APPELLANT'S APPENDIX

STATE OF MICHIGAN
IN THE TRIAL COURT FOR THE COUNTY OF WASHTENAW

CITY OF ANN ARBOR,
A Michigan Municipal Corporation,

Plaintiff,

Case No. 18-71 CZ
Honorable Timothy P. Connors

v.

GEDDES LAKE CONDOMINIUM ASSOCIATION,
HOWARD W. REINDEL TRUST,
AMY F. MA-POWERS, and
REYES GALVAN,

Defendants.

Stephen K. Postema (P38871)
Kristen D. Larcom (P39550)
Office of the City Attorney
Attorneys for Plaintiff
301 E. Huron St.
Ann Arbor, Michigan 48107-8647
(734) 794-6170

There is pending a civil action arising out of the transaction or occurrence alleged in the complaint, to wit: Reyes Galvan, et al v. Yam Foo Poon, et al, case no. 17-1249-NZ, assigned to Judge Timothy Connors..

VERIFIED COMPLAINT

Plaintiff City of Ann Arbor, through the Office of the City Attorney, for its verified complaint against Defendants Geddes Lake Condominium Association, Howard W. Reindel Trust, Amy F. Ma-Powers, and Reyes Galvan states as follows:

PARTIES AND JURISDICTION

1. Plaintiff City of Ann Arbor ("Plaintiff City") is a Michigan Municipal Corporation located in Washtenaw County, Michigan.

2. Defendant Geddes Lake Condominium Association ("Defendant Association") is a Michigan Corporation formed to provide an entity, pursuant to the condominium act, MCL 559.101 et seq., for the operation of the Geddes Lake Condominiums in the City of Ann Arbor, Washtenaw County, Michigan.

3. Geddes Lake Condominiums are attached residential condominium units each of which is located in the City of Ann Arbor.

4. The subject matter of this action consists of the condominium units at 642 Peninsula, 644 Peninsula, and 646 Peninsula ("the Subject Condos"), which are part of one building that consists of eight condominium units total.

5. Howard W. Reindel resides in the condominium unit ("condo") located at 642 Peninsula, which he owns through Defendant Howard W. Reindel Trust ("Defendant Reindel").

6. Defendant Reyes Galvan ("Defendant Galvan") is an individual who owns the condo located at 644 Peninsula.

7. Defendant Amy F. Ma-Powers ("Defendant Ma-Powers") is an individual who owns the condo located at 646 Peninsula.

8. Pursuant to MCL 600.2940, this Court has subject matter jurisdiction over Plaintiff City's complaint to abate a public nuisance.

9. MCR 3.601 governs procedure in actions to abate public nuisance.

10. This court has jurisdiction over the parties because the Subject Condos are located in Washtenaw County, the cause of action arose in Washtenaw County, and the parties reside or do business in Washtenaw County.

11. Venue is proper in this Court for the same reasons as stated in paragraph 10, above.

12. Plaintiff City seeks injunctive and other appropriate legal and equitable relief to abate the public nuisance conditions described, below.

COMMON ALLEGATIONS

13. Plaintiff City incorporates by reference the allegations set forth in the preceding paragraphs above.

14. Before 2008, the dwellings in the Geddes Lake Condominiums were residential cooperative units known as Geddes Lake Cooperative Homes ("the cooperative units").

15. In 2008, the cooperative units were converted into the Geddes Lake Condominiums.

16. Defendant Reindel's condo and Defendant Galvan's condo share a common wall between their condos.

17. Defendant Galvan's condo and Defendant Ma-Powers' condo share a common wall between their condos.

18. On or about August 16, 2017, Defendant Galvan visited the City of Ann Arbor's Construction and Building Department ("Building Department") and told a City employee that a mold remediation contractor working at his condo told him that they had discovered that the common wall between his condo and Defendant Ma-Powers' condo lacked a firewall.

19. A firewall is a fire-resistant barrier used to prevent the spread of fire for a prescribed period of time and is required by the building code.

20. At Defendant Galvan's request, on or about August 17, 2017, a City building inspector met with Defendant Galvan at his condo.

21. After a cursory inspection, the building inspector recommended that Defendant Galvan consult with an architect and private contractor to make a thorough inspection of the

condition of the wall between his and Defendant Ma-Powers' condos. Defendant Galvan was told that if it was confirmed that there was no firewall, which is a building code violation, it would be necessary for Defendant Galvan to apply for a building permit to construct a firewall.

22. At the time that the building inspector recommended to Defendant Galvan that he consult with an architect and private contractor, Plaintiff City had no knowledge concerning the condition of the wall between his and Defendant Ma-Powers' condos.

