall also have access to Units and Limited Common Elements appurtenant thereto as may be necessary to respond to emergencies.

Section 2. Structural Elements. The terms, conditions, and responsibilities of the parties set forth in Article VI, Section 4 of the Master Deed relating to the Structural Elements, are hereby incorporated herein by reference as if fully restated.

Section 3. Rooftop Activity Area. The Co-owner of the Tower Unit may establish a "Rooftop Activity Area" on the roof of the Tower Unit Improvements. The Rooftop Activity Area may be developed, improved, used and/or operated for any purpose or use desired by the Tower Unit Co-owner without notice and without the consent of the Association or any other Co-owner so long as such uses (a) do not materially and adversely impact the Rooftop Easement; (b) comply with all applicable laws, rules, regulations and ordinances including without limitation those imposed by or through the City of Ann Arbor and/or any other governmental or quasi-governmental entity (including without limitation any historical commission or agency); (c) have received all necessary permits, approvals and entitlements from all necessary governmental agencies and bodies that have jurisdiction prior to commencement of construction of any improvements; and (d) do not damage, unreasonably weakens, or directly accelerates the deterioration of, any portion of the Common Elements, including the roof, the Structural Elements and/or mechanical systems, elevator shafts and other facilities located on the roof. Without limiting the foregoing, subject to (a) through (d) above, the Rooftop Activity Area is expressly permitted to be used for the establishment and operation of (i) telecommunications, telephone, mobile communication, satellite communication, television, data, media and/or similar systems and uses including without limitation towers, antennae, satellite receivers and other devices, equipment and facilities related thereto; (ii) energy production, collection and distribution systems for use on or off premises, including without limitation solar energy systems and panels, wind energy generation systems and turbines, and any and all devices, equipment and facilities related thereto; and/or (iii) decks, viewing areas, courtyards, social areas, pools, changing rooms, restrooms, outlook stations, food and beverage service areas and general activity areas.

Section 4. Common Elements. Except as otherwise provided herein or in the Master Deed, the use, maintenance and operation of the Common Elements shall not be obstructed, damaged or unreasonably interfered with by any Co-owner, and shall be subject to any easement, presently in existence, created in the Master Deed, or entered into by the Association at some future time, affecting any part or all of said Common Elements.

Section 5. Leasing. A Co-owner (including the Developer) may lease its Unit and improvements within a Unit or portions thereof without notice to or consent from any Co-owner or other Person interested in the Condominium or the Association. The terms of all leases, occupancy agreements and occupancy arrangements shall incorporate, or be deemed to incorporate, all of the provisions of the Condominium Documents. All Co-owners, including the Developer, waive their right to receive from any Co-owner notice of its intent to lease its Unit and a copy of the proposed lease form, as provided in Section 112 of the Act. To the extent this waiver is ineffective, the Co-owners assign the rights under such section of the Act, to the Co-owner of each Unit to the extent of its leases within its Unit.

Section 6. Activities. Each Co-owner shall be accountable to the other Co-owners and the Association for the conduct and behavior of its guests, tenants, employees, patrons, contractors, customers, or invitees transacting business in or visiting its Unit; and any damage to the Common Elements or personal property of another Co-owner, caused by such guests, tenants, employees, patrons or invitees, shall be repaired at the sole expense of the Co-owner with whom said guests, tenants, employees, patrons, or invitees are transacting business or visiting. Co-owners, their tenants, employees, guests, invitees and patrons shall not in any way obstruct use of the Common Elements of the Condominium.

