

757-503
ARTICLES OF INCORPORATION

APR 06 1987

MICHIGAN NON-PROFIT CORPORATION

Administrator
MICHIGAN DEPARTMENT OF COMMERCE
Corporation & Securities Bureau

Pursuant to the provisions of Act 162, Public Acts of 1982, the undersigned execute the following Articles:

ARTICLE I

The name of the corporation is

Harbor Condominium Association.

ARTICLE II

The purposes for which the corporation is organized are:

- (a) To manage and administer the affairs of and to maintain Harbor Condominium, (the "Condominium");
- (b) To levy and collect assessments against and from the co-owner members of the corporation and to use the proceeds thereof for the purposes of the corporation;
 - (c) To carry insurance and to collect and allocate the proceeds thereof;
 - (d) To rebuild improvements after casualty;
- (e) To contract for and employ persons, firms, or corporations to assist in management, operation, maintenance, and administration of the Condominium;
- (f) To make and enforce reasonable regulations concerning the use and enjoyment of the Condominium'
- (g) To own, maintain and improve, and to buy, sell, convey, assign, mortgage, or lease (as Landlord or Tenant) any real and personal property, including, but not limited to, any unit in the Condominium or any other real property, whether or not contiguous to the Condominium, for the purpose of providing benefit to the members of the corporation and in furtherance of any of the purposes of the corporation;
- (h) To borrow money and issue evidence of indebtedness in furtherance of any or all of the objects of its business; to secure the same by mortgage, pledge or other lien;
- (i) To enforce the provisions of the Master Deed and Bylaws of the Condominium and of these Articles of Incorporation and such Bylaws and Rules and Regulations of the corporation as may hereafter be adopted;
- (j) To do anything required of or permitted to its as administrator of the Condominium by the Condominium Master Deed or Bylaws or by the Michigan Condominium Act;





(k) In general, to enter into any kind of activity; to make and perform any contract and to exercise all powers necessary, incidental or convenient to the administration, management, maintenance, repair, replacement and operation of the Condominium and to the accomplishment of any of the purposes thereof.

ARTICLE III

The corporation is organized upon a nonstock basis.

The assets of the corporation are:

Real Property:

None

Personal Property:

None

The corporation is to be financed under the following general plan:

Assessment of Members owning units in the Condominium.

The corporation is organized on a membership basis.

ARTICLE IV

The address of the registered office is:

4050 West Maple Road Suite 103 Birmingham, Michigan 48010

The mailing address of the registered office is the same as above.

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

Robert Rubin

ARTICLE V

The names and business addresses of all the incorporators are:

Robert Rubin 4050 West Maple Road Suite 103 Birmingham, Michigan 48010

Robert Davis 4050 West Maple Road Suite 103 Birmingham, Michigan 48010

Ruth J. Emerling 4050 West Maple Road Suite 103 Birmingham, Michigan 48010

The above persons comprise the corporation's first board of directors.

ARTICLE VI

The term of the corporate existence is perpetual.

ARTICLE VII

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

- (a) Each co-owner (including the Developer named in the Condominium Master Deed) of a unit in the Condominium shall be a member of the corporation, and no other person or entity shall be entitled to membership.
- (b) Membership in the corporation shall be established by the acquisition of fee simple to a unit in the Condominium and by recording with the Register of Deeds in the County where the Condominium is located a deed or other instrument establishing a change of record title to such unit and the furnishing of evidence of same satisfactory to the corporation (except that the Developer of the Condominium shall become a member immediately upon establishment of the Condominium), the new co-owner thereby becoming a member of the corporation, and the membership of the prior co-owner thereby being terminated. Land contract vendees of units shall be members if the land contract instrument expressly conveys the vendor's interest as a member of the corporation in which event the vendor's membership shall terminate as to the unit sold.
- (c) The share of a member in the funds and assets of the corporation cannot be assigned, pledged, encumbered or transferred in any manner except as an appurtenance to the member's unit in the Condominium.
- (d) Voting by members shall be in accordance with the provisions of the bylaws of this corporation.

ARTICLE VIII

These Articles of Incorporation may only be amended by unanimous consent of all members.

We, the incorporators, sign our names this 11th day of March, 1987.

ROBERT RUBIN

ROBERT DAVIS

RUTH J. EMERLING

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HIDDEN HARBOR CONDOMINIUM

FIRST AMENUMENT OF MASTER DEED ORKLAND COUNTY CONFOMINION SUBDIVISION PLAN NO. 491

13-04-429-003 ENT

This First Amendment of Master Deed made this 9th day of December , 1987 by Eagle Venture Development Corporation (hereinafter referred to as Developer") whose address is 4050 West Maple Road. Suite 103, Eirmingham, Wichigan 43010.

WITNESSETH: 0 9000491

WHEREAS. Developer established Hidden Harbor Condominium, Oakland County Condominium Subdivision Plan No. 491, hy recordation of the Master Deed thereof in liber 9852, pages 771 through 807, Oakland County Records; a.d

WHEREAS, in Article VIII of said Master Deed Developer reserved the right to amend the Master Deed and any exhibit thereto without the consent of co-owners or mortgagees for the purpose of complying with the requirements of any governmental or quasi-governmental agency or any financing insticution providing or proposing to provide a mortgage on any Unit; and

WHEREAS. Developer has been requested to amend the Condominium Bylaws in the manner stated herein for the purpose of meeting the requirements of the Federal Home Loan Mortgage Corporation;

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NOW, THEREFORE, the Master Deed is amended by adding to the Condominium Bylaws which are attached as Exhibit A to the Master Deed the following provisions which shall hereafter constitute Article X of the Condominium Bylaws.

ARTICLE X

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- 1. Except as provided by statute, in case of condemnation or substantial loss to the Units and/or Common Elements of the Condominium, unless at least two-thirds of the first mortgagees (based on one vote for each first mortgage owned), or owners (other than the Developer) of the individual Condominium Units have given their prior written approval, the Association may not:
 - (a) by act or omission seek to abandon or terminate the Condominium;

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- (b) change the pro rata interest or obligations of any Condominium Unit in order to levy assessments or charges, allocate distribution of hazard insurance proceeds or condomation awards, or determine the prorata share of convership of each Condominium Unit in the Common Elements;
- (c) partition or subdivide any Condominium Unit;
- (d) seek to abandon, partition, subdivide encumber, sell, or transfer the Common Elements by act or omission. The granting of easements for public utilities or other public purposer consistent with the intended use of the Common Elements by the Condominium is not a transfer within the meaning of this clause; and
- (e) use hazard insurance proceeds for losses to any Condominium property (whether Units or Common Elements) for other than the repair, replacement, or reconstruction of the Condominium property.
- 2. All taxes, assessments, and charges that may become liens prior to the first mortgage under local law relate only to the individual Condominium units and not to the Condominium as a whole.
- 3. Any agreement for professional management of the Condominium, or any other contract providing for services of the Developer may not exceed three years. Any such agreement must provide for termination by either party without cause and without payment of a termination fee on 90 days or less written notice.

IN WITNESS WHEREOF. Developer has caused this First Amendment of Master Deed to be executed the way and year first above written.

WITNESS:

EAGLE VENTURE DEVELOPMENT CORPORATION, 4 Michigan corporation /

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Robert M. Rubin Its: President

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Vivian Curly

STATE OF HICHIGAN) ; ss COUNTY OF CAKLAND)

The foregoing instrument was acknowledged before methis $\frac{q}{2}$ day of Necessary, 1987 by Robert H. Rubin as President of the corporation.

Notary Public, Patricia J. Keens State of Michigan - Oakland County

My Commission Expires: 3/11/88

DRAFTED BY AND WHEN . RECORDED RETURN TO:

Thomas J. Beale, Esq. Honigman Miller Schwartz and Colm 2290 First National Building Detroit, Michigan 48226

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SECOND AMENDMENT TO MASTER DEED HIDDEN HARBOR CONDOMINIUM (Act 59 Public Acts of 1978, as amended) Plan #491

WHEREAS, Harbor Condominium Association, a Michigan corporation, whose address is c/o 32500 Telegraph Road, Suite 206, Bingham Farms, MI 48025, created by Master Dead recorded in Liber 9852, pages 771 through 807, Oakland County records, is a condominium subdivision which has been designated as Oakland County Condominium Subdivision Plan #491; and

WHEREAS, the condominium association wishes to supplement and/or amend its Master Deed as set forth in EXHIBIT "A" attached hereto; and

WHEREAS, the condominium co-owners voted on the proposed amendments, and the following amendments to the Master Deed were approved by a two-thirds (2/3) affirmative vote of the co-owners in value; and

WHEREAS, the Board of Directors of Harbor Condominium certified the results of the co-owner vote and adopted the amendments in its regular meeting conducted on July 25, 1996; and

WHEREAS, the Board of Directors directed the president and secretary of the condominium association to execute the within Amended Master Deed (Exhibit "A"), and directed the secretary to file the Amended Master Deed in the condominium books and records.

an Amendment to the Master Deed of Harbor Condominium Association, a Michigan corporation. All other provisions and terms of the Master Deed of Harbor Condominium, as recorded in Liber 9852, pages

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771 through 807, as amended in Lib	per 10244, pages 782 through 784,
OCR, not inconsistent herewith,	shall remain in full force and
effect.	
Dated: April 30, 1997	HIDDEN
witness:)	HARBOR CONDOMINIUM, a Michigan corporation
j.	
$\mathcal{L}_{\mathcal{L}}}}}}}}}}$,
white fluther?	by: Richard W. Albrecht
Michael D. McCalloca	President
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Crest - Arriemas	This of man
Prika Priemer	by: Trish Inman, Secretary
Add A lines to proceed the second	
STATE OF MICHIGAN) , ss.	
COUNTY OF OAKLAND)	
On this 30 day of April, 1997, before me personally appeared Richard W. Albrecht, President, and Trish Irman, Secretary, to me personally known, who being by me sworn, did each for herself say that they are respectively the president and secretary of Harbor Condominium, the corporation named in and which executed the within instrument, and that the seal affixed to sald instrument is the corporate seal of said corporation; and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors; and said Richard W. Albrecht and Trish Inman acknowledge said instrument to be the free act and deed of said corporation.	
MCHAEL O. MCCULLOCH Notary Public, Coldinal County, MF My Commission Exploss Aug. 2, 2001	Notary Public, Oakland County My commission expires:
1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1	
Drafted by and after recording, return to:	
Michael D. McCulloch Attorney at Law 1729 Crooks Rd., Suite 103 Royal Cak, MI 48067 (810) 544-3000	

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EXHIBIT "A"

SECOND AMENDMENT OF MASTER DEED HIDDEAL HARBOR CONDOMINIUM

ARTICLE IV OF THE MASTER DEED SHALL BE AMENDED AS FOLLOWS:

COMMON ELEMENTS

The Common Elements of the Condominium and the respective responsibilities for maintenance, decoration, repair, replacement, restoration or renovation thereof are as follows:

- (a) The General Common Elements are:
 - 1. The land described in Article II hereof, including the paved and landscaped areas designated on the Plan as General Common Elements;
 - 2. The electrical, gas, telephone, plumbing and cable television (if any) networks or systems throughout the Condominium, including that contained within Unit walls up to the point of connection with outlets or fixtures within any Unit; but not including hot water heaters and utility charges in connection therewith.
 - 3. Foundations, supporting columns, unit perimeter wails (including windows and doors therein) and such other walls as are designated on the Plan as General Common Elements, roofs, ceilings and floor construction between Unit levels and chimneys;
 - 4. Maintenance sheds;
 - 5. Such other elements of the Condominium not herein designated as Limited Common Elements which are not enclosed within the boundaries of a Unit.
- (b) The Limited Common Elements are:
 - 1. Stairs designated on the Plan as Limited Common Elements are limited to the sole use of the Co-owners of the Units to which such Common Elements give access;
 - 2. Carports, balconies and heating and air conditioning units are limited to the sole use of the Co-owners of the Units to which such Limited Common Elements are shown as appurtenant on the Plan;
 - 3. Interior surfaces of Unit perimeter walls (including any Unit windows and doors therein), ceilings and floors contained

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within a Unit are limited to the sole use of the Co-owner of such Unit;

- 4. With respect to hot water heating units and utility charges in connection therewith, the hot water heaters in Building No. 1 shall be considered a limited common element for the benefit of the 8 condominium units within that building, and the hot water heaters in Building No. 2 shall be considered a limited common element for the condominium unit in Building No. 2 which uses said water heater.
- (C) Maintenance, repair and replacement of all Common Elements shall be the responsibility of the Association, to be assessed to all Co-owners according to their Percentages of Value, subject to the following provisions:
 - 1. The Limited Common Elements described in subparagraphs (b)(3) and (b) (4) and the heating and air conditioning units above shall be the responsibility of the respective co-owners having the use thereof. The utility charges for the hot water heaters in Building No. 1 shall be paid by the 8 condominium units within that building, and monthly assessments for such charges shall be estimated and determined by the Board of Directors.
 - 2. The cost of repair of damage to a Common Element caused by a Co-owner, or family member or invitee of a Co-owner, shall be assessed against the Co-owner.