23. On or about September 6, 2017, Defendant Galvan delivered sketches to a City employee of the wall between his and Defendant Ma-Powers' condos. The sketches were not signed and sealed by an architect and were not attached to an application for a building permit. The sketches suggested that in fact there was no firewall between his and Defendant Ma-Powers' condos.

24. Defendant Galvan was told by a City employee that to perform work on the common wall between his and Defendant Ma-Powers' condos would require them to submit a single application for a building permit to which they both consented. The City employee also told Defendant Galvan that the plans submitted with the application must be signed and sealed by an architect.

25. Plaintiff City's Building Official and other Building Department employees began to research Plaintiff City's historical records. They found that in October 1984, the common owner at that time of the cooperative units at 642, 644, and 646 Peninsula obtained a building permit from Plaintiff City to remove the walls to combine the three cooperative units into one single-family cooperative unit. A certificate of occupancy was issued in 1986.

26. Plaintiff City does not and cannot know when the construction of walls occurred to convert the single cooperative unit back to the three separate condos that now exist because the Building Official also found that no further building permits were applied for after 1986.

27. The construction without building permits of the common wall between Defendant Reindel's condo and Defendant Galvan's condo, as well as the common wall between Defendant Galvan's condo and Defendant Ma-Powers' condo (collectively referred to as "the common walls"), was a building code violation and is a continuing building code violation.

28. The illegal construction without permits of the common walls means that City building inspectors had no opportunity to inspect the construction to ensure they complied with the building code and other applicable codes.

29. After determining the common walls were constructed without permits, the City Building Official informed all Defendants of the discovery in separate letters dated October 9, 2017. The City Building Official stressed the seriousness of the firewall issue, stating "[i]t is very important for the health, safety, and welfare of all to have building inspections of all three units to ensure that the proper separation exists between all units." Copies of the October 9, 2017, letters are attached as Exhibit 1.

30. The Building Official further indicated in the October 9th letter that to remedy the situation it would require cooperation among all of the Defendants "so that a building permit application with sealed drawings may be submitted for my review in order to have work performed to correct this Building Code violation." See, Exh 1.

31. On October 18, 2017, Defendant Association sent a letter to Plaintiff City's Building Official, copied to all Defendants, in response to its October 9th letter, proposing a meeting on October 24, 2017. A copy of the letter is attached as Exhibit 2.

32. On or about October 24, 2017, as requested by the attorney for the Defendant Association, Plaintiff City hosted a meeting for Defendants to discuss possible terms for an agreement among them that would result in compliance with the Building Official's October 9th letter (Exh 1).

33. Present at the October 24th meeting were all Defendants except for Defendant Reindel. Also present were attorneys for each of the Defendants, except for Defendant Ma-Powers, were also present at the meeting. The City Building Official and an assistant city attorney also attended the meeting.

34. Plaintiff City hosted another meeting on November 2, 2017. Attendees at the meeting were the same as at the October 24th meeting.

35. At the November 2nd meeting the Building Official informed Defendants that they had until November 22, 2017, to submit the required application for a permit with signed and sealed architectural plans and that failure to do so would result in Plaintiff City taking legal action.

36. As of the date of this complaint, Plaintiff City has not received a joint application by all Defendants for a building permit, which is required because the common walls were constructed without a permit.

37. Alternatively, one application for each common wall, submitted jointly by the Defendants who share the common wall, would also be accepted, but no such applications have been received as of the date of this complaint.

38. Plaintiff City has encouraged and attempted to facilitate the parties to reach an agreement among themselves for submission of a single application for a building permit for the construction of the walls (or two applications, one for each of the common walls), to remedy the building code violations of construction without a building permit and the absence of a firewall.

39. Because of the Defendants' failure to submit any application(s) for building permit(s), Plaintiff City files this lawsuit requesting this Court to order Defendants to submit application(s) for building permit(s) or provide any other remedy this Court deems appropriate to ensure firewalls exist between each of the Defendants' condos.

COUNT I: PUBLIC NUISANCE PER SE

40. Plaintiff City incorporates by reference the allegations set forth in the preceding paragraphs above.

41. The 2015 Michigan Residential Code (MRC), adopted by reference in Chapter 100 (Construction Code) of the Ann Arbor Code of Ordinances, requires in section R105 (Permits) applying to the Building Official for and obtaining the required permits before performing work involving construction, alteration, repair, demolition, etc related to a building or structure.

42. MRC R302.2 (Fire-Resistant Construction - Townhouses) requires townhouses to be separated by a 2-hour fire-resistance-rated wall assembly. Copies of MRC R105 and MRC R302.2 are attached in Exhibit 3.

43. Under section 8:381 of Chapter 101 (Dangerous Buildings) of the Code of the City of Ann Arbor (Chapter 101), it is unlawful and deemed a public nuisance to maintain a

dangerous building as defined in section 8:382. The owner of a dangerous building must abate it by alteration, repair, rehabilitation, demolition or removal.