Section 7. Prohibited Uses. No noxious, unlawful or offensive activity shall be carried on in any Unit or upon the Common Elements, nor shall anything be done which may be or become an annoyance or a nuisance to the Co-owners of the Condominium. The following uses shall be prohibited within the Units or upon the Common Elements, (a) any waste material business (including any dumping, disposal, incineration or reduction of garbage or refuse, but this restriction shall not preclude the use of compacting devices on the

Property which temporarily hold refuse for disposal off-site when such devices are used in conjunction with a Property use or business which is not a waste material business); (b) a business that specializes in bankruptcy or liquidation sales or the selling of fire damaged items, (c) an auction house or flea market; (d) an office for the practice of veterinary medicine, only if the operation of such veterinary office includes the use of kennels, runs, or any other related facilities located outside the building or other structures (veterinary practices dealing with large animals such as cattle and horses are specifically prohibited); (e) a kennel or business involving the boarding of animals, except in connection with an office for the practice of veterinary medicine, as described in (d) above; (f) an establishment for the sale of motor fuel or other petroleum or energy products; (g) a dry cleaning plant or operation where dry cleaning of clothes is done on-site, (h) an "adult" bookstore, theater, studio, parlor or other facility, any of which show on-premise X-type rated or unrated pornographic motion pictures or video films or provide forms of entertainment appealing to the prurient interests of the general public or would otherwise diminish the reputation or alter the character of the community in which the Property is located; and/or (i) a marijuana dispensary, provisioning center or similar marijuana related use. No unreasonably noisy activity shall occur in or on the Common Elements or in any Unit at any time but typical noise, odors and other activities related to restaurant, tavern, bar, night club or similar uses are expressly permitted. No noxious odors shall be omitted from any Unit or Common Elements at any time. No Co-owner shall do or permit anything to be done or keep or permit to be kept in its Unit or on the Common Elements anything that will increase the rate of insurance on the Condominium without the written approval of the Association, and such offending Co-owner shall pay to the Association the increased insurance premiums resulting from any such activity or the maintenance of any such condition even if approved. Activities which are deemed offensive and are expressly prohibited include, but are not limited to, the following: any activity involving the use of firearms or other dangerous weapons, projectiles or devices.

## ARTICLE VI

### MORTGAGES, MORTGAGE INSURERS AND MORTGAGE GUARANTORS

Section 1. Notice to Association. Any Co-owner who mortgages his or her Unit shall notify the Association of the name and address of the mortgagee and the Association shall maintain such information in a book entitled "Mortgages of Units." The Association may, at the written request of a mortgagee of any such Unit and any mortgage insurer or guarantor, report any unpaid assessments due from the Co-owner of such Unit. The Association shall give to the holder of any first mortgage covering any Unit in the Project, and any mortgage insurer or guarantor thereof who so requests in writing, written notification of any default in the performance of the obligations of the Co-owner of such Unit that is not cured within sixty (60) days.

Section 2. Insurance. Upon written request, the Association shall notify a mortgagee appearing in the records of the Association of the name of each company insuring the Condominium with all risk of physical loss insurance and liability insurance and the amounts of such coverage.

Section 3. Notification of Meetings. Upon request submitted to the Association, any institutional holder of a first mortgage lien on any Unit in the Condominium and any mortgage insurer or guarantor 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 VII

### VOTING

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

Master Deed, when voting by value. Voting shall be by value except in those instances when voting is specifically required to be both in value and in number.

Section 2. Eligibility to Vote. No Co-owner shall be entitled to vote at any meeting of the Association until evidence of ownership of a Unit in the Condominium Project to the Association has been presented. The vote of each Co-owner may be cast only by the individual representative designated by such Co-owner in the notice required in Section 3 of this Article VIII below or by a proxy given by such individual representative.

Section 3. 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 such Co-owner. Such notice shall state the name, address and email address of the individual 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. Such notice shall be signed and dated by the Co-owner. The individual representative designated may be changed by the Co-owner at any time by filing a new notice in the manner herein provided.

Section 4. Quorum. The presence in person, by proxy or by remote communication of more than 51% of the Co-owners in number and in value qualified to vote shall constitute a quorum for holding a meeting of the members of the Association, except for voting on questions specifically required by the Condominium Documents to require a greater quorum. The written vote of any person furnished at or prior to any duly called meeting at which meeting said person is not otherwise present in person or by proxy shall be counted in determining the presence of a quorum with respect to the question upon which the vote is cast.