REGISTER U! DEEDS COUNTY OF OAKLAND

MASTER DEED

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HIDDEN HARBOR CONDOMINIUM OAKLAND COUNTY CONDOMINIUM SUBDIVISION PLAN NO. 49

This Master Deed is made and executed this the day of April 1987, by Eagle Venture Development Corporation, a Michigan corporation, (hereinafter referred to as "Developer") whose address is 4050 W. Maple Road, Birmingham, Michigan 48010.

WITNESSETH:

WHEREAS, Developer desires by recording this Master Deed, together with the Condominium Bylaws attached hereto as Exhibit A and the Condominium Subdivision Plan attached hereto as Exhibit B (both of which are hereby incorporated by reference and made a part hereof), to establish the real property described in Article II below, together with the improvements located thereon, and the appurtenances thereto, as a condominium under the provisions of the Condominium Act of Michigan.

NOW, THEREFORE, Developer does, upon the recording hereof, establish Hidden Harbor Condominium as a Condominium and does declare that the Condominium shall be held, conveyed, hypothecated, encumbered, leased, rented, occupied, improved, or in any other manner utilized, subject to the provisions of the Condominium Act of Michigan, and to the covenants, conditions, restrictions, uses, limitations, and affirmative obligations set forth in this Master Deed and the Exhibits hereto, all of which shall be deemed to run with the land and shall be a burden and adaptementative obtaining or owning an interest in the said real property, their grantees, successors, heirs, executors, administrators and assigns.

ARTICLE I

TITLE AND NATURE

The Condominium shall be known as Hidden Harbor Condominium, Oakland County Condominium Subdivision Plan No. ________. The buildings, Units and other improvements contained in the Condominium, including the number, boundaries, dimensions and volume of each Unit therein are set forth completely in the Condominium Subdivision Plan attached as Exhibit B hereto. Each building contains individual Units for residential purposes only. Each Unit is capable of individual use, having its own entrance from and exit to a Common Element of the Condominium. Each Co-owner in the

Condominium shall have an exclusive right to his or her Unit and shall have undivided and inseparable rights to share with other Co-owners the Common Elements of the Condominium as are designated by the Master Deed. Co-owners shall have voting rights in the Harbor Condominium Association as set forth herein and in the Condominium Bylaws, Corporate Bylaws and Articles of Incorporation of such Association. The Condominium is a conversion condominium which Developer did not originally construct. Developer believes that plans and specificiations for the Condominium were originally filed with the Township of Waterford but may no longer be available.

ARTICLE II

LEGAL DESCRIPTION

The land which is submitted to the Condominium established by this Master Deed is a parcel of land in the Township of Waterford, Oakland County, Michigan described as follows:

Situated in the Township of Waterford, Oakland County, Michigan, described as:

Part of the Southwest 1/4 of Section 3 and part of the Southeast 1/4 of Section 4, Town 3 North, Range 9 East, Waterford Township, Oakland County, Michigan described as: Commencing at the most Easterly corner of "Eagle Lake Heights Subdivision (liber 49, page 44, Oakland County Records) thence North 48 degrees 10 miniutes 20 seconds West along the Northeasterly line of said subdivision 148.50 feet to the point of beginning of this description; thence North 48 degrees 10 minutes 20 seconds West along said subdivision line 394.30 feet to the East-West 1/4 line of said Sections 3 and 4; thence South 88 degrees 14 minutes East along said 1/4 line 825.79 feet; thence South 02 degrees 28 minutes 27 seconds West 199.12 feet; thence South 66 degrees 50 minutes 38 seconds West 238.82 feet; thence North 89 degrees 01 minutes 40 seconds West 193.15 feet; thence North 61 degrees 25 minutes West 75.90 feet; thence North 70 degrees 11 minutes West 46.40 feet to the point of beginning.

ARTICLE II

DEFINITIONS

Certain terms used in this Master Deed and the Exhibits hereto, and in The Articles of Incorporation and Corporate Bylaws of the Harbor Condominium Association shall be defined as follows:

- (a) The "Act" or "Condominium Act" means Act 59 of the Public Acts of Michigan of 1978, as amended.
- (b) "Association" shall mean the Michigan non-profit corporation, Harbor Condominium Association, of which all Co-owners shall be members, which Association shall administer, operate, manage and maintain the Condominium. Any action required of or permitted to the Association shall be exercisable by its Board of Directors unless specifically reserved to its members by the Condominium Documents or the laws of the State of Michigan.
- (c) "Common elements" means the portions of the Condominium other than the Condominium Units.
- (d) "Condominium" means Hidden Harbor Condominium as a Condominium established pursuant to the provisions of the Act, and includes the land and the buildings, all improvements and structures thereon, and all easements, rights and appurtenances belonging to the Condominium.
- (e) "Condominium Bylaws" means Exhibit A hereto, being the bylaws setting forth the substantive rights and obligations of the Co-owners as members of the Association.
- (f) "Condominium Documents," wherever used, means and includes this Master Deed and the Exhibits hereto, the Articles of Incorporation and the Corporate Bylaws of the Association.
- (g) "Condominium Subdivision Plan" or "Plan" means the Plan attached to this Master Deed as Exhibit B. The Plan assigns a number to each Condominium Unit and includes a description of the nature, location and approximate size of certain Common Elements.
- (h) "Condominium Unit" or "Unit" means the enclosed space constituting a single complete Unit designed and intended for separate ownership and use in the Condominium as such space may be described on Exhibit B hereto.
- (i) "Co-owner" means a person, firm, corporation, partnership, association, trust or other legal entity or any combination thereof who or which owns one or more Units in the Condominium. Developer is a Co-owner as long as Developer owns one or more Units.
- (j) "Corporate Bylaws" means the Corporate Bylaws of the Association, as distinguished from the Condominium Bylaws.
- (k) "Developer" means Eagle Venture Development Corporation, a Michigan corporation, its successors or assigns. All development rights reserved to Developer herein are assignable in writing; provided, however, that conveyances of Units by Developer shall not serve to assign Developer's development rights unless the instrument of conveyance expressly so states.

- (1) "General Common Elements" means the Common Elements other than the Limited Common Elements. The General Common Elements are partially enumerated in Article IV hereof.
- (m) "Limited Common Elements" means a portion of the Common Elements reserved in this Master Deed for the exclusive use of less than all of the Co-owners. The Limited Common Elements are enumerated in Article IV hereof.
- (n) "Master Deed" means this document which, when recorded, shall establish the Condominium and to which the Condominium Bylaws and Condominium Subdivision Plan are attached as exhibits.
- (o) "Percentage of Value" means the percentage assigned to each Condominium Unit in Article VI of this Master Deed. Percentages of Value shall be determinative only with respect to those matters to which they are specifically deemed to relate either in the Condominium Documents or in the Act.
- (p) "Size" means the number of cubic feet or the number of square feet of ground or floor space within each Condominium Unit as computed by reference to the Condominium Subdivision Plan and rounded off to a whole number.
- (q) "Transitional Control Date" means the date on which the Board of Directors of the Association takes office pursuant to an election in which the votes which may be cast by eligible Co-owners unaffiliated with the Developer exceed the votes which may be cast by the Developer.

ARTICLE IV

COMMON ELEMENTS

The Common Elements of the Condominium and the respective responsibilities for maintenance, decoration, repair, replacement, restoration or renovation thereof are as follows:

- (a) The General Common Elements are:
- (1) The land described in Article II hereof, including the paved and landscaped areas designated on the Plan as General Common Elements;
- (2) The electrical, gas, telephone, plumbing and cable television (if any) networks or systems throughout the Condominium, including that contained within Unit walls up to the point of connection with outlets or fixtures within any Unit;

- (3) Foundations, supporting columns, unit perimeter walls (including windows and doors therein) and such other walls as are designated on the Plan as General Common Elements, roofs, ceilings and floor construction between Unit levels and chimneys;
 - (4) Maintenance sheds;
- (5) Such other elements of the Condominium not herein designated as Limited Common Elements which are not enclosed within the boundaries of a Unit.
- (b) The Limited Common Elements are:
- (1) Stairs designated on the Plan as Limited Common Elements are limited to the sole use of the Co-owners of the Units to which such Common Elements give access;
- (2) Carports, balconies and heating and air conditioning units are limited to the sole use of the Co-owners of the Units to which such Limited Common Elements are shown as appurtenant on the Plan.
- (3) Interior surfaces of Unit perimeter walls (including any Unit windows and doors therein), ceilings and floors contained within a Unit are limited to the sole use of the Co-owner of such Unit;
- (c) Maintenance, repair and replacement of all Common Elements shall be the responsibility of the Association, to be assessed to all Co-owners according to their Percentages of Value, subject to the following provisions:
 - (1) The Limited Common Elements described in subparagraphs (b)(3) and the heating and air conditioning units above shall be the responsibility of the respective Co-owners having the use thereof.
 - (2) The cost of repair of damage to a Common Element caused by a Co-owner, or family member or invitee of a Co-owner, shall be assessed against the Co-owner.

ARTICLE V

USE OF PREMISES

No person shall use any Unit or the Common Elements in any manner inconsistent with the purposes of the Condominium or in any manner which will interfere with or impair the rights of any other Co-owner in the use and enjoyment of the Condominium.

HIDDEN HARBOR CONDOMINIUM

Waterford, Michigan

EXHIBIT A

TO MASTER DEED

CONDOMINIUM BYLAWS

HARBOR CONDOMINIUM ASSOCIATION

ARTICLE I

- Section 1. The Condominium shall be administered by a Michigan non-profit corporation, Harbor Condominium Association (hereinafter called the "Association") which shall be responsible for the management, maintenance, operation and administration of the common elements, easements and affairs of the Condominium in accordance with the Master Deed, these Bylaws, the Articles of Incorporation, Corporate Bylaws and duly adopted Rules and Regulations of the Association, and the laws of the State of Michigan. These bylaws are designated as the Condominium Bylaws and relate to the manner in which the Condominium and the common affairs of the Co-owners of the Condominium units shall be administered. Terms defined in the Master Deed shall have the same meaning when used herein. The Condominium is a residential condominium located in the Township of Waterford, Oakland County, Michigan.
- Section 2. Membership in the Association and voting by members of the Association shall be in accordance with the following provisions:
- (a) Each Co-owner, including Developer, shall be a member of the Association and no other person or entity shall be entitled to membership. Each member shall have one vote for each unit owned. If voting is by value, the value of each vote shall be the percentage assigned in the Master Deed.
- (b) The share of a Co-owner in the funds and assets of the Association cannot be assigned, pledged or transferred in any manner except as an appurtenance to a unit in the Condominium.
- (c) Each Co-owner shall be entitled to one vote for each unit owned, the value of which shall equal the percentage allocated in the Master Deed. Voting shall be by value unless otherwise expressly required by the Condominium Documents or by law. In the case of any unit owned jointly by more than one Co-owner, the voting right appurtenant to that unit may be exercised jointly as a single vote or may be split if all the joint Co-owners of the unit so agree in writing.
- (d) No Co-owner, other than the Developer, shall be entitled to vote at any meeting of the Association until the Co-owner has presented evidence of ownership of a unit in the Condominium to the Association. No Co-owner, other than the Developer, shall be entitled to vote prior to the first annual meeting of Co-owners held in accordance with section 6 of this Article I

except as specifically provided in section 7. The vote of each Co-owner may only be cast by the individual representative designated by such Co-owner in the notice required in subparagraph (e) below or by a proxy given by such individual representative.

- (e) Each Co-owner shall file a written notice with the Association designating the individual representative who shall vote at meetings of the Association and receive all notices and other communications from the Association on behalf of such Co-owner. Such notice shall state the name and address of the individual representative designated, the number or numbers of the 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. At any meeting the filing of such written notice as a prerequisite to voting may be waived by the chairman of the meeting.
- (f) There shall be an annual meeting of the Co-owners commencing with the first annual meeting held as provided in section 6 of this Article I. Other meetings shall be held as provided for in the Corporate Bylaws of the Association. Notice of the time, place and subject matter of all meetings shall be given by mailing the same to each individual representative designated by the respective Co-owners.
- (g) The presence in person or by proxy of more than one-half in value of the Co-owners shall constitute a quorum for holding a meeting of the members of the Association. The written vote of any person furnished at or prior to any duly called meeting at which meeting said person is not otherwise present in person or by proxy shall be counted in determining the presence of a quorum with respect to the question upon which the vote is cast.
- (h) Votes may be cast in person or by proxy or by a writing duly signed by the designated voting representative not present at a given meeting in person or by proxy. Proxies and any written votes must be filed with the Secretary of the Association at or before the appointed time of each meeting of the Co-owners. Cumulative voting shall not be permitted.
- (i) Unless otherwise required by law or by the Condominium Documents, any action which could be authorized at a meeting of the members shall be authorized by any affirmative vote of more than fifty (50%) percent in value. The foregoing statement and any other provision of the Master Deed, these Bylaws or the Corporate Bylaws requiring the approval of a majority (or other stated percentage) of the members shall be construed to mean, unless otherwise specifically stated, a majority (or other stated percentage) in value of the votes cast by those qualified to vote and present in person or by proxy (or written vote, if applicable) at a given meeting of the Co-owners duly called and held.