44. The condos managed by Defendant Association and owned by the remaining Defendants at 642 Peninsula, 644 Peninsula, and 646 Peninsula, meet the definition of dangerous buildings under section 8:382 of Chapter 101. Copies of sections 8:381 and 8:382 are attached as Exhibit 4.

45. Each condo managed and owned by the Defendants constitutes a public nuisance per se that Defendants must abate by applying for and obtaining the necessary permits for alteration, repair, rehabilitation, or removal, and having the work performed to code as determined by City of Ann Arbor inspectors.

COUNT II: PUBLIC NUISANCE IN FACT

46. Plaintiff City incorporates by reference the allegations set forth in the preceding paragraphs above.

47. Each condo managed by Defendant Association and owned by the remaining Defendants at 642 Peninsula, 644 Peninsula, and 646 Peninsula constitute a public nuisance in fact because the circumstances and surroundings have a natural tendency to endanger the public health, safety, and welfare.

48. The circumstances and surroundings of the Subject Condos that contribute to endangering the public health, safety, and welfare include, but are not limited to, the fact that the Subject Condos can contribute to a fire hazard.

COUNT III: RECEIVERSHIP

49. Plaintiff City incorporates by reference the allegations set forth in the preceding paragraphs above.

50. The conditions of the Subject Condos justify the appointment of a receiver in the exercise of this Court's equitable powers as provided in MCL 600.2926, if Defendants cannot reach agreement on plans to abate the nuisance condition.

For the foregoing reasons, Plaintiff City of Ann Arbor asks this Court to exercise its legal and equitable powers to eliminate the nuisance conditions at the Subject Condos now and forever by ordering Defendants to show cause why this Court should not issue preliminary and permanent injunctions that:

A. Declare the Subject Condos to be a public nuisance.

B. Order Defendants immediately upon entry of the Court's order to submit one application for a building permit to construct both common walls of the Subject Condos or one application for each common wall to fully and completely remedy the condition of the Subject Condos.

C. Plaintiff City further requests that, if Defendants fail to timely comply with this Court's orders, this Court issue an order permitting Plaintiff City to cause the work to be done necessary to eliminate the nuisance conditions.

D. Plaintiff City further requests that, if it becomes necessary for Plaintiff City to cause the work to be done, this Court appoint a receiver for the Subject Condos if appropriate or necessary.

E. Plaintiff City further requests that, if it becomes necessary for Plaintiff City to cause the work to be done, all action by Plaintiff City be at Defendants' expense, and that Defendants shall pay all costs and expenses incurred by Plaintiff City as they become due.

F. Plaintiff City further requests that, in addition to Plaintiff City's authority under City ordinance to place a lien on the Subject Condos in the amount of costs and expenses incurred by Plaintiff City, such costs and expenses be deemed a money judgment against Defendants collectible in any manner provided by law.

G. Plaintiff City further requests that this Court issue any other orders and grant Plaintiff City any other relief the Court finds warranted, and that Plaintiff City be awarded its costs and attorney fees for bringing this action.

Respectfully submitted,

OFFICE OF THE CITY ATTORNEY

Dated: January 18, 2018

By: _____

Stephen K. Postema (P38871)
Kristen D. Larcom (P39550)
Office of the City Attorney
Attorneys for Plaintiff
301 E. Huron St.
Ann Arbor, Michigan 48107
(734) 794-6170

VERIFICATION

STATE OF MICHIGAN)
:ss
COUNTY OF WASHTENAW)

I, Glen Dempsey, being first duly sworn, depose and say that I am employed by the City of Ann Arbor, Plaintiff in this matter, as Building Official. I have read the foregoing Verified Complaint and know its content, and that to the best of my knowledge, information and belief, the contents thereof are true.

_____
Glen Dempsey
City of Ann Arbor Building Official

Subscribed and sworn to before me this 18 day of January, 2018.

_____
Notary Public, State of Michigan
County of: Washtenaw
Acting in the County of: Washtenaw

KAITLYN L. KUPLER
Notary Public, State of Michigan
My Commission Expires Sept. 22, 2020

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A17-00766

EXHIBIT 1

CITY OF ANN ARBOR, MICHIGAN
Community Services Area
Planning & Development Services Unit
301 E. Huron St, P.O. Box 8647, Ann Arbor, Michigan 48107-8647
www.a2gov.org
1-734-794-6263

October 9, 2017

David Thrasher, Resident Agent
Geddes Lake Condominium Assoc
3000 Lakehaven Drive
Ann Arbor, MI 48105

Re: Condominium units at 642, 644, and 646 Peninsula

Dear Mr. Thrasher:

This is to advise you that recently it has come to my attention that a previous owner of the above-referenced condominium units performed construction work without obtaining a building permit, which affects all of the units. This was discovered after the owner at 644 Peninsula contacted me to report that contractors working at his property had informed him that the common wall between his unit and the unit at 646 Peninsula lacked a firewall. A firewall separation between townhome type units is required by the Michigan Building Code. A letter similar to this one is being sent to owners of each of the three units.