Section 5. Voting. Votes may be cast only in person, by electronic transmission 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. A vote at a meeting of the members of the Association may be cast by electronic transmission if a member is participating in a meeting by remote communication. Electronic transmission as used in these Bylaws refers to any form of communication that does not directly involve the physical transmission of paper, creates a record that may be retained and retrieved by the recipient and may be directly reproduced in paper form by the recipient through an automated process. The Association shall keep a paper copy of all votes cast by electronic transmission.

Section 6. Majority. A majority, except where otherwise provided herein, shall consist of more than fifty (50%) percent in value of those qualified to vote and present in person, by electronic transmission or by proxy (or written vote, if applicable) at a given meeting of the members of the Association. Whenever provided specifically herein, a majority may be required to exceed the simple majority hereinabove set forth and may require such majority to be one of both number and value of designated voting representatives present in person or by proxy, or by written vote, if applicable, at a given meeting of the members of the Association.

## ARTICLE VIII

### MEETINGS

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

or the laws of the State of Michigan unless waived by all of the Members. Meetings may be conducted by telephone.

Section 2. Annual Meetings. Annual meetings of members of the Association shall be held on each year at such time and place as shall be determined by the Board of Directors.

Section 3. Notice of Meetings. It shall be the duty of the Board of Directors to serve a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, upon each Co-owner of record, at least ten (10) days but not more than 60 days prior to such meeting. The mailing, postage prepaid, or the transmission of an email of a notice to the representative of each Co-owner at the address shown in the notice required to be filed with the Association by Article VIII, Section 3 of these Bylaws shall be deemed notice served. Any member may, by written waiver of notice signed by such member, waive such notice, and such waiver, when filed in the records of the Association, shall be deemed due notice. Notwithstanding the foregoing, meeting notice may be given by telephone to Co-owners of record.

Section 6. Adjournment. If any meeting of Co-owners cannot be held because a quorum is not in attendance, the Co-owners who are present may adjourn the meeting to a time not less than 48 hours from the time the original meeting was called.

Section 7. Action Without Meeting. Any action required or permitted by the Act to be taken at an annual or special meeting of members may be taken without a meeting, without prior notice and without a vote, if a consent in writing, including by electronic transmission such as electronic mail, setting forth the action so taken, is signed or authorized by the members having not less than the minimum number of votes that would be necessary to authorize or take the action at a meeting at which all members entitled to vote thereon were present and voted. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent will be given to members who have not consented in writing.

Section 8. Consent of Absentees. The transactions at any meeting of members, either annual or special, however called and noticed, shall be as valid as though made at a meeting duly held after regular call and notice, if a quorum is present either in person or by proxy; and if, either before or after the meeting, each of the members not present in person or by proxy, signs a written waiver of notice, or a consent to the holding of such meeting, or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 9. Minutes; Presumption of Notice. Minutes or a similar record of the proceedings of meetings of members, when signed by the President or Secretary, shall be presumed truthfully to evidence the matters set forth therein. A recitation in the minutes of any such meeting that notice of the meeting was properly given shall be prima facie evidence that such notice was given.

Section 10. Participation of Members by Remote Communication. Members may participate in a meeting by conference telephone and any other means of remote communication by which all persons participating in the meeting may hear each other if all persons are advised of the communications equipment and the names of the persons participating in the meeting are divulged to all participants. Participation pursuant to this Section will constitute presence in person at the meeting.

## ARTICLE IX

### BOARD OF DIRECTORS

Section 1. Directors. The Board of Directors shall be comprised of four (4) members. The Co-owner of Tower Unit shall appoint two (2) Directors to the Board of Directors (the “**Tower Unit Directors**”) and the Parking Unit appoint two (2) Directors to the Board of Directors (the “**Parking Unit Directors**”). Directors shall serve without compensation. In the event of a deadlock vote among the members of the Board

of Directors on any matter, any Director shall have the right to initiate the arbitration provisions set forth in Article XXII hereof.