(j) Other provisions relating to voting by members, not inconsistent with the provisions herein contained, may be set forth in the Corporate Bylaws.

Section 3. The Board of Directors of the Association shall keep detailed books of account showing all expenditures and receipts of the Condominium and its 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. All books, records and contracts of the Association shall be available for examination by any of the Co-owners and their mortgagees during convenient times. All books and records shall be audited or reviewed at least annually by independent accountants; provided, however, that such audits need not be certified. The Association shall prepare and distribute to each Co-owner at least annually 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 audited financial statement within 90 days following the end of the Association's fiscal year upon request therefor. The costs of any such audit and any accounting expenses shall be expenses of administration. The Association shall keep current copies of the Master Deed establishing the Condominium and all amendments to the Master Deed and all other Condominium Documents available for inspection at reasonable hours by Co-owners, prospective purchasers of Condominium units and existing and prospective mortgagees of Condominium units.

Section 4. The affairs of the Association shall be governed by a Board of Directors, all of whom shall serve without compensation. Directors must be members of the Association, except for the First Board of Directors designated in the Articles of Incorporation of the Association and any successors thereto appointed prior to the first annual meeting of Co-owners held pursuant to section 6 of this Article I. If a member is a partner or corporation, then any partner or employee of the Partnership, or officer, director or employee of the Corporation shall be qualified to serve as a director.

- (a) The Board of Directors shall have all powers and duties necessary for the administration of the affairs of the Association and may do all acts and things necessary thereto subject to the provisions of the Master Deed, these Bylaws, the Corporate Bylaws, Articles of Incorporation and applicable laws. In addition to the foregoing general duties, the Board of Directors shall be responsible specifically for the following:
 - (i) To manage and administer the affairs of and maintain the Condominium and the common elements thereof.
 - (ii) To collect assessments from the members of the Association and to use the proceeds thereof for the purposes of the Association.

- (iii) To carry insurance and collect and allocate the proceeds thereof.
 - (iv) To rebuild improvements after casualty.
- (v) To contract for and employ persons, firms, corporations or other agents to assist in the management, operation, maintenance and administration of the Condominium project.
- (vi) To acquire, maintain and improve, and to buy, operate, manage, sell, convey, assign, mortgage or lease any real or personal property (including Condominium units, easements, rights-of-way and licenses) on behalf of the Association in furtherance of any of the purposes of the Association, including (but without limitation) the lease or purchase of any unit in the Condominium for use by a resident manager.
- (vii) To borrow money and issue evidences of indebtedness in furtherance of any and all of the purposes of the business of the Association.
- (viii) To make rules and regulations in accordance with Article VI, section 10 of these Bylaws.
- (ix) 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.
- (x) To make rules and regulations and to enter into agreements with institutional lenders the purposes of which are to obtain mortgage financing for unit Co-owners which is acceptable for purchase by the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association and/or any governmental agency or to satisfy the requirements of the United States Department of Housing and Urban Development.
- (xi) To enforce the provisions of the Master Deed, these Bylaws, the Corporate Bylaws and the Articles of Incorporation.
- (b) The Board of Directors may employ for the Association a professional management agent (which may include the Developer or any person or entity affiliated with the Developer) at reasonable compensation established by the Board to perform such duties and services as the Board shall authorize, including, but not limited to, the duties listed in section 4(a) of this Article I, and the Board may delegate to such management agent any other duties or powers. In the event the Board does employ professional management for the Association, the Board shall secure the written approval

of each institutional holder of a first mortgage lien on any unit in the Condominium prior to terminating professional management and assuming self-management. In no event may the Board enter into any contract for management, the maximum term of which is greater than three years.

- (c) All of the actions (including, without limitation, the adoption of these Bylaws and any Rules and Regulations for the Association, and any undertakings or contracts entered into with others on behalf of the Association) of the first Board of Directors of the Association named in its Articles of Incorporation or any successors thereto appointed before the first annual meeting of Co-owners shall be binding upon the Association in the same manner as though such actions had been authorized by a Board of Directors duly elected by the Co-owners.
- Section 5. The Corporate Bylaws shall provide for the designation, number, terms of office, qualifications, manner of election, duties, manner of removal and replacement of the officers of the Association and may contain any other provisions pertinent to officers of the Association. Officers shall not be compensated.
- Section 6. The first annual meeting of the Co-owners may be convened only by the Developer and may be called, in the Developer's discretion, at any time on or before the earlier of the dates provided for the first annual meeting in subsections 7(b) and 7(c) of this Article I. The date, time and place of such first annual meeting shall be set by the Board of Directors, and at least ten (10) days' written notice thereof shall be given to each Co-owner. Thereafter, an annual meeting shall be held each year on such date as is specified in the Corporate Bylaws.
- Section 7. The following provisions shall apply notwithstanding the fact that the first annual meeting may not have been called:
- (a) An advisory committee of nondeveloper Co-owners shall be established either one hundred twenty (120) days after conveyance of legal or equitable title to nondeveloper Co-owners of one-third (1/3) of the units that may be created, or one year after the initial conveyance of legal or equitable title to a nondeveloper Co-owner of a unit in the project, whichever occurs first. The advisory committee shall meet with the board of directors for the purpose of facilitating communication and aiding the transition of control to the association of Co-owners. The advisory committee shall cease to exist when a majority of the board of directors of the association of Co-owners is elected by the nondeveloper Co-owners.
- (b) Not later than one hundred twenty (120) days after conveyance of legal or equitable title to nondeveloper Co-owners of twenty-five (25%) percent of the units that may be created, at least one director and not less than twenty-five (25%) percent of the board of directors shall be elected by nondeveloper Co-owners. Not later than one hundred twenty (120) days after conveyance of legal or equitable title to nondeveloper Co-owners of fifty (50%) percent of the units that may be created, not less than thirty-three

and one-third (33-1/3%) percent of the board of directors shall be elected by nondeveloper Co-owners. Not later than one hundred twenty (120) days after conveyance of legal or equitable title to nondeveloper Co-owners of seventy-five (75%) percent of the units that may be created, and before conveyance of ninety (90%) percent of such units, the first annual meeting shall be called and the nondeveloper Co-owners shall elect all directors on the board, except that the Developer shall have the right to designate at least one director as long as the Developer owns and offers for sale at least ten (10%) percent of the units in the project or as long as ten (10%) percent of the units remain that may be created.

- (c) Notwithstanding the formula provided in subsection (b), 54 months after the first conveyance of legal or equitable title to a nondeveloper Co-owner of a unit in the project, if title to not less than seventy-five (75%) percent of the units that may be created has not been conveyed, the first annual meeting shall be called and the nondeveloper Co-owners have the right to elect as provided in the Condominium Documents, a number of members of the board of directors equal to the percentage of units they hold, and the Developer has the right to elect as provided in the Condominium Documents, a number of members of the board equal to the percentage of units which are owned by the Developer and for which all assessments are payable by the Developer. This election may increase, but shall not reduce, the minimum election and designation rights otherwise established in subsection (b). Application of this subsection does not require a change in the size of the board as determined in the Condominium Documents.
- (d) If the calculation of the percentage of members of the board that the nondeveloper Co-owners have the right to elect under subsection (b), or if the product of the number of members of the board multiplied by the percentage of units held by the nondeveloper Co-owners under subsection (c) results in a right of nondeveloper Co-owners to elect a fractional number of members of the board, then a fractional election right of 0.5 or greater shall be rounded up to the nearest whole number, which number shall be the number of members of the board that the nondeveloper Co-owners have the right to elect. After application of this formula the Developer shall have the right to elect the remaining members of the board. Application of this subsection shall not eliminate the right of the Developer to designate one member as provided in subsection (b).
- (e) As used in this section, the term "units that may be created" means the maximum number of units which may be included in the Condominium in accordance with any limitation stated in the Master Deed.

Section 8. Any reference to the "first Board of Directors" in the Master Deed, these Bylaws, the Corporate Bylaws, or the Articles of Incorporation shall mean and refer to the Board of Directors named in the Articles of Incorporation, including any successor or additional director appointed by the first board of directors prior to the first annual meeting of the Co-owners.

ARTICLE II

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

Section 2. Expenditures affecting administration of the Condominium shall include all costs incurred in satisfaction of any liability arising within, caused by or connected with the common elements or the administration of the Condominium. Receipts affecting administration of the Condominium shall include all sums received as proceeds of, or pursuant to, a policy of insurance securing the interests of the Co-owners against liabilities or losses arising within, caused by or connected with the common elements or the administration of the Condominium.

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

(a) The Board of Directors 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, including a reasonable allowance for contingencies and reserves. 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 the year shall be established based upon said budget. Board of Directors of the Association may increase the assessment if the of Directors finds that the revenues of the Association insufficient to pay costs of operation. Special assessments may be made by the Board of Directors from time to time for payment of any obligation of the Association. The Board of Directors shall maintain a reserve fund for major repairs and replacement of common elements, which reserve fund shall be in the amount of not less than ten (10%) percent of the Association's current annual budget (excluding that portion of the budget allocated to the reserve fund itself) on a noncumulative basis. The minimum standard required by this subsection may prove to be inadequate for the Condominium. The Board of Directors shall annually consider the needs of the Condominium to determine if a greater amount should be set aside in reserve or if additional reserve funds should be established for any other purposes.

Section 4. All assessments levied against the Co-owners to cover expenses of administration shall be apportioned among and paid by the Co-owners, in accordance with the percentage of value allocated to each unit in the Master Deed subject to any other assessment provisions in the Master Deed or these Bylaws. Notwithstanding any other provisions of the Condominium Documents to the contrary, the Developer shall not pay regular monthly assessments for units which are unoccupied, but shall only reimburse the Association for actual expenses incurred by the Association which are reasonably allocable to such units. Annual assessments shall be payable by

Co-owners in 12 equal monthly installments. The payment of an assessment shall be in default if such assessment, or any part thereof, is not paid to the Association in full on or before the due date for such payment. Assessments in default shall bear interest at the rate of seven (7%) percent per annum until paid in full. The Board of Directors may also adopt uniform late charges pursuant to section 10 of Article VI of these Bylaws. Co-owner (whether one or more persons) shall be personally liable for the payment of all assessments levied against the unit. A Co-owner selling a unit shall not be entitled to any refund whatsoever from the Association with respect to any reserve, account or other asset of the Association. assessed to a Co-owner which are unpaid constitute a lien upon the unit or units in the Condominium owned by the Co-owner at the time of the assessment before other liens except tax liens on the Condominium unit in favor of any state or federal taxing authority and sums unpaid on the first mortgage of record, except that past due assessments which are evidenced by a notice of lien have priority over a first mortgage recorded subsequent to the recording of the notice of lien. The lien upon each Condominium unit owned by the Co-owner shall be in the amount assessed against the Condominium unit. The lien may be foreclosed by an action or by advertisement by the Association in the name of the Condominium on behalf of the other Co-owners.

Section 5. No Co-owner shall be exempt from liability for contribution toward the expenses of administration by waiver of the use or enjoyment of any of the common elements or by the abandonment of a Condominium unit.

Section 6. The Association may enforce collection of delinquent assessments by a suit at law for a money judgment or by foreclosure of the statutory lien that secures payment of assessments. Each Co-owner, and every other person who from time to time has any interest in the Condominium, shall be deemed to have granted to the Association the unqualified right to elect to foreclose such lien either by judicial action or by advertisement. provisions of Michigan law pertaining to foreclosure of mortgages by judicial. action and by advertisement, as the same may be amended from time to time, are incorporated herein by reference for the purposes of establishing the alternative procedures to be followed in lien foreclosure actions and the rights and obligations of the parties to such actions. Further, each Co-owner and every other person who from time to time has any interest in the Condominium, shall be deemed to have authorized and empowered the Association to sell or to cause to be sold the unit with respect to which the assessment(s) is or are delinquent and to receive, hold and distribute the proceeds of such sale in accordance with the priorities established by Michigan law. The Association, acting on behalf of all Co-owners, may bid in at the foreclosure sale, and acquire, hold, lease, mortgage, or convey the Condominium unit. The expenses incurred in collecting assessments, including interest, costs, actual attorneys' fees (not limited to statutory fees) and advances for taxes or other liens paid by the Association to protect its lien, plus any late charges, shall be chargeable to the Co-owner in default and shall be secured by the lien on the unit. event of default by any Co-owner in the payment of any installment of the annual assessment, the Association shall have the right to declare all unpaid

installments of the annual assessment for the pertinent fiscal year immediately due and payable. The Association may also discontinue the furnishing of any utilities or other services to a Co-owner in default upon seven (7) days' written notice to such Co-owner of its intention to do so. A Co-owner in default shall not be entitled to vote at any meeting of the Association so long as such default continues. In a judicial foreclosure action, a receiver may be appointed to take possession of the unit if the unit is not occupied by the Co-owner and to lease the Condominium unit and collect and apply the rental therefrom.