My research of City records indicates that in October, 1984, the common owner at that time of the three units obtained a building permit from the City for alterations to combine them into one single-family unit. A certificate of occupancy was issued in 1986.

No further building permits were applied for after 1986 so I do not know at what point work was done to convert the single unit back to three separate units. Unfortunately, the failure to apply for and obtain a building permit for this work means that the City had no knowledge of it. Therefore, no inspections by City building inspectors were performed.

The construction of a townhome has very specific requirements for construction. Each individual unit must have the proper separation from the other units. The discovery of the lack of proper separation between the units at 644 and 646 Peninsula leads me to believe that the same may be true between 642 Peninsula and 644 Peninsula.

This is a serious issue. It is very important for the health, safety, and welfare of all to have building inspections of all three units to ensure that the proper separation exists between all units. For this to occur will require cooperation by the owners of the three units and the condo association so that a building permit application with sealed drawings may be submitted for my review in order to have work performed to correct this Building Code violation.

To begin this process, I am asking you (and the unit owners) to contact me as soon as you receive this letter, but in any event no later than October 16, 2017. You may reach me at (734) 794-6000 x 42660 or at gdempsey@a2gov.org. Or you may contact my deputy building official, Marc Howell, at (734) 794-6000 x 42604 or at mhowell@a2gov.org.

I realize that receiving this letter may be very upsetting. Unfortunately, however, I must bring this situation to your attention for the safety of the owners of the units, in which you also have an interest. It is my hope that all interested parties will join together to resolve this matter without the need for any type of enforcement action by the City. The building department is here to facilitate in any way we can. Thank you for your anticipated cooperation.

Sincerely,

Glen Dempsey
Building Official
City of Ann Arbor

cc: Kristen D. Larcom – Senior Assistant City Attorney
Lisha Turner-Tolbert – Housing and Building Department Manager
Derek Delacourt – Community Services Area Administrator
Property Owner of 644 Peninsula (not enclosed)
Property Owner of 642 Peninsula (not enclosed)
Property Owner 646 Peninsula (not enclosed)

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October 9, 2017

Kevin Perrotta, President
Geddes Lake Condominium Assoc
3000 Lakehaven Drive
Ann Arbor, MI 48105

Re: Condominium units at 642, 644, and 646 Peninsula

Dear Mr. Perrotta:

This is to advise you that recently it has come to my attention that a previous owner of the above-referenced condominium units performed construction work without obtaining a building permit, which affects all of the units. This was discovered after the owner at 644 Peninsula contacted me to report that contractors working at his property had informed him that the common wall between his unit and the unit at 646 Peninsula lacked a firewall. A firewall separation between townhome type units is required by the Michigan Building Code. A letter similar to this one is being sent to owners of each of the three units.

My research of City records indicates that in October, 1984, the common owner at that time of the three units obtained a building permit from the City for alterations to combine them into one single-family unit. A certificate of occupancy was issued in 1986.

No further building permits were applied for after 1986 so I do not know at what point work was done to convert the single unit back to three separate units. Unfortunately, the failure to apply for and obtain a building permit for this work means that the City had no knowledge of it. Therefore, no inspections by City building inspectors were performed.

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Sincerely,

Glen Dempsey
Building Official
City of Ann Arbor

cc: Kristen D. Larcom – Senior Assistant City Attorney
Lisha Turner-Tolbert – Housing and Building Department Manager
Derek Delacourt – Community Services Area Administrator
Property Owner of 644 Peninsula (not enclosed)
Property Owner of 642 Peninsula (not enclosed)
Property Owner 646 Peninsula (not enclosed)

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October 9, 2017

Amy F. Ma-Powers
646 Peninsula
Ann Arbor, MI 48105

Re: Your condominium unit at 646 Peninsula

Dear Ms. Ma-Powers:

This is to advise you that recently it has come to my attention that a previous owner of your condominium unit performed construction work without obtaining a building permit, which also affects the units at 642 and 644 Peninsula. This was discovered after your neighbor at 644 Peninsula contacted me to report that contractors working at his property had informed him that the common wall between his unit and your unit lacked a firewall. A firewall separation between townhome type units is required by the Michigan Building Code. A letter similar to this one is being sent to your neighbors as well as to the Geddes Lake Condominium Association.