Section 2. Election of Directors. The Co-owners shall make such appointments on an annual basis and at the Annual Meeting of Members. The Co-owner entitled to make such appointment shall also be entitled to remove and replace such Director at such times as determined by such Co-owner in their sole discretion. In the event the Tower Unit is subdivided, or a new condominium is formed within the Tower Unit, then the Tower Unit Directors shall be allocated among the Units that result from such subdivision or new condominium as determined by the Tower Unit Co-owner in its sole discretion. All provisions of the Act that relate to election to, or appointment of, Directors to the Board of Directors that are inconsistent with the terms of these Bylaws or the Master Deed are hereby released and discharged. All Co-owners, including the Developer, waive their rights under the Condominium Act to elect a certain number of directors to the Board of Directors at any particular time or under any particular circumstances.

Section 3. Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and may do all acts and things as are not prohibited by the Condominium Documents or required thereby to be exercised and done by the Co-owners. Any action required by the Condominium Documents to be done by the Association shall be performed by action of the Board of Directors unless specifically required to be done by, or with the approval of the Co-owners.

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

- (a) To manage and administer the affairs of and to maintain the Condominium Project and the Common Elements thereof.
- (b) To levy and collect assessments from the members of the Association and to use the proceeds thereof for the purposes of the Association.
- (c) To carry insurance and collect and allocate the proceeds thereof.
- (d) To rebuild improvements after casualty.
- (e) To contract for and employ persons, firms, corporations or other agents to assist in the management, operation, maintenance and administration of the Condominium Project.
- (f) To acquire, maintain and improve; and to buy, operate, manage, sell, convey, assign, mortgage or lease any real or personal property (including any Unit in the Condominium and easements, rights-of-way and licenses) on behalf of the Association in furtherance of any of the purposes of the Association.
- (g) To borrow money and issue evidences of indebtedness in furtherance of any or all of the purposes of the Association, and to secure the same by mortgage, pledge, or other lien on property owned by the Association or by pledging or assigning its rights to collect all or a portion of the assessments; provided, however, that any such action shall also be approved by affirmative vote of seventy-five (75%) percent of all of the members of the Association.
- (h) To make rules and regulations in accordance with Article VI, Section 7 of these Bylaws.
- (i) To establish such committees as it deems necessary, convenient or desirable, and to appoint persons thereto for the purpose of implementing the administration of the Condominium and

to delegate to such committees any functions or responsibilities which are not by law or the Condominium Documents required to be performed by the Board.

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

(k) To execute documents or agreements and otherwise bind the Association to the creation of public drainage districts and special assessment districts.

Section 5. Management Agent. The Board of Directors may employ for the Association a professional management agent (which may include the Developer or any person or entity related thereto) at reasonable compensation established by the Board to perform such duties and services as the Board shall authorize, including, but not limited to, the duties listed in Sections 3 and 4 of this Article, and the Board may delegate to such management agent any other duties or powers which are not by law or by the Condominium Documents required to be performed by or have the approval of the Board of Directors or the members of the Association.

Section 6. First Meeting. The first meeting of a newly elected Board of Directors shall be held within ten (10) days of the election at such place as shall be fixed by the Directors at the meeting at which such Directors were elected, and no notice shall be necessary to the newly elected Directors in order to legally constitute such meeting, providing a majority of the whole Board shall be present in person or by telephone.