Section 7. Notwithstanding any other provisions of the Master Deed, these Bylaws, the Corporate Bylaws or Articles of Incorporation of the Association, if the mortgagee of a first mortgage of record or other purchaser of a Condominium unit obtains title to the Condominium unit as a result of foreclosure of the first mortgage, such person, its successors and assigns, is not liable for the assessments by the Association chargeable to the unit which became due prior to the acquisition of title to the unit by such person and the expiration of the period of redemption from such foreclosure. The unpaid assessments are deemed to be common expenses collectible from all of the Condominium unit owners including such persons, its successors and assigns.

Section 8. 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:

- (a) The notice of lien shall set forth the legal description of the Condominium unit or units to which the lien attaches, the name of the Co-owner of record thereof, the amount due the Association as of the date of the notice, exclusive of interest, costs, attorneys fees and future assessments.
- (b) 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.
- (c) The notice of lien shall be recorded in the office of the register of deeds in the county in which the Condominium is situated 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.

Section 9. Upon the sale or conveyance of a Condominium unit, all unpaid assessments against the Condominium unit shall be paid out of the sale price or by the purchaser in preference over any other assessments or charges of whatever nature except (a) amounts due the State of Michigan or any subdivision thereof for taxes or special assessments due and unpaid on the unit and (b) payments due under first mortgages having priority thereto. A purchaser of a Condominium unit is entitled to a written statement from the

Association setting forth the amount of unpaid assessments outstanding against the unit and the purchaser is not liable for any unpaid assessment in excess of the amount set forth in such written statement, nor shall the unit be subject to any lien for any amounts in excess of the amount set forth in the written statement. Any purchaser or grantee who fails to request a written statement from the Association as provided herein at least five days before the sale shall be liable for any unpaid assessments against the unit together with interest, costs and attorneys' feeş incurred in connection with the collection thereof.

ARTICLE III

Actions on behalf of and against the Co-owners shall be brought in the name of the Association. The Association may assert, defend or settle claims on behalf of all Co-owners in connection with the common elements of the Condominium. The commencement of any such civil action (other than one to enforce or collect delinquent assessments) shall require the approval of a majority in value of the Co-owners.

ARTICLE IV

Section 1. The Association shall carry fire and extended coverage, vandalism and malicious mischief and liability insurance, and workmen's compensation insurance, if applicable, pertinent to the ownership, use and maintenance of the common elements of the Condominium, and such other insurance as the Board of Directors deems advisable, and all such insurance shall be carried and administered in accordance with the following provisions:

- (a) All such insurance shall be purchased by the Association for the benefit of the Association, and the Co-owners and their mortgagees, as their interests may appear, and provision shall be made for the issuance of certificates of mortgagee endorsements to the mortgagees of Co-owners. Co-owners may obtain additional insurance upon their units, at their own expense, in addition to the coverage carried by the Association. It shall be each Co-owner's responsibility to obtain insurance coverage for personal property located within a unit or elsewhere in the Condominium and for personal liability for occurrences within a unit or upon limited common elements appurtenant to a unit and also for alternative living expense in event of fire, and the Association shall have absolutely no responsibility for obtaining such coverages. The Association and all Co-owners shall use their best efforts to obtain property and liability insurance containing appropriate provisions whereby the insurer waives its right of subrogation as to any claims against any Co-owner or the Association.
- (b) All common elements of the Condominium shall be insured against fire and other perils covered by a standard extended coverage endorsement, in an amount equal to the appropriate percentage of maximum insurable

replacement value, excluding foundation and excavation costs, as determined annually by the Board of Directors of the Association. Such coverage shall also include interior walls within any unit and the pipes, wires, conduits and ducts contained therein and shall further include all fixtures, equipment and trim within a unit which were furnished with the unit, or such replacements or such improvements made by a Co-owner within a unit. Any other improvements made by a Co-owner within a unit shall be covered by insurance obtained by and at the expense of said Co-owner; provided that, if the Association elects to include such improvements under its insurance coverage, any additional premium cost to the Association attributable thereto may be assessed to and borne solely by said Co-owner and collected as part of the assessments against said Co-owner under Article II hereof.

- (c) All premiums for insurance purchased by the Association pursuant to these Bylaws shall be expenses of administration.
- (d) Proceeds of all insurance policies owned by the Association shall be received by the Association, held in a separate account and distributed to the Association, 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, and in no event shall hazard insurance proceeds be used for any purpose other than for repair, replacement or reconstruction of the Condominium unless all of the institutional holders of first mortgages on units in the Condominium have given their prior written approval.

Section 2. Each Co-owner, by ownership of a unit in the Condominium, shall be deemed to appoint the Association as the Co-owner's true and lawful attorney-in-fact to act in connection with all matters concerning the maintenance of fire and extended coverage, vandalism and malicious mischief, liability insurance and workmen's compensation insurance, if applicable, pertinent to the Condominium, the Co-owner's unit and the common elements appurtenant thereto with such insurer as may, from time to time, provide such insurance for the Condominium. Without limitation on the generality of the foregoing, the Association as said attorney shall have full power and authority to purchase and maintain such insurance, to collect and remit premiums therefor, to collect proceeds and to distribute the same to the Association, the Co-owners and respective mortgagees, as their interests may appear (subject always to the provisions of the Master Deed and these Bylaws), to execute releases of liability and to execute all documents and to do all things on behalf of such Co-owner and the Condominium as shall be necessary or convenient to the accomplishment of the foregoing.

ARTICLE V

- Section 1. If any part of the Condominium shall be partially or completely destroyed, the determination of whether or not it shall be reconstructed or repaired shall be made in the following manner:
- (a) If the damaged property is a common element or a unit, the property shall be rebuilt or repaired if any unit in the Condominium is tenantable, unless it is determined by a unanimous vote of all of the Co-owners in the Condominium that the Condominium shall be terminated, and each institutional holder of a first mortgage lien on any unit in the Condominium has given prior written approval of such termination.
- (b) If the Condominium is so damaged that no unit is tenantable, and if each institutional holder of a first mortgage lien on any unit in the Condominium has given its prior written approval of the termination of the Condominium, the damaged property shall not be rebuilt and the Condominium shall be terminated, unless seventy-five (75%) percent or more of all Co-owners in value agree to reconstruction by vote or in writing within ninety (90) days after the destruction.
- Section 2. Any such reconstruction or repair shall be substantially in accordance with the Master Deed and the plans and specifications for the Condominium to a condition as comparable as possible to the condition existing prior to damage unless the Co-owners shall unanimously decide otherwise.
- Section 3. If the damage is only to a part of a unit which is the responsibility of a Co-owner to maintain and repair, it shall be the responsibility of the Co-owner to repair such damage in accordance with section 4 hereof. In all other cases, the responsibility for reconstruction and repair shall be that of the Association.
- Section 4. Each Co-owner shall be responsible for the reconstruction and repair of the interior of the 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 any of the foregoing, or to interior walls within a Co-owner's unit or to pipes, wires, conduits, ducts or other common elements therein is covered by insurance held by the Association, then the reconstruction or repair shall be the responsibility of the Association in accordance with section 5 of this Article. If any other interior portion of a unit is covered by insurance held by the Association for the benefit of the Co-owner, the Co-owner shall be entitled to receive the proceeds of insurance relative thereto, and if there is a mortgagee endorsement, the proceeds shall be payable to the Co-owner and the mortgagee jointly. In the event of substantial damage to or destruction of any unit or any part of the common elements, the Association promptly shall so notify each institutional holder of a first mortgage lien on any unit in the Condominium.

Section 5. The Association shall be responsible for the reconstruction and repair of the common elements (except as specifically otherwise provided in the Master Deed) and any incidental damage to a unit caused by such common elements or the reconstruction and repair thereof. Immediately after a casualty causing damage to property for which the Association has the responsibility of 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 repayment of the costs thereof are insufficient, assessments shall be made against all Co-owners for the cost of reconstruction or repair of the damaged property in sufficient amounts to provide funds to pay the estimated or actual cost of repair.

Section 6. The following provisions shall apply upon any taking by eminent domain of any part of the Condominium:

- (a) If any portion of the common elements is taken by eminent domain, the award therefor shall be allocated to the Co-owners in proportion to their respective undivided interests in the common elements. The Association acting through its Board of Directors, may negotiate on behalf of all Co-owners for any taking of common elements and any negotiated settlement approved by more than two-thirds (2/3) of the Co-owners based upon assigned voting rights shall be binding on all Co-owners.
- (b) If a Condominium unit is taken by eminent domain, the undivided interest in the common elements appertaining to the Condominium unit shall thenceforth appertain to the remaining Condominium units, being allocated to them in proportion to their respective undivided interests in the common elements. The court shall enter a decree reflecting the reallocation of undivided interests produced thereby, and the award shall include, without limitation, just compensation to the Co-owner of the Condominium unit taken for the Co-owner's undivided interest in the common elements as well as for the Condominium unit.
- (c) If portions of a Condominium unit are taken by eminent domain, the court shall determine the fair market value of the portions of the Condominium unit not taken. The undivided interest of such Condominium unit in the common elements appertaining to the Condominium units shall be reduced in proportion to the diminution in the fair market value of the Condominium unit resulting from the taking. The portions of undivided interest in the common elements thereby divested from the Co-owners of a Condominium unit shall be reallocated among the other Condominium units in the Condominium project in proportion to their respective undivided interests in the common elements. A Condominium unit partially taken shall receive the reallocation in proportion to its undivided interest in the common elements as reduced by the court under this subsection. The court shall enter a decree reflecting the reallocation of undivided interests produced thereby, and the award shall

include just compensation to the Co-owner of the Condominium unit partially taken for that portion of the undivided interest in the common elements divested from the Co-owner and not revested in the Co-owner, as well as for that portion of the Condominium unit taken by eminent domain.

- (d) If the taking of a portion of a Condominium unit makes it impractical to use the remaining portion of that Condominium unit for a lawful purpose permitted by the Condominium documents, then the entire undivided interest in the common elements appertaining to that Condominium unit shall thenceforth appertain to the remaining Condominium units, being allocated to them in proportion to their respective undivided interests in the common elements. The remaining portion of that Condominium unit shall thenceforth be a common element. The court shall enter an order reflecting the reallocation of undivided interests produced thereby, and the award shall include just compensation to the Co-owner of the Condominium unit for the Co-owner's entire undivided interest in the common elements and for the entire Condominium unit.
- (e) Votes in the Association of Co-owners and liability for future expenses of administration appertaining to a Condominium unit taken or partially taken by eminent domain shall thenceforth appertain to the remaining Condominium units, being allocated to them in proportion to the relative voting strength in the association of Co-owners. A Condominium unit partially taken shall receive a reallocation as though the voting strength in the association of Co-owners was reduced in proportion to the reduction in the undivided interests in the common elements.
- (f) In the event the Condominium continues after a taking by eminent domain, then the remaining portion of the Condominium shall be re-surveyed and the Master Deed amended accordingly. Such amendment may be effected by an officer of the Association duly authorized by the Board of Directors without the necessity of execution or specific approval thereof by any Co-owner, but only with the prior written approval of all holders of first mortgage liens on individual units in the Condominium.
- (g) In the event any unit in the Condominium, or any portion thereof, or the common elements or any portion thereof, is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, the Association promptly shall so notify each institutional holder of a first mortgage lien on any of the units in the Condominium.

Section 7. In the event any mortgage in the Condominium is held by the Federal Home Loan Mortgage Corporation ("FHLMC"), or in the event any mortgage is held by or insured by the United States Department of Housing and Urban Development ("HUD"), the Association shall give FHLMC and HUD written notice at such address as it may from time to time direct of any loss to or taking of the common elements of the Condominium, or any loss to or taking of any unit, or part thereof, if the loss or taking exceeds \$10,000 in amount.

Section 8. Nothing contained in the Condominium Documents shall be construed to give a Co-owner or any other party priority over any rights of first mortgages of Condominium units pursuant to their mortgages in the case of a distribution to Condominium unit owners of insurance proceeds or condemnation awards for losses to or a taking of Condominium units and/or common elements.