My research of City records indicates that in October, 1984, the common owner at that time of the units at 642, 644, and 646 Peninsula obtained a building permit from the City for alterations to combine them into one single-family unit. A certificate of occupancy was issued in 1986.

No further building permits were applied for after 1986 so I do not know at what point work was done to convert the single unit back to three separate units. Unfortunately, the failure to apply for and obtain a building permit for this work means that the City had no knowledge of it. Therefore, no inspections by City building inspectors were performed.

The construction of a townhome has very specific requirements for construction. Each individual unit must have the proper separation from the other units. The discovery of the lack of proper separation between the unit at 644 and your unit leads me to believe that the same may be true between 642 Peninsula and 644 Peninsula.

This is a serious issue. It is very important for the health, safety, and welfare of all to have building inspections of all three units to ensure that the proper separation exists between all units. For this to occur will require cooperation by you, your neighbors, and the condo association so that a building permit application with sealed drawings may be submitted for my review in order to have work performed to correct this Building Code violation.

To begin this process, I am asking you (and your neighbors and the condo association) to contact me as soon as you receive this letter, but in any event no later than October 16, 2017. You may reach me at (734) 794-6000 x 42660 or at gdempsey@a2gov.org. Or you may contact my deputy building official, Marc Howell, at (734) 794-6000 x 42604 or at mhowell@a2gov.org

I realize that receiving this letter may be very upsetting to you. Unfortunately, however, I must bring this situation to your attention for your safety and that of your neighbors. It is my hope that

all interested parties will join together to resolve this matter without the need for any type of enforcement action by the City. The building department is here to facilitate in any way we can. Thank you for your anticipated cooperation.

Sincerely,

Glen Dempsey
Building Official
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Lisha Turner-Tolbert – Housing and Building Department Manager
Derek Delacourt – Community Services Area Administrator
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Property Owner of 642 Peninsula (not enclosed)
David Thrasher, Resident Agent, Geddes Lake Condominium Assoc (not enclosed)
Kevin Perrotta, President, Geddes Lake Condominium Assoc (not enclosed)

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October 9, 2017

Reyes Galvan
644 Peninsula
Ann Arbor, MI 48105

Re: Your condominium unit at 644 Peninsula

Dear Mr. Galvan:

As you know, it has come to my attention as a result of you attorney's letter to me that a previous owner of your condominium unit performed construction work without obtaining a building permit, which also affects the units at 642 and 646 Peninsula. This was discovered after I received your complaint indicating that contractors working at his property had informed you that the common wall between your unit and the unit at 646 Peninsula lacked a firewall. A firewall separation between townhome type units is required by the Michigan Building Code. A letter similar to this one is being sent to your neighbors as well as to the Geddes Lake Condominium Association.

My research of City records indicates that in October, 1984, the common owner at that time of the units at 642, 644, and 646 Peninsula obtained a building permit from the City for alterations to combine them into one single-family unit. A certificate of occupancy was issued in 1986.

No further building permits were applied for after 1986 so I do not know at what point work was done to convert the single unit back to three separate units. Unfortunately, the failure to apply for and obtain a building permit for this work means that the City had no knowledge of it. Therefore, no inspections by City building inspectors were performed.

The construction of a townhome has very specific requirements for construction. Each individual unit must have the proper separation from the other units. The discovery of the lack of proper separation between the unit at 646 and your unit leads me to believe that the same may be true between 642 Peninsula and 644 Peninsula.

This is a serious issue. It is very important for the health, safety, and welfare of all to have building inspections of all three units to ensure that the proper separation exists between all units. For this to occur will require cooperation by you, your neighbors, and the condo association so that a building permit application with sealed drawings may be submitted for my review in order to have work performed to correct this Building Code violation.

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Kevin Perrotta, President, Geddes Lake Condominium Assoc (not enclosed)

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October 9, 2017

Howard W. Reindel Trust
c/o Howard W. Reindel
642 Peninsula
Ann Arbor, MI 48105

Re: Your condominium unit at 642 Peninsula

Dear Mr. Reindel:

This is to advise you that recently it has come to my attention that a previous owner of your condominium unit performed construction work without obtaining a building permit, which also affects the units at 644 and 646 Peninsula. This was discovered after your neighbor at 644 Peninsula contacted me to report that contractors working at his property had informed him that the common wall between his unit and 646 Peninsula lacked a firewall. A firewall separation between townhome type units is required by the Michigan Building Code. A letter similar to this one is being sent to your neighbors as well as to the Geddes Lake Condominium Association.