Section 7. Regular Meetings. Regular meetings of the Board of Directors may be held at such times and places as shall be determined from time to time by the Director(s), but at least one (1) such meeting shall be held during each fiscal year. If there are multiple Directors, notice of regular meetings of the Board of Directors shall be given to each Director personally, by mail, telephone or electronic transmission, at least ten (10) days prior to the date named for such meeting. Directors may participate in a meeting by conference telephone and any other means of remote communication by which all persons participating in the meeting may hear each other if all persons are advised of the communications equipment and the names of the persons participating in the meeting are divulged to all participants. Participation pursuant to this Section will constitute presence in person at the meeting. A vote may be cast by a Director by electronic transmission if such Director is participating by remote communication. Electronic transmission as used herein refers to any form of communication that does not directly involve the physical transmission of paper, creates a record that may be retained and retrieved by the recipient and may be directly reproduced in paper form by the recipient through an automated process. The Secretary of the Board of Directors shall maintain a paper copy of all Director's votes cast by electronic transmission. A Director will be deemed to have consented to the use of email upon providing the Association with a valid email address.

Section 8. Special Meetings. Special meetings of the Board of Directors, may be called by a Director or the President of the Association on three (3) days' notice to the other Directors, given personally, by mail, telephone or electronic transmission, which notice shall state the time, place and purpose of the meeting.

Section 9. Waiver of Notice. Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meetings of the Board shall be deemed a waiver of notice by him or her of the time and place thereof. If all the Directors are present in person or by telephone at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 10. Quorum. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting in person or by remote connection at which a quorum is present shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors there be less than a quorum present, the majority of those present may adjourn the meeting to a subsequent time upon 24 hours' prior written notice delivered to all Directors not present. At any such adjourned meeting, any business which might have been transacted at the

meeting as originally called may be transacted without further notice. The joinder of a Director in the action of a meeting by signing and concurring in the minutes or by remote connection thereof shall constitute the presence of such Director for purposes of determining a quorum.

Section 11. Fidelity Bonds. The Board of Directors may require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be expenses of administration.

Section 12. Vacancies. Vacancies in the Board of Directors shall be filled by appointment of a new Director by the Co-owner that is entitled to appoint a Director such position on the Board of Directors.

Section 13. Removal. The Co-owner entitled to appoint a Director to the Board of Directors shall have the right to remove and replace such Director as determined by such Co-owner in its sole discretion.

## ARTICLE X

### OFFICERS

Section 1. Officers. The principal officers of the Association shall be the President, a Vice President, the Secretary and Treasurer. Only duly appointed and serving Directors may serve as officers of the Association. Any two offices except that of president and vice president may be held by one person.

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

(b) Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the members of the Association; he or she shall have charge of the corporate seal, if any, and of such books and papers as the Board of Directors may direct; and he or she shall, in general, perform all duties incident to the office of the Secretary.

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

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

Section 2. Election. The officers of the Association shall be elected annually by the Board of Directors and shall hold office at the pleasure of the Board.

Section 3. Removal. Upon affirmative vote of a majority of the members of the Board of Directors, any officer may be removed either with or without cause, and his or her successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board called for such purpose. No

such removal action may be taken, however, unless the matter shall have been included in the notice of such meeting. The officer who is proposed to be removed shall be given an opportunity to be heard at the meeting.

Section 4. Duties. The officers shall have such other duties, powers and responsibilities as shall from time to time be authorized by the Board of Directors.

## ARTICLE XI

### SEAL

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

## ARTICLE XII

### FINANCE; BOOKS AND RECORDS

Section 1. Records. The Association shall keep detailed books of account showing all expenditures and receipts of administration, and which shall specify the maintenance and repair expenses of the Common Elements and any other expenses incurred by or on behalf of the Association and the Co-owners. 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. The books of account shall be reviewed at least annually by qualified independent auditors; provided, however, that such auditors need not be certified public accountants nor does such audit or review need to be certified. Any institutional holder of a first mortgage lien on any Unit in the Condominium shall be entitled to receive a copy of such annual audited financial statement within 90 days following the end of the Association's fiscal year upon written request therefor. The costs of any such audit and any accounting expenses shall be expenses of administration.

Section 2. Fiscal Year. The fiscal year of the Association shall be the calendar year or such other annual period that is determined by the Board. The commencement date of the fiscal year shall be subject to change by the Directors for accounting reasons or other good cause.