ARTICLE VI

Section 1. No Unit shall be used for other than residential purposes. No Co-owner shall carry on any commercial activities anywhere on the premises of the Condominium. Developer may conduct the activities permitted in section 15 of this Article.

Section 2. No Co-owner shall make alterations in exterior appearance or make structural modifications to any unit (including interior walls through or in which there exist easements for support or utilities) or make changes in any of the common elements, limited or general, without the express written approval of the Board of Directors including but not limited to, exterior painting or the erection of antennas, lights, aerials, awnings, doors, shutters or other exterior attachments or modifications; nor shall any Co-owner damage or make modifications or attachments to common element walls between units which in any way impair sound conditioning qualities of the walls. The Board of Directors may approve only such modifications as do not impair the soundness, safety, utility or appearance of the Condominium.

Section 3. No immoral, improper, unlawful or offensive activity shall be carried on in any unit or upon the common elements, limited or general; nor shall anything be done which may be or become an annoyance or nuisance to the Co-owners of the Condominium, nor shall any unreasonably noisy activity be carried on in any unit or on the common elements. No Co-owner shall do or permit anything to be done or to keep or permit to be kept in the Co-owner's unit or on the common elements anything that will increase the rate of insurance on the Condominium without the written approval of the Board of Directors, and each Co-owner shall pay to the Association the increased cost of insurance premiums resulting from any such activity or the maintenance of any such condition.

Section 4. Without the prior written consent of the Board of Directors, no animal or pet other than one cat or one dog shall be kept in the Condominium by any Co-owner. Any pets kept in the Condominium shall have such care and restraint as not to be obnoxious on account of noise, odor or unsanitary conditions. No savage or dangerous animal shall be kept. No animal may be permitted to run loose upon the common elements, and any animal shall at all times be attended by a responsible person while on the common elements. Any person who causes or permits an animal to be brought or kept on the Condominium property shall indemnify and hold harmless the Association for any loss, damage or liability which the Association may sustain as a result of the presence of such animal on the Condominium property. The term

"animal or pet" as used in this section shall not include small animals which are constantly caged such as small birds or fish. All pets must be registered with the Board of Directors of the Association.

Section 5. The common elements, limited or general, shall not be used for storage of supplies, materials, personal property or trash or refuse of any kind, except as provided in the Master Deed or in in duly adopted rules and regulations of the Association. Trash receptacles shall be maintained in areas designated therefor at all times and shall not be permitted to remain elsewhere on the common elements except for such short periods of time as may be reasonably necessary to permit periodic collection of trash. The common elements shall not be used in any way for the drying, shaking, or airing of clothing or other fabrics. Automobiles may only be washed in areas approved by the Board of Directors. In general, no activity shall be carried on nor condition maintained by a Co-owner, either in a unit or upon the common elements, which detracts from the appearance of the Condominium.

Section 6. Each driveway leading into any carport or garage may only be used by the Co-owner entitled to the use of the carport or garage. The common elements shall not be obstructed in any way; nor shall they be used for purposes other than for which they are reasonably and obviously intended. No bicycles, vehicles, chairs or benches may be left unattended on or about the common elements. Use of any general common elements may be limited to such times and in such manner as the Board of Directors shall determine by duly adopted regulations.

Section 7. No house trailers, commercial vehicles, boat trailers, boats, camping vehicles, camping trailers, snowmobiles, snowmobile trailers or vehicles other than automobiles may be parked or stored upon the common elements of the Condominium, unless parked in an area specifically designated therefor by the Board of Directors.

Section 8. No Co-owner shall use, or permit the use by any occupant, agent, employee, invitee, guest or member of his or her family of any firearms, air rifles, pellet guns, B-B guns, bows and arrows, sling shots, or other similar weapons, projectiles or devices anywhere on or about the Condominium.

Section 9. No signs or other advertising devices shall be displayed which are visible from the exterior of a unit or on the common elements, including "For Sale" signs, without written permission from the Board of Directors.

Section 10. Reasonable regulations consistent with all laws and the Condominium Documents concerning the use of the common elements or the rights and responsibilities of the Co-owners and the Association with respect to the Condominium or the manner of operation of the Association and of the Condominium may be made and amended from time to time by the Board of Directors. Copies of all such regulations and amendments thereto shall be

furnished to all Co-owners or posted on a general common element. Any such regulation or amendment may be revoked at any time by the affirmative vote of a majority of the Co-owners.

Section 11. The Association and its duly authorized agents shall have access to each unit and any limited common elements appurtenant thereto from time to time, during reasonable working hours, upon notice to the Co-owner thereof, as may be necessary for the maintenance, repair or replacement of any of the common elements. The Association or its agent shall also have access to each unit and any limited common elements appurtenant thereto at all times without notice as may be necessary to make emergency repairs to It shall be the prevent damage to the common elements or to another unit. responsibility of each Co-owner to provide the Association means of access to the Co-owner's unit and any limited common elements appurtenant thereto during all periods of absence and in the event of the failure of such Co-owner to provide means of access, the Association may gain access in such manner as may be reasonable under the circumstances and shall not be liable to such Co-owner for any necessary damage to any unit or any limited common elements appurtenant thereto caused thereby or for repair or replacement of such damage.

Section 12. No Co-owner shall perform any landscaping or plant any trees or shrubs or place any ornamental materials upon the common elements unless approved by the Board of Directors in writing or unless permitted by the master deed or the regulations of the Association.

Section 13. No unsightly condition shall be maintained upon any porch or deck and only furniture and equipment consistent with ordinary porch or deck use shall be permitted to remain there during seasons when the same are reasonably in use and no furniture or equipment of any kind shall be stored on porches or decks during seasons when the same are not reasonably in use.

Section 14. Each Co-owner shall maintain the unit owned and any limited common elements appurtenant thereto for which the Co-owner has maintenance responsibility in a safe, clean and sanitary condition. Each Co-owner shall also use due care to avoid damaging any of the common elements including but not limited to the telephone, water, gas, plumbing, electrical or other utility conduits and systems and any other elements in any unit which are appurtenant to or which may affect any other unit. Each Co-owner shall be responsible for damages or costs to the Association resulting from negligent damage to or misuse of any of the common elements by the 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 from the responsible Co-owner in the manner provided in Article II hereof.

will have

Section 15. None of the restrictions contained in this Article VI shall apply to the commercial activities or signs of the Developer during the sales period as hereinafter defined, or of the Association in furtherance of its powers and purposes. For the purposes of this section, the sales period shall be deemed to continue so long as Developer owns any unit which Developer offers for sale. Until all units in the entire planned Condominium are sold by Developer, Developer shall have the right to maintain a sales office, a business office, a construction office, model units, storage areas, reasonable parking incident to the foregoing and such access to, from and over the Condominium as may be reasonable to enable sale of the entire Condominium by Developer.

Section 16. Co-owners, including Developer, may rent any number of units at any time for any term of occupancy not less than 30 days subject to the following:

- (a) A Co-owner, including the Developer, desiring to rent or lease a Condominium unit for a period of longer than thirty (30) consecutive days, shall disclose that fact in writing to the Association of Co-owners at least ten (10) days before presenting a lease form to a potential lessee, and at the same time, shall supply the Association of Co-owners with a copy of the exact lease form for its review for its compliance with the Condominium Documents. If Developer proposes to rent Condominium units before the Transitional Control Date Developer shall notify either the advisory committee or each Co-owner in writing.
- (b) Tenants or nonco-owner occupants shall comply with all of the conditions of the Condominium documents of the Condominium project, and all leases and rental agreements shall so state.
- (c) If the Association determines that the tenant or nonco-owner occupant failed to comply with the conditions of the Condominium Documents, the Association shall take the following action:
 - (i) The Association shall notify the Co-owner by certified mail, advising of the alleged violation by the tenant. The Co-owner shall have fifteen (15) days after receipt of the notice to investigate and correct the alleged breach by the tenant or advise the Association that a violation has not occurred.
 - (ii) If after fifteen (15) days the Association believes that the alleged breach is not cured or may be repeated, it may institute on its behalf or derivatively by the Co-owners on behalf of the Association, if it is under the control of the Developer, an action for both eviction against the tenant or nonco-owner occupant and, simultaneously, for money damages against the Co-owner and tenant or nonco-owner occupant for breach of the conditions of the Condominium Documents. The relief

provided for in this section may be by summary proceeding. The Association may hold both the tenant and the Co-owner liable for any damages to the general common elements caused by the Co-owner or tenant in connection with the Condominium unit or the Condominium.

(d) When a Co-owner is in arrearage to the Association for assessments, the Association may give written notice of the arrearage to a tenant occupying a Co-owner's Condominium unit under a lease or rental agreement, and the tenant, after receiving the notice, shall deduct from rental payments due the Co-owner the arrearage and future assessments as they fall due and pay them to the Association. The deduction shall not constitute a breach of the rental agreement or lease by the tenant.

ARTICLE VII

Section 1. Any Co-owner who mortgages a unit shall notify the Association of the name and address of the mortgagee, and the Association shall maintain such information in a book maintained solely for such information. The Association may, at the written request of the mortgagee of any unit, 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 Condominium 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.

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

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

ARTICLE VIII

These Bylaws may be amended by the Association or by the Developer in the manner provided in the Master Deed. Any amendment to these Bylaws (but not the Corporate Bylaws) shall become effective upon recordation in the office of the register of deeds in the county in which the Condominium is located. A copy of each amendment to these Bylaws shall be made available to every member of the Association after adoption; provided, however, that any amendment that is adopted in accordance with this Article shall be binding upon all persons who have an interest in the Condominium irrespective of whether such persons actually receive a copy of the amendment. These Bylaws may not be amended in any manner to eliminate or conflict with any mandatory

provision of the Act or any applicable law or any provision of the Master Deed; nor may they be amended to materially reduce or eliminate the rights of any first mortgagees without the consent of the mortgagees affected.

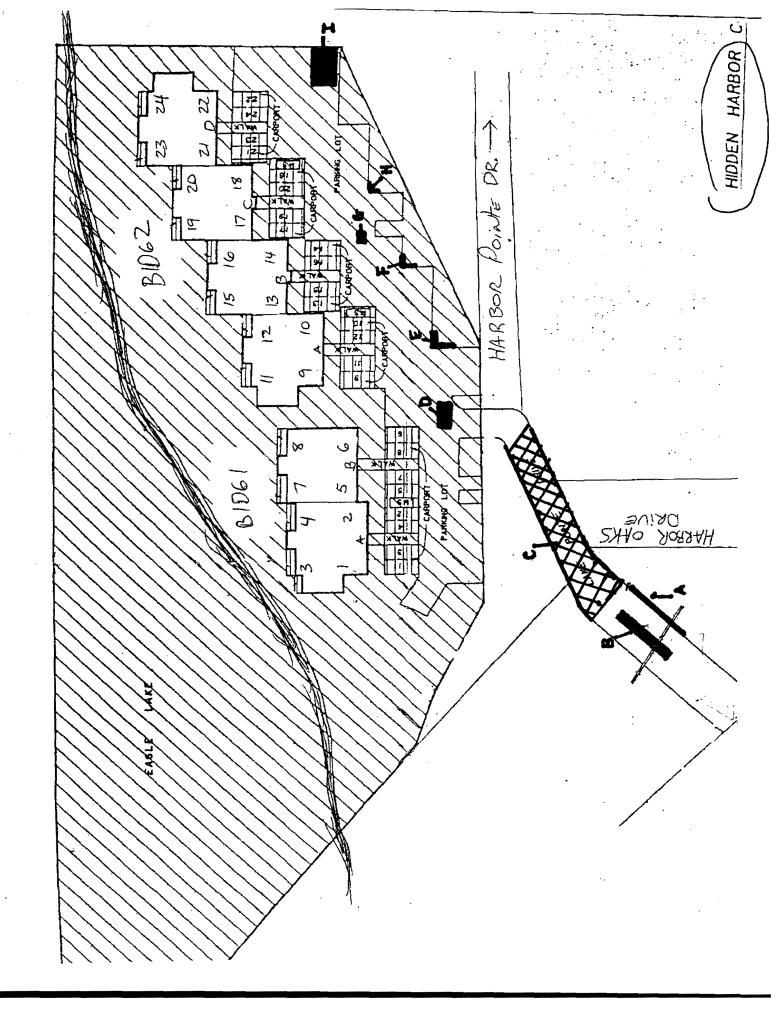
ARTICLE IX

- Section 1. The Association and all persons acquiring an interest in or using the Condominium are subject to the provisions of the Condominium Documents and regulations of the Association.
- Section 2. Any default by a Co-owner shall entitle the Association or another Co-owner or Co-owners to the following relief:
- (a) Failure to comply with any of the terms or provisions of the Condominium Documents or the regulations of the Association 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) 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 attorneys' fees (not limited to statutory fees) as may be determined by the Court.
- Section 3. 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 or regulations of the Association 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. Every director and every officer of the Association shall be indemnified by the Association against all expenses and liabilities, including attorney fees, reasonably incurred by or imposed upon the director or officer in connection with any proceeding to which the director or officer may be a party, or may become involved, by reason of the director or officer being or having been a director or officer of the corporation, whether or not a director or officer at the time such expenses are incurred, except that this indemnification shall not apply to willful and wanton misconduct or acts of gross negligence. The foregoing 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. Such payment must be approved by a majority vote of the Board of Directors

without the vote of the director seeking the indemnification. In the event there has been no judicial determination whether the conduct of the director seeking indemnification constituted willful or wanton misconduct or gross negligence, the Board of Directors may rely upon an opinion of counsel, which counsel may not be a member of the Association.