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Property Owner of 644 Peninsula
Property Owner of 646 Peninsula
David Thrasher, Resident Agent, Geddes Lake Condominium Assoc
Kevin Perrotta, President, Geddes Lake Condominium Assoc

EXHIBIT 2

CHRIS L. McKENNEY
ALLEN J. PHILBRICK
BRUCE N. ELLIOTT
NEIL J. JULIAR
ROBERT M. BRIMACOMBE
ELIZABETH M. PETOSKEY
JAMES A. SCHRIEMER
BRADLEY J. McLAMPY
JOSEPH W. PHILLIPS
WILLIAM M. SWEET
DOUGLAS G. McCLURE
MARJORIE M. DIXON
THOMAS D. LUCZAK
DENNIS R. VALENTI
RICHARD P. PETERSON, II
W. DANIEL TROYKA
JOY M. GLOVICK
ANDREW D. SUGERMAN
ERIK DUENAS
MATTHEW C. RETTIG
MICHAEL C. CROWLEY
MATTHEW R. CAMERON
ROBERT M. O'REILLY

LAW OFFICES OF

CONLIN, McKENNEY & PHILBRICK, P.C.
350 SOUTH MAIN STREET, SUITE 400
ANN ARBOR, MICHIGAN
48104-2131

EDWARD F. CONLIN (1902-1953)
JOHN W. CONLIN (1904-1972)
ALBERT J. PARKER (1901-1970)
PHILLIP J. BOWEN (1947-2007)

OF COUNSEL
KARL R. FRANKENA
DAVID B. GUENTHER

TELEPHONE
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OFFICE OF THE CITY ATTORNEY
CITY OF ANN ARBOR

Glen A. Dempsey
Building Official, City of Ann Arbor
301 E. Huron Street
Ann Arbor, Michigan

RE: Geddes Lake Condominium Association
Units at 642, 644 and 646 Peninsula

Dear Mr. Dempsey:

This firm represents Geddes Lake Condominium Association. I am in receipt of your letter dated October 9, 2017, regarding Units in Geddes Lake located at 642, 644, and 646 Peninsula.

Based on your letter, as well as information received from my client, I understand that the three units were combined into a single unit in the mid-1980s and were later re-divided into three units. It appears that the division was performed without building permits. The condominium documents for Geddes Lake specify that co-owners are responsible for maintenance, repair, and replacement of modifications, which specifically include the relocated wall between 644 and 646 Peninsula. As a result, Geddes Lake is not responsible for the apparent lack of a firewall between 644 and 646 (and possibly between 642 and 644). Any corrective work must be performed by the co-owners, with the role of Geddes Lake limited to approving modifications.

Nonetheless, Geddes Lake shares the City's concerns regarding this situation. To that end, we sought a preliminary assessment from OHM Advisors with regard to the wall between 644 and 646. OHM concluded that either the original wall needs to be restored with a compliant firewall, or a firewall needs to be engineered for the existing wall configuration. The latter option would likely require a variance, and OHM deemed the design work beyond its expertise.

It is doubtful that Geddes Lake or any of the co-owners can compel a solution over the objection of other co-owners absent a court order, and we agree that it is in the interest of all parties to cooperate. To that end, we propose a meeting of the affected parties at your office for a

preliminary discussion. My client (through its property manager and counsel) can be available at 1:30 pm on October 23 or 24. I would appreciate all recipients of this letter confirming their availability on these dates or proposing alternative dates.

Best regards,

W. Daniel Troyka

WDT/lse
Enclosure
cc: Kristen D. Larcom – Senior Assistant Attorney
Lisha Turner-Tolbert – Housing and Building Department Manager
Derek Delacourt – Community Services Area Administrator
Reyes Galvan, Property Owner of 644 Peninsula
Howard W. Reindel, Property Owner of 642 Peninsula
Amy Ma-Powers, Property Owner of 646 Peninsula
William F. Ager III, Esq.

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CITY OF ANN ARBOR, MICHIGAN
Community Services Area
Planning & Development Services Unit
301 E. Huron St, P.O. Box 8647, Ann Arbor, Michigan 48107-8647
www.a2gov.org
1-734-794-6263

October 9, 2017

David Thrasher, Resident Agent
Geddes Lake Condominium Assoc
3000 Lakehaven Drive
Ann Arbor, MI 48105

Re: Condominium units at 642, 644, and 646 Peninsula

Dear Mr. Thrasher:

This is to advise you that recently it has come to my attention that a previous owner of the above-referenced condominium units performed construction work without obtaining a building permit, which affects all of the units. This was discovered after the owner at 644 Peninsula contacted me to report that contractors working at his property had informed him that the common wall between his unit and the unit at 646 Peninsula lacked a firewall. A firewall separation between townhome type units is required by the Michigan Building Code. A letter similar to this one is being sent to owners of each of the three units.