Section 3. Bank. Funds of the Association shall be initially deposited in such bank or savings association as may be designated by the Director and shall be withdrawn only upon the check or order of such officers, employees or agents as are designated by resolution of the Board of Directors from time to time. The funds may be invested from time to time in accounts or deposit certificates of such bank or savings association as are insured by the Federal Deposit Insurance Corporation or similar other federal government agency and may also be invested in interest-bearing obligations of the United States Government.

Section 4. Co-owner Access to Books and Records; Procedures. Each Co-owner has the right to review the books and records of the Association. The following procedures are to be followed regarding such requests.

(a) In order to review the records, the requesting Co-owner must submit a request in writing to the Board of Directors in care of the management agent (or if there is no management agent to the Secretary of the Association).

(1) The request must state which books and records the Co-owner seeks to review.

(2) The request must state whether the Co-owner will require copies of the records which are requested.

(3) The request must have the name, address and telephone number of the requesting party.

(b) Upon receipt of the request from a Co-owner to review the records, the management agent (or Secretary of the Association if there is not a management agent) will advise the Board of Directors of the Association of the request. The management agent (or Secretary if there is no management agent) will then inform the Co-owner of a convenient time, place and date where the requested records may be reviewed. The Co-owner shall be advised of the time, place and date within five (5) working days of the receipt of the Co-owner's initial request. The Co-owner shall be advised at that time of the following:

(1) The Co-owner will be responsible for payment of the actual costs of all reproductions or copies of the requested documents. The Co-owner shall be informed of the per page copying cost before copies are made.

(2) The Co-owner shall be responsible for payment for time spent by management agent personnel at the rate set by the management contract.

(c) Each Co-owner may make only one (1) such request per calendar quarter.

(d) These procedures shall also apply to requests for copies of books and records made by mortgagees of Units.

### ARTICLE XIII

#### INDEMNIFICATION OF OFFICERS AND DIRECTORS; LIMITATION OF LIABILITY OF DIRECTORS AND VOLUNTEERS

Section 1. Indemnification. Every director and officer of the Association shall be indemnified by the Association against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him or her in connection with any proceeding to which he or she may be a party or in which he or she may become involved by reason of his or her being or having been a director or officer of the Association, whether or not he or she is a director or officer at the time such expenses are incurred, except in such cases wherein the director or officer is adjudged guilty of willful or wanton misconduct or gross negligence in the performance of his or her duties; provided that, in the event of any claim for reimbursement or indemnification based upon a settlement by the director or officer seeking such reimbursement or indemnification, the indemnification shall apply only if the Board of Directors (with the director seeking reimbursement abstaining) approves such settlement and reimbursement as being in the best interest of the Association. This right of indemnification shall be in addition to, and not exclusive of, all other rights to which such director or officer may be entitled. At least ten (10) days prior to payment of any indemnification which it has approved, the Board of Directors shall notify all Co-owners. Further, the Board of Directors is authorized to carry officers' and directors' liability insurance covering acts of the officers and directors of the Association in such amounts as it shall deem appropriate.

Section 2. Limitation of Liability. No volunteer director or officer, as that term is defined in Act 162, Public Acts of 1982, as amended ("Corporations Act"), shall be personally liable to the Association or its members for monetary damages for breach of fiduciary duty as a director or officer, provided that the foregoing shall not eliminate the liability of a director or officer for any of the following: (i) breach of the director's or officer's duty of loyalty to the Association or its members; (ii) acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law; (iii) a violation of Section 551(1) of the

Corporations Act; (iv) a transaction from which the director or officer derived an improper personal benefit; or (v) an act or omission that is grossly negligent. If the Corporations Act hereafter is amended to authorize the further elimination or limitation of the liability of directors or officers, then the liability of a director or officer of the Association, in addition to the limitation on personal liability contained herein, shall be limited to the fullest extent permitted by the amended Corporations Act.