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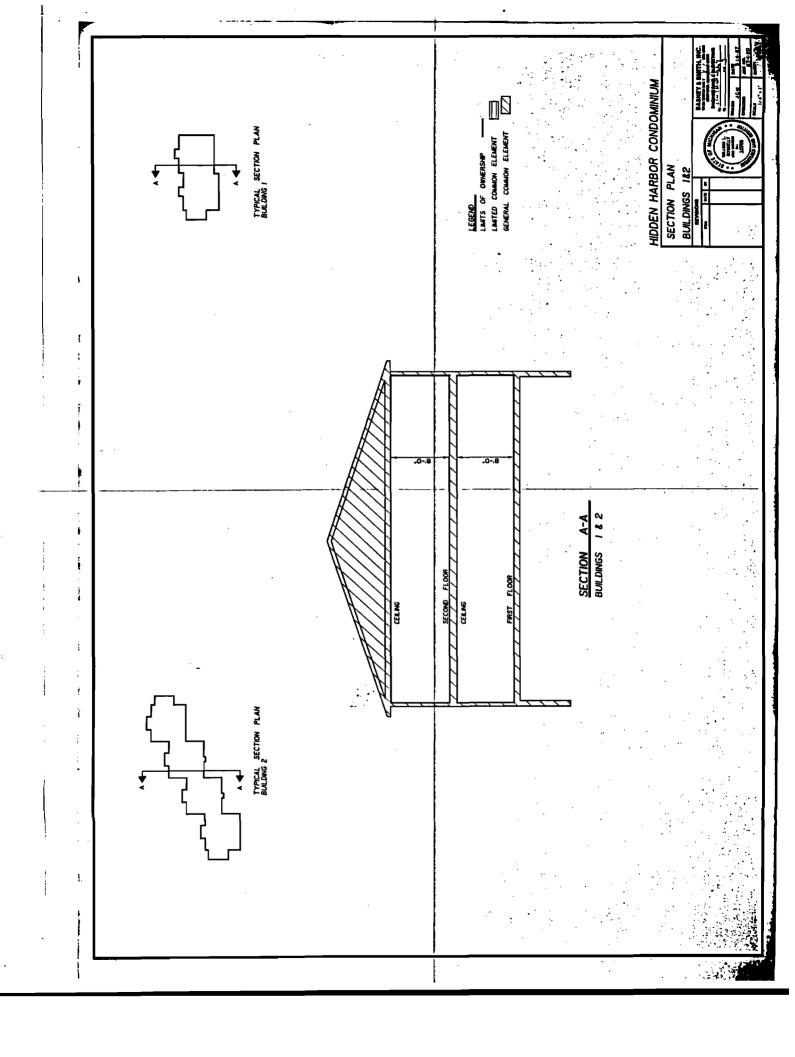
THE FOLLOWING DOCUMENTS (MASTER DEED, EXHIBIT A AND EXHIBIT B) WERE RECORDED IN LIBER 9852, PAGES 771 THROUGH 807, WAYNE COUNTY RECORDS ON APRIL 10, 1987.

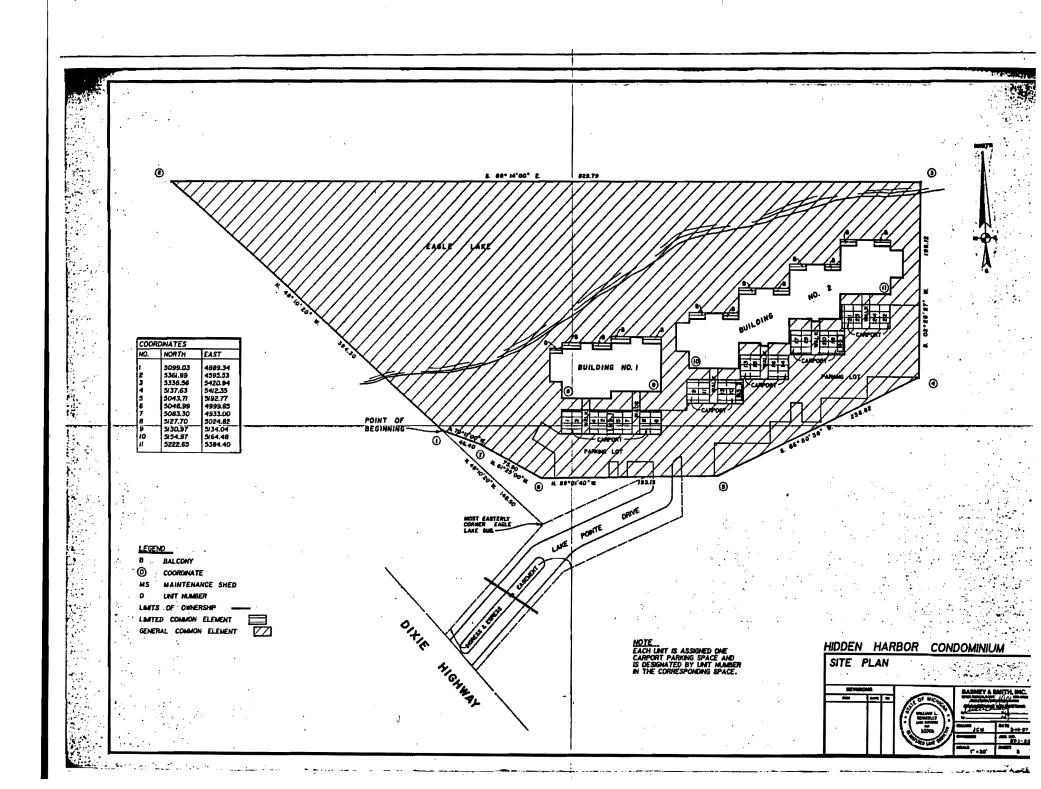


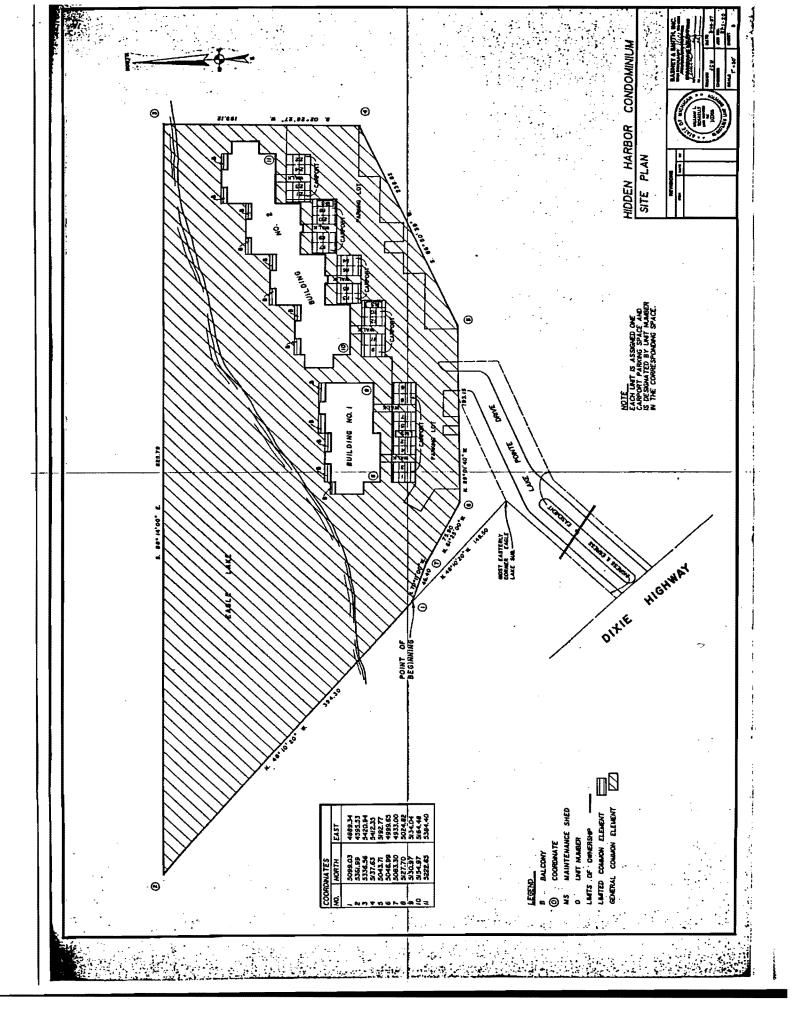
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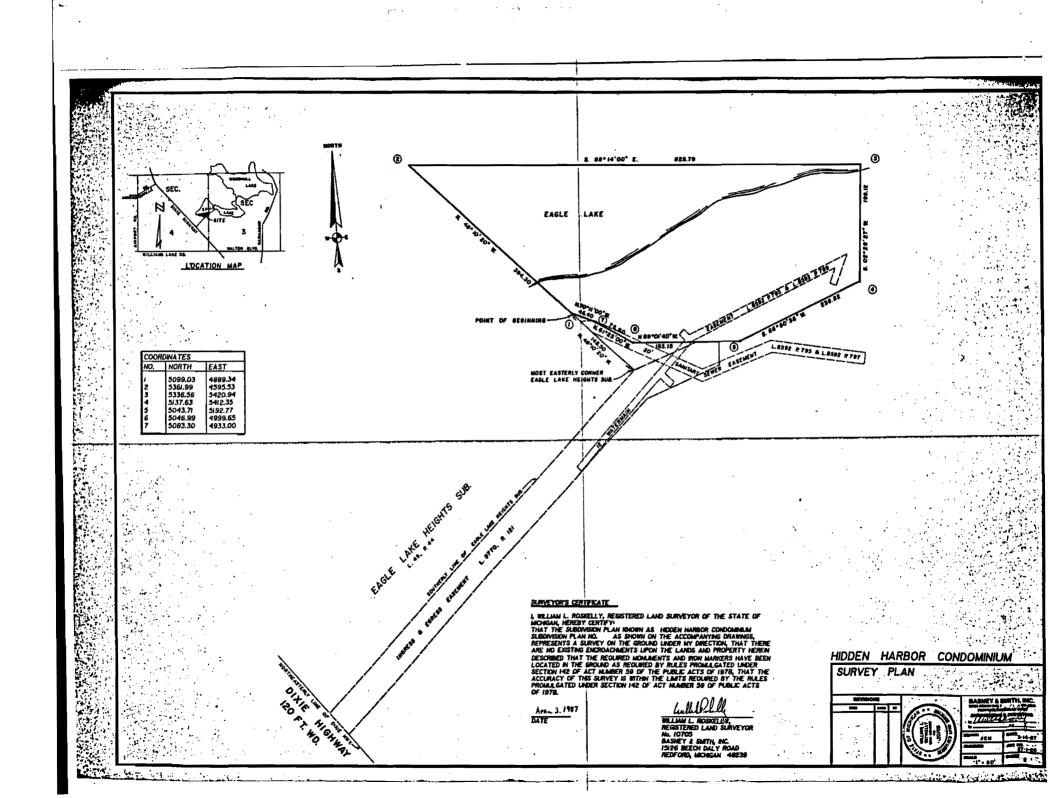
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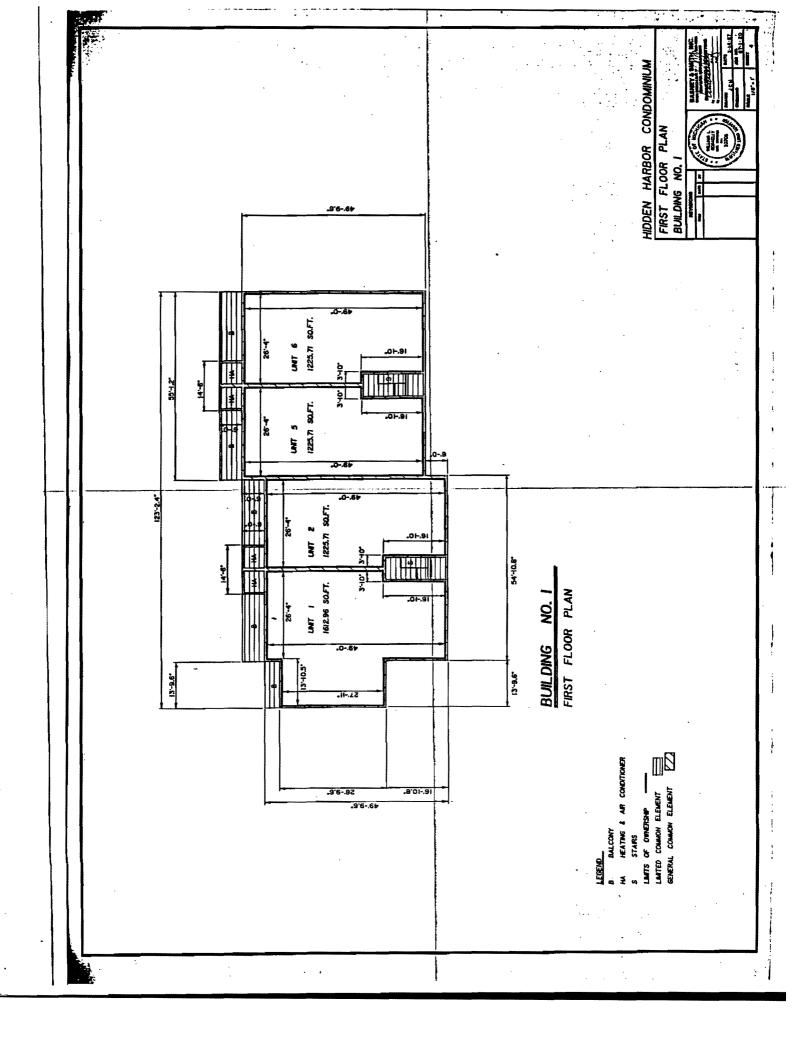
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TITLE PAGE