My research of City records indicates that in October, 1984, the common owner at that time of the three units obtained a building permit from the City for alterations to combine them into one single-family unit. A certificate of occupancy was issued in 1986.

No further building permits were applied for after 1986 so I do not know at what point work was done to convert the single unit back to three separate units. Unfortunately, the failure to apply for and obtain a building permit for this work means that the City had no knowledge of it. Therefore, no inspections by City building inspectors were performed.

The construction of a townhome has very specific requirements for construction. Each individual unit must have the proper separation from the other units. The discovery of the lack of proper separation between the units at 644 and 646 Peninsula leads me to believe that the same may be true between 642 Peninsula and 644 Peninsula.

This is a serious issue. It is very important for the health, safety, and welfare of all to have building inspections of all three units to ensure that the proper separation exists between all units. For this to occur will require cooperation by the owners of the three units and the condo association so that a building permit application with sealed drawings may be submitted for my review in order to have work performed to correct this Building Code violation.

To begin this process, I am asking you (and the unit owners) to contact me as soon as you receive this letter, but in any event no later than October 16, 2017. You may reach me at (734) 794-6000 x 42660 or at gdempsey@a2gov.org. Or you may contact my deputy building official, Marc Howell, at (734) 794-6000 x 42604 or at mhowell@a2gov.org.

I realize that receiving this letter may be very upsetting. Unfortunately, however, I must bring this situation to your attention for the safety of the owners of the units, in which you also have an interest. It is my hope that all interested parties will join together to resolve this matter without the need for any type of enforcement action by the City. The building department is here to facilitate in any way we can. Thank you for your anticipated cooperation.

Sincerely,

Glen Dempsey
Building Official
City of Ann Arbor

cc: Kristen D. Larcom – Senior Assistant City Attorney
Lisha Turner-Tolbert – Housing and Building Department Manager
Derek Delacourt – Community Services Area Administrator
Property Owner of 644 Peninsula (not enclosed)
Property Owner of 642 Peninsula (not enclosed)
Property Owner 646 Peninsula (not enclosed)

EXHIBIT 3

to R 408.30998, and plumbing, R 408.30701 to R 408.30796, codes instead of specific requirements of the code shall also be permitted as an alternate.

R 408.30504

R104.11.1 Tests. Where there is insufficient evidence of compliance with the provisions of this code, or evidence that a material or method does not conform to the requirements of this code, or in order to substantiate claims for alternative materials or methods, the *building official* shall have the authority to require tests as evidence of compliance to be made at no expense to the *jurisdiction*. Test methods shall be as specified in this code or by other recognized test standards. In the absence of recognized and accepted test methods, the *building official* shall approve the testing procedures. Tests shall be performed by an *approved* agency. Reports of such tests shall be retained by the *building official* for the period required for retention of public records.

SECTION R105
PERMITS

R105.1 Required. Any owner or owner's authorized agent who intends to construct, enlarge, alter, repair, move, demolish or change the occupancy of a building or structure, or to erect, install, enlarge, alter, repair, remove, convert or replace any electrical, gas, mechanical or plumbing system, the installation of which is regulated by this code, or to cause any such work to be performed, shall first make application to the *building official* and obtain the required *permit*.

R105.2 Work exempt from permit. Exemption from the permit requirements of the code shall not be deemed to grant authorization for any work to be done in any manner in violation of the provisions of the code or any other laws or ordinances of this jurisdiction. Permits are not required for any of the following:

(a) Building permits shall not be required for any of the following:

(i) One-story detached accessory structures, if the floor area does not exceed 200 square feet (18.58 m^2).

(ii) A fence that is not more than 7 feet (2134 mm) high.

(iii) A retaining wall that is not more than 4 feet (1219 mm) in height measured from the bottom of the footing to the top of the wall, unless supporting a surcharge.

(iv) A water tank supported directly upon grade if the capacity is not more than 5,000 gallons (18 927 L) and the ratio of height to diameter or width is not greater than 2 to 1.

(v) A sidewalk and driveway not more than 30 inches (762 mm) above adjacent grade and not over any basement or story below and are not part of an accessible route.

(vi) Painting, papering, tiling, carpeting, cabinets, counter tops, and similar finish work.

(vii) A prefabricated swimming pool that is less than 24 inches (610 mm) deep, and not greater than 5,000 gallons (18 927 L), and is installed entirely above ground.

(viii) Swings and other playground equipment accessory to detached 1- or 2-family dwellings.

(ix) Window awnings in group R-3 and U occupancies, supported by an exterior wall that do not project more than 54 inches (1372 mm) from the exterior wall and do not require additional support, as applicable in Section 101.2 and group U occupancies.