As provided under MCL 450.2209, and 1996 Public Act 397 the Association will assume liability for all acts or omissions of a volunteer director, volunteer officer or other volunteer which occurred after the date of the Articles of Incorporation for the Association if all of the following conditions are met: (i) the volunteer was acting or reasonably believed he or she was acting within the scope of his or her authority; (ii) the volunteer was acting in good faith, (iii) the volunteer's conduct did not amount to gross negligence or willful and wanton misconduct; (iv) the volunteer's conduct was not an intentional tort, and (v) the volunteer's conduct was not a tort arising out of the ownership, maintenance, or use of a motor vehicle for which tort liability may be imposed as provided in Section 3135 of the insurance code of 1956, 1956 Public Act 218, being MCL 500.3135.

ARTICLE XIV  
AMENDMENTS

These Bylaws may be amended only in accordance with Article VII of the Master Deed.

ARTICLE XV  
COMPLIANCE

The Association and all present or future Co-owners, tenants, future tenants, or any other persons acquiring an interest in or using the Project in any manner are subject to and shall comply with the Act, as amended, and the mere acquisition, occupancy or rental of any Unit or an interest in a Unit or the utilization of or entry upon the Condominium Premises shall signify that the Condominium Documents are accepted and ratified.

ARTICLE XVI  
DEFINITIONS

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

ARTICLE XVII  
REMEDIES FOR DEFAULT

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

Section 1. Legal Action. Failure to comply with any of the terms or provisions of the Condominium Documents shall be grounds for relief, which may include, without intending to limit the same, an action to recover sums due for damages, injunctive relief, foreclosure of lien (if default in payment of assessment) or any combination thereof, and such relief may be sought by the Association or, if appropriate, by an aggrieved Co-owner or Co-owners.

Section 2. Recovery of Costs. In any proceeding arising because of an alleged default by any Co-owner, the Association, if successful, shall be entitled to recover the costs of the proceeding and such reasonable attorney's fees (not limited to statutory fees) as may be determined by the court, but in no event shall any Co-owner be entitled to recover such attorney's fees.

Section 3. 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.

Section 4. 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 (1) or more shall not be deemed to constitute an election of remedies, nor shall it preclude the party thus exercising the same from exercising such other and additional rights, remedies or privileges as may be available to such party at law or in equity.

Section 5. 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. In addition to the foregoing, in the event that the Board of Directors fails to perform its obligations as contained in the Condominium Documents, then, after thirty (30) days written notice to the Board of Directors, the Owner bringing the claim shall be permitted to undertake the obligations of the Board of Directors.

## ARTICLE XVIII

### SEVERABILITY/CONSTRUCTION

Section 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 such documents or the remaining portions of any terms, provisions or covenants held to be partially invalid or unenforceable.

Section 2. Rules of Construction.

(a) In the event of a conflict between the Act, the Master Deed, Articles of Incorporation, Bylaws and Rules and Regulations, the Act shall control.

(b) In the event of a conflict between the Master Deed, the Bylaws, Articles of Incorporation or Rules and Regulations, the Master Deed shall control.

(c) In the event of a conflict between the Articles of Incorporation, the Bylaws or Rules and Regulations, the Bylaws shall control.

(d) In the event of a conflict between the Bylaws and the Rules and Regulations, the Bylaws shall control.

Notwithstanding the foregoing, where a provision of the Act or a right granted under the Act is specifically waived by the provisions of the Condominium Documents, the Condominium Documents will control over the Act.

## ARTICLE XIX

### ASSESSMENT OF FINES

Section 1. General. The violation by any Co-owner, occupant or guest of any of the provisions of the Condominium Documents, including any duly adopted rules and regulations, 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 such violations whether they occur as a result of Co-owner's personal actions or the actions of Co-owner's family, guests, tenants or any other person admitted through such Co-owner to the Condominium Premises.

Section 2. Procedures. Upon any such violation being alleged by the Board, the following procedures will be followed:

(a) Notice. Notice of the violation, including the Condominium Document provision violated, together with a description of the factual nature of the alleged offense set forth with such reasonable specificity as will 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 said Co-owner at the address as shown in the notice required to be filed with the Association pursuant to Article VIII, Section 3 of these Bylaws.