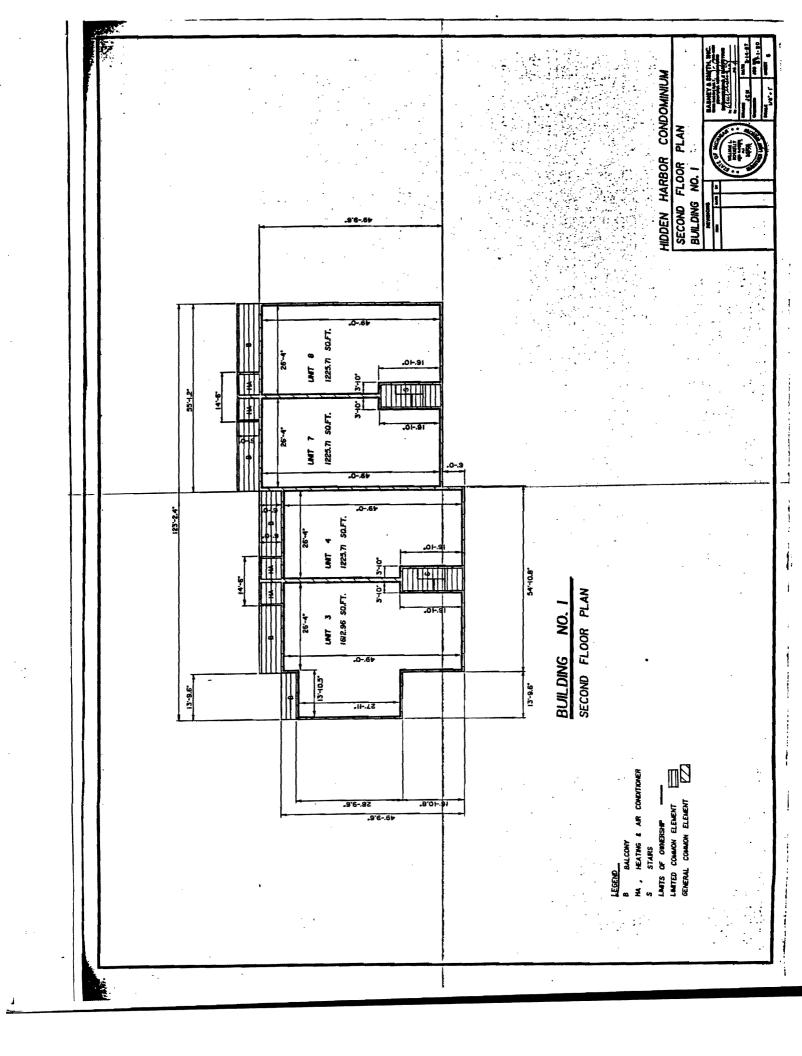


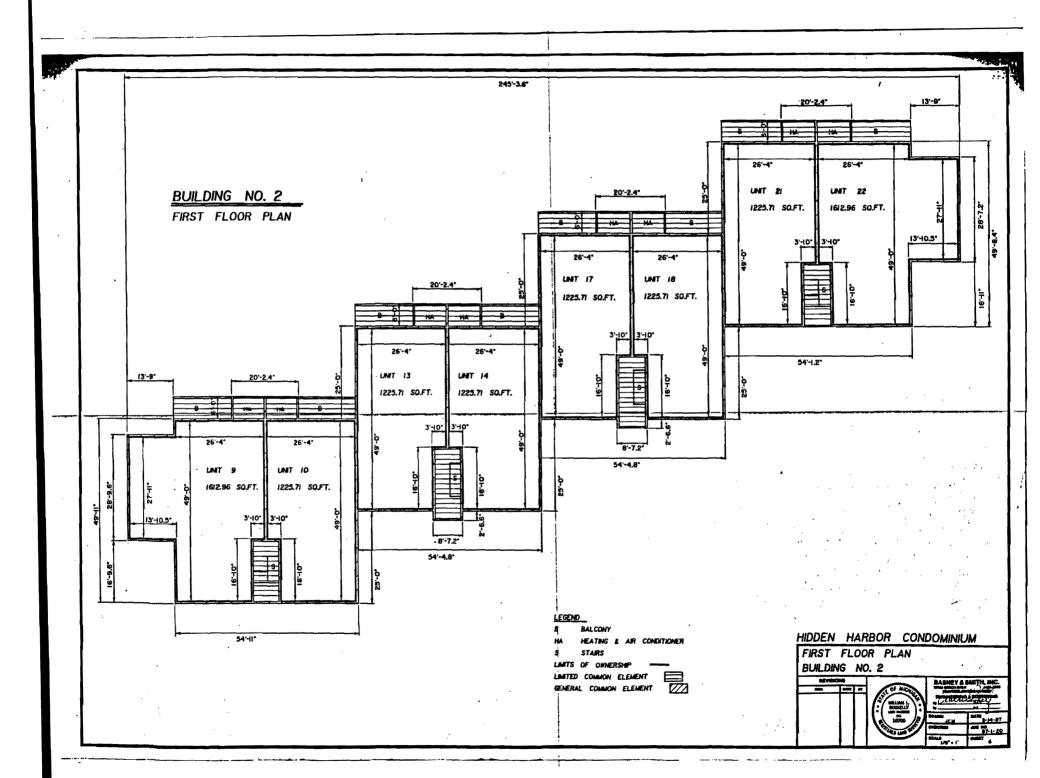


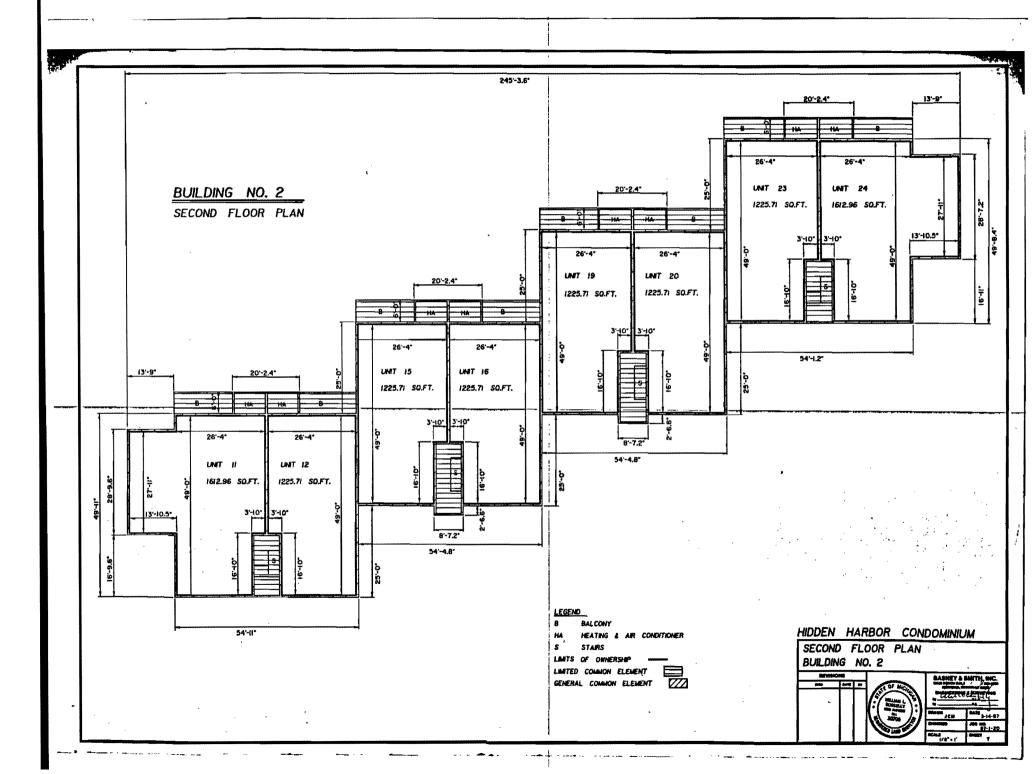












HARBOR CONDOMINIUM ASSOCIATION

CORPORATE BYLAWS

ARTICLE I

The Condominium Bylaws of the Association are attached to and recorded with the Master Deed and are hereby incorporated herein by reference in their entirety. The Bylaws hereafter set forth shall be known as the Corporate Bylaws.

ARTICLE II

Section 1. Meetings of the Association members shall be held at the principal office of the Association or at such other suitable place convenient to the members as may be designated by the Board of Directors. Voting shall be as provided in the Condominium Bylaws.

Section 2. The first annual meeting of members of the Association shall be held in accordance with the Condominium Bylaws. The date, time and place of the first annual meeting shall be set by the Board of Directors, and at least ten (10) days' written notice thereof shall be given to each member. Thereafter, the annual meetings of members of the Association shall be held on the third Tuesday of March each succeeding year (commencing the third Tuesday in March of the calendar year following the year in which the first annual meeting is held) at such time and place as shall be determined by the Board of Directors. At such meetings there shall be elected by ballot of the members, a Board of Directors in accordance with the requirements of these Bylaws. The members may also transact at annual meetings such other business of the Association as may properly come before them.

Section 3. It shall be the duty of the president to call a special meeting of the members as directed by resolution of the Board of Directors. The president shall also call a special meeting upon a petition signed by one-third (1/3) or more in value of the members presented to the secretary of the Association, but only after the first annual meeting has been held. Notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 4. It shall be the duty of the secretary (or other Association officer in the secretary's absence) to serve a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, upon each member, at least ten (10) days but not more than sixty (60) days prior to such meeting. The mailing, postage prepaid, of a notice to the representative of each member at the address shown in the notice required to be filed with the Association by the

Condominium Bylaws or to the address of the unit owned by the member shall be deemed notice served. Any member may, by written waiver of notice signed by such member, waive such notice, and such waiver when filed in the records of the Association shall be deemed due notice.

Section 5. If any meeting of members cannot be held because a quorum is not in attendance, the members who are present may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called.

ARTICLE III

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

Section 2. The first Board of Directors designated in the Articles of Incorporation, their successors and any directors elected prior to the first annual meeting of members shall manage the affairs of the Association until a successor Board of Directors is elected at the first meeting of members of the Association convened in accordance with the Condominium Bylaws. From and after the time of the first annual meeting, the Board of Directors shall consist of five persons. The term of the first Board of Directors shall continue until the first annual meeting of members. The term of the Board of Directors elected at the first annual meeting shall continue until the next regularly scheduled annual meeting. The term of all other directors shall be one year. All directors shall hold office until their successors have been elected and hold their first meeting.

Section 3. The Board of Directors shall have the powers and duties set forth in the Condominium Bylaws.

Section 4. Vacancies in the first or any successor Board of Directors caused by any reason other than the removal of a director by a vote of the members of the Association shall be filled by vote of the majority of the remaining directors, even though they may constitute less than a quorum. Each person so elected shall be a director until a successor is elected at the next annual meeting of the Association.

Section 5. At any regular or special meeting of the members duly called and held, any one or more of the directors may be removed with or without cause by a majority vote of the members, and a successor may then and there be elected to fill the vacancy thus created.

Section 6. The first meeting of a newly elected Board of Directors shall be held within ten (10) days of election at such place and time 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 constitute such meeting.

Section 7. Regular meetings of the Board of Directors may be held at such times and places as shall be determined from time to time by a majority of the directors. At least two such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each director, personally, or by mail, telephone or telegraph at least five days prior to the date of the meeting.

Section 8. Special meetings of the Board of Directors may be called by the president on three days' notice to each director, given personally, or by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the president or secretary in like manner and on like notice on the written request of one director.

Section 9. 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 that director of the time and place thereof. If all the directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 10. 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 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 from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice. The joinder of a director in the action of a meeting by signing and concurring in

the minutes thereof, shall constitute the presence of such director for purposes of determining a quorum.

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

ARTICLE IV

Section 1. The principal officers of the Association shall be a president, vice president, secretary and treasurer. The directors may

appoint an assistant treasurer, and an assistant secretary, and such other officers as in their judgment may be necessary. One person may hold more than one office.

- Section 2. The officers of the Association shall be appointed annually by the Board of Directors and shall hold office at the pleasure of the Board.
- Section 3. Any officer may be removed by the Board of Directors either with or without cause, and the successor to the removed officer may be appointed at any regular meeting of the Board of Directors, or at any special meeting of the Board called for such purpose.
- Section 4. The president shall be the chief executive officer of the Association, and shall preside at all meetings of the Association and of the Board of Directors. The president shall have all of the general powers and duties which are usually vested in the office of the president of a corporation, including, but not limited to, the power to appoint committees from among the members of the Association from time to time in the president's discretion as may be deemed appropriate to assist in the conduct of the affairs of the Association.
- Section 5. The vice president shall take the place of the president and perform the president's duties whenever the president shall be absent or unable to act. If neither the president nor the vice president is able to act, the Board of Directors shall appoint some other member of the Board to so do on an interim basis. The vice president shall also perform such other duties as shall from time to time be imposed by the Board of Directors.
- Section 6. 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 and shall have charge of the corporate seal and of such books and papers as the Board of Directors may direct; and shall, in general, perform all duties incident to the office of the secretary.
- Section 7. The treasurer shall have responsibility for all Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipt and disbursements in books belonging to the Association. The treasurer shall be responsible for the deposit of all monies and other valuable papers of the Association, in the name of and to the credit of the Association, in such depositories as may from time to time be designated by the Board of Directors.
- Section 8. The officers shall have such other duties, powers and responsibilities as shall, from time to time, be authorized by the Board of Directors.

ARTICLE V

The Board of Directors may adopt a seal on behalf of the Association which shall have inscribed thereon the name of the Association, the words "Corporate Seal" and "Michigan."

ARTICLE VI

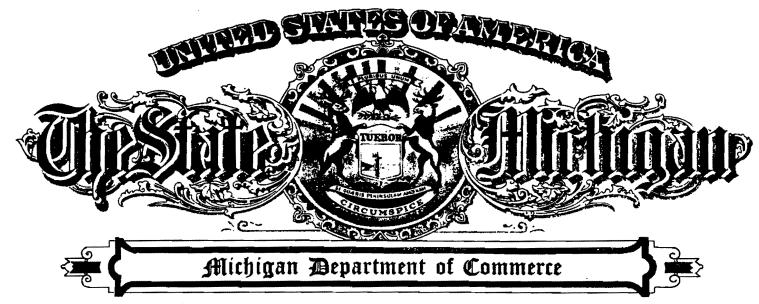
Section 1. The fiscal year of the Association shall be an annual period commencing on such date as may be initially determined by the Board of Directors. Absent such determination by the Board of Directors, the fiscal year of the Association shall be the calendar year. The commencement date of the fiscal year shall be subject to change by the Board of Directors for accounting reasons or other good cause.

Section 2. The funds of the Association shall be deposited in such bank as may be designated by the Board of Directors and shall be withdrawn only upon the check or order of such officers, employees or agents as are designated by the Board of Directors from time to time.

ARTICLE VII

These Bylaws may be amended by a majority of the members.

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Lansing, Michigan

This is to Gertify That Articles of Incorporation of

HARBOR CONDOMINIUM ASSOCIATION

were duly filed in this office on the 6TH day of APRIL , 1987 , in conformity with Act 162, Lublic Acts of 1982.

In testimony whereof, I have hereunto set my hand and affixed the Seal of the Department, in the City of Lansing, this 6TH day of APRIL , 1987



MICHIGAN DEPT: OF COMMERCE

759-503

ARTICLES OF INCORPORATION

APR 06 1987

MICHIGAN NON-PROFIT CORPORATION

Administrator MICHIGAN DEPARTMENT OF COMMERCE Corporation & Securities Bureau

Pursuant to the provisions of Act 162, Public Acts of 1982, the undersigned execute the following Articles:

ARTICLE I

The name of the corporation is

Harbor Condominium Association.

ARTICLE II

The purposes for which the corporation is organized are:

- (a) To manage and administer the affairs of and to maintain Harbor Condominium, (the "Condominium");
- (b) To levy and collect assessments against and from the co-owner members of the corporation and to use the proceeds thereof for the purposes of the corporation;
 - (c) To carry insurance and to collect and allocate the proceeds thereof;
 - (d) To rebuild improvements after casualty;
- (e) To contract for and employ persons, firms, or corporations to assist operation, maintenance, and administration of the management, Condominium;
- (f) To make and enforce reasonable regulations concerning the use and enjoyment of the Condominium'
- (g) To own, maintain and improve, and to buy, sell, convey, assign, mortgage, or lease (as Landlord or Tenant) any real and personal property, including, but not limited to, any unit in the Condominium or any other real property, whether or not contiguous to the Condominium, for the purpose of providing benefit to the members of the corporation and in furtherance of any of the purposes of the corporation;
- (h) To borrow money and issue evidence of indebtedness in furtherance of any or all of the objects of its business; to secure the same by mortgage, pledge or other lien;
- (i) To enforce the provisions of the Master Deed and Bylaws of the Condominium and of these Articles of Incorporation and such Bylaws and Rules and Regulations of the corporation as may hereafter be adopted;
- To do anything required of or permitted to its as administrator of the Condominium by the Condominium Master Deed or Bylaws or by the Michigan Condominium Act;

(k) In general, to enter into any kind of activity; to make and perform any contract and to exercise all powers necessary, incidental or convenient to the administration, management, maintenance, repair, replacement and operation of the Condominium and to the accomplishment of any of the purposes thereof.

ARTICLE III

The corporation is organized upon a nonstock basis.

The assets of the corporation are:

Real Property:

None

Personal Property:

None

The corporation is to be financed under the following general plan:

Assessment of Members owning units in the Condominium.

The corporation is organized on a membership basis.

ARTICLE IV

The address of the registered office is:

4050 West Maple Road Suite 103 Birmingham, Michigan 48010

The mailing address of the registered office is the same as above.

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

Robert Rubin

ARTICLE V

The names and business addresses of all the incorporators are:

Robert Rubin 4050 West Maple Road Suite 103 Birmingham, Michigan 48010

Robert Davis 4050 West Maple Road Suite 103 Birmingham, Michigan 48010

Ruth J. Emerling 4050 West Maple Road Suite 103 Birmingham, Michigan 48010

The above persons comprise the corporation's first board of directors.

ARTICLE VI

The term of the corporate existence is perpetual.

ARTICLE VII

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

- (a) Each co-owner (including the Developer named in the Condominium Master Deed) of a unit in the Condominium shall be a member of the corporation, and no other person or entity shall be entitled to membership.
- (b) Membership in the corporation shall be established by the acquisition of fee simple to a unit in the Condominium and by recording with the Register of Deeds in the County where the Condominium is located a deed or other instrument establishing a change of record title to such unit and the furnishing of evidence of same satisfactory to the corporation (except that the Developer of the Condominium shall become a member immediately upon establishment of the Condominium), the new co-owner thereby becoming a member of the corporation, and the membership of the prior co-owner thereby being terminated. Land contract vendees of units shall be members if the land contract instrument expressly conveys the vendor's interest as a member of the corporation in which event the vendor's membership shall terminate as to the unit sold.
- (c) The share of a member in the funds and assets of the corporation cannot be assigned, pledged, encumbered or transferred in any manner except as an appurtenance to the member's unit in the Condominium.
- (d) Voting by members shall be in accordance with the provisions of the bylaws of this corporation.

ARTICLE VIII

These Articles of Incorporation may only be amended by unanimous consent of all members.

We, the incorporators, sign our names this 114h day of March 1987.

ROBERT BUBIN

ROBERT DAVIS

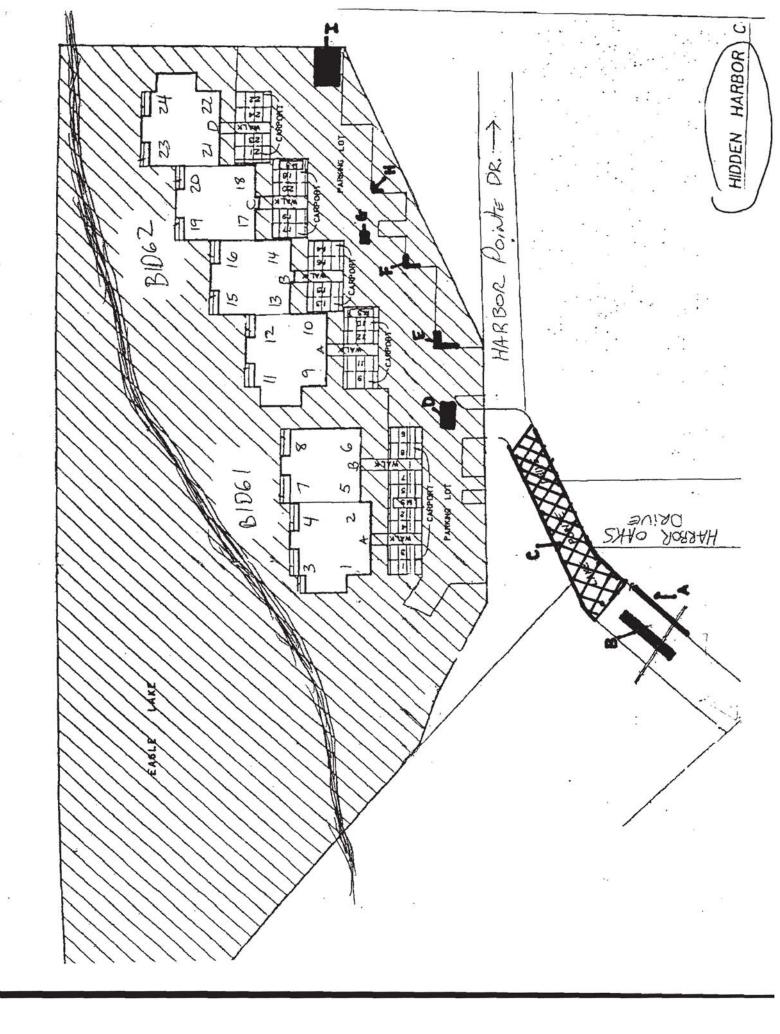
RUTH J. EMERLING

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ADMINISTRATIVE	ANNUAL BUDGET	MO.
Administrative Expense Legal and Audit Expense Management Expense Maintenance Expense Telephone	\$ 200.00 1,500.00 3,600.00 3,000.00 299.68	.69 5.21 12.50 10.42
SUBTOTAL	\$ 8,599.68	29.86
GROUNDS EXPENSE		
Grounds Maintenance & Supply Lawn Maintenance Contract Snow Removal Contract Equipment Maintenance Extermination Expense Tree & Shrub Maint. Replacement	\$ 600.00 1,125.00 1,125.00 100.00 396.00 500.00	2.08 3.91 3.91 .35 1.38
SUBTOTAL	\$ 3,846.00	13.37
BUILDING MAINTENANCE		
Rubbish Removal Maintenance Supplies Building Maintenance & Repair Plumbing & Electrical Repair Hall Cleaning	\$ 520.00 800.00 800.00 800.00 360.00	1.81 2.78 2.78 2.78 1.25
SUBTOTAL	\$ 3,280.00	11.40
UTILITIY EXPENSE		
Water & Sewer Expense Electricity (Exterior)	\$ 8,000.00 4,000.00	27.78 13.89
SUBTOTAL	\$12,000.00	41.67
TAXES		
Payroll Taxes Taxes - Other	\$ 300.00 200.00	1.04
SUBTOTAL	\$ 500.00	1.73
INSURANCE & RESERVES		
Property & Liability Ins. Insurance Claims Transfer to General Reserve	\$ 4,000.00 500.00 1,000.00	13.89 1.74 <u>3.47</u>
SUBTOTAL	\$ 5,500.00	19.10
TOTAL	\$33,725.68	117.13

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WATERFORD TOWNSHIP, OAKLAND COUNTY, MICHIGAN EXHIBIT. B TO THE MASTER DEED OF HIDDEN HARBOR CONDOMINIUM SUBDIVISION PLAN NO. 491

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