(b) Opportunity to Defend. The offending Co-owner shall have an opportunity to appear before the Board and offer evidence in defense of the alleged violation. The appearance before the Board shall be at its next scheduled meeting, 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 of violation constitutes a default.

(d) Hearing and Decision. Upon appearance by the Co-owner before the Board and presentation of evidence of defense, or, in the event of the Co-owner's default, the Board shall, by majority vote of a quorum of the Board, decide whether a violation has occurred. The Board's decision is final.

Section 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 as recited above, the following fines shall be levied:

(a) First Violation. Fifty (\$50.00) Dollar fine

(b) Second Violation. One Hundred (\$100.00) Dollar fine.

(c) Third Violation. Two Hundred Fifty (\$250.00) Dollar fine.

(d) Fourth Violation and Subsequent Violations. Five Hundred (\$500.00) Dollar fine.

Each month in which a violation occurs shall be deemed a separate violation for which a fine may be levied.

Section 4. Collection. The fines levied pursuant to Section 3 above shall be assessed against the Co-owner and shall be due and payable together with the regular Condominium assessment on the first of the next following month. Failure to pay the fine will subject the Co-owner to all liabilities set forth in the

Condominium Documents, including, without limitations, those described in Article II and Article XVIII of the Bylaws.

## ARTICLE XXI

### RIGHTS RESERVED TO DEVELOPER

Any or all of the rights and powers granted or reserved to the Developer in the Condominium Documents or by law, including the right and power to approve or disapprove any act, use, or proposed action or any other matter or thing, may be assigned by it to any other entity or to the Association; provided, however, that no such assignment shall relieve the Developer of its obligations and liabilities under the Condominium Documents without the prior written consent of the City in its sole discretion. Any such assignment or transfer shall be made by appropriate instrument in writing in which the assignee or transferee shall join for the purpose of evidencing its consent to the acceptance of such powers and rights and such assignee or transferee shall thereupon have the same rights and powers as herein given and reserved to the Developer. Any rights and powers reserved or retained by Developer or its successors shall expire and terminate, if not sooner assigned to the Association, at the conclusion of the Development and Sales Period as defined in Article III of the Master Deed. The immediately preceding sentence dealing with the expiration and termination of certain rights and powers granted or reserved to the Developer is intended to apply, insofar as the Developer is concerned, only to Developer's rights to approve and control the administration of the Condominium and shall not, under any circumstances, be construed to apply to or cause the termination and expiration of any real property rights granted or reserved to the Developer or its successors and assigns in the Master Deed or elsewhere (including, but not limited to, access easements, utility easements and all other easements created and reserved in such documents which shall not be terminable in any manner hereunder and which shall be governed only in accordance with the terms of their creation or reservation and not hereby).

## ARTICLE XXII

### MANDATORY ARBITRATION

Section 1. Scope and Election. Any and all deadlocks in votes of the Board of Directors, and/or any disputes, claims or grievances arising out of or relating to the interpretation or the application of the Condominium Documents, easements referenced within the Condominium Documents or that are imposed against the Condominium, and/or any disputes, claims or grievances arising among or between the Co-owners, and/or Co-owners and the Association, shall be submitted to mandatory binding arbitration and the parties thereto shall accept the arbitrator's decision as final and binding and hereby forever waive, release and discharge any right to initiate a lawsuit in a court of law with respect to such matter. The award of any such arbitration shall be entered as a judgment of a circuit court if so desired by a party to such arbitration. The Commercial Arbitration Rules of the American Arbitration Association as amended and in effect from time to time hereafter shall be applicable to any such arbitration. The parties to such arbitration agree to equally share the cost of such arbitration, provided that each Co-owner shall pay its own costs including attorney fees and expert witness fees. Further, any such arbitration shall take place at an agreed location in Washtenaw County.