(x) Decks not exceeding 200 square feet (18.58 m^2) in area, that are not more than 30 inches (762 mm) above grade at any point as prescribed by Section R312.1.1, are not attached to a dwelling or its accessory structures, are not within 36 inches (914 mm) of a dwelling or its accessory structures, and do not serve any ingress or egress door of the dwelling or its accessory structures.

(b) Electrical permits shall not be required, as in accordance with the Michigan electrical code, R 408.30801 to R 408.30880, for any of the following:

(i) Repairs and maintenance: Minor repair work, including the replacement of lamps or the connection of approved portable electrical equipment to approved permanently installed receptacles.

(ii) Radio and television transmitting stations: The provisions of the code do not apply to electrical equipment used for radio and television transmissions, but do apply to equipment and wiring for power supply and to the installation of towers and antennas.

(iii) Temporary testing systems: A permit is not required for the installation of any temporary system required for the testing or servicing of electrical equipment or apparatus.

(c) Mechanical permits shall not be required for any of the following:

(i) A portable heating or gas appliance that has inputs of less than 30,000 BTU's per hour.

(ii) Portable ventilation appliances and equipment.

(iii) A portable cooling unit.

(iv) Steam, hot water, or chilled water piping within any heating or cooling equipment or appliances regulated by this code.

(v) Replacement of any minor part that does not alter the approval of equipment or an appliance or make such equipment or appliance unsafe.

(vi) A portable evaporative cooler.

(vii) Self-contained refrigeration systems that contain 10 pounds (4.5 kg) or less of refrigerant, or that are actuated by motors of 1 horsepower (0.75kW) or less.

(viii) Portable fuel cell appliances that are not connected to a fixed piping system and are not interconnected to a power grid.

(ix) An oil burner that does not require connection to a flue, such as an oil stove and a heater equipped with a wick.

(x) A portable gas burner that has inputs of less than 30,000 BTU's per hour.

(xi) When changing or relocating a gas meter or regulator, a permit is not required when installing gas piping which shall be limited to 10 feet (3005 mm) in length and not more than 6 fittings.

(xii) When installing geothermal vertical closed loops under the supervision of a mechanical contractor licensed in HVAC as long as the company meets both the following:

(A) Has obtained a certificate of registration as a well drilling contractor pursuant to part 127 of the public health code, 1978, PA 368, MCL 333.12701 to 333.12771.

(B) Has installed the geothermal vertical closed loops in accordance with the department of environmental quality's best practices regarding geothermal heat pump closed loops. Exemption from the permit requirements of this code shall not be deemed to grant authorization for work to be done in violation of the provisions of this code or other laws or ordinances of this jurisdiction.

(d) Plumbing permits shall not be required for either of the following:

(i) The stopping of leaks in drains, water, soil, waste or vent pipe. If any concealed trap, drainpipe, water, soil, waste or vent pipe becomes defective and it becomes necessary to remove and replace the same with new material, then the work is considered as new work and a permit shall be obtained and inspection made as provided in the code.

(ii) The clearing of stoppages or the repairing of leaks in pipes, valves, or fixtures, and the removal and reinstallation of water closets, if the repairs do not involve or require the replacement or rearrangement of valves, pipes, or fixtures.

R 408.30505

R105.2.1 Emergency repairs. Where *equipment* replacements and repairs must be performed in an emergency situation, the *permit* application shall be submitted within the next working business day to the *building official*.

R105.2.2 Repairs. Application or notice to the *building official* is not required for ordinary repairs to structures, replacement of lamps or the connection of *approved* portable electrical *equipment* to *approved* permanently installed receptacles. Such repairs shall not include the cutting away of any wall, partition or portion thereof, the removal or cutting of any structural beam or load-bearing support, or the removal or change of any required means of egress, or rearrangement of parts of a structure affecting the egress requirements; nor shall ordinary repairs include *addition* to, *alteration* of, replacement or relocation of any water supply, sewer, drainage, drain leader, gas, soil, waste, vent or similar piping, electric wiring or mechanical or other work affecting public health or general safety.

R105.2.3 Public service agencies. A *permit* shall not be required for the installation, *alteration* or repair of generation, transmission, distribution, metering or other related *equipment* that is under the ownership and control of public service agencies by established right.

R105.3 Application for permit. To obtain a *permit*, the applicant shall first file an application therefor in writing on a form furnished by the department of building safety for that purpose. Such application shall:

1. Identify and describe the work to be covered by the *permit* for which application is made.
2. Describe the land on which the proposed work is to be done by legal description, street address or similar description that will readily identify and definitely locate the proposed building or work.
3. Indicate the use and occupancy for which the proposed work is intended.
4. Be accompanied by *construction documents* and other information as required in Section R106.1.
5. State the valuation of the proposed work.
6. Be signed by the applicant or the applicant's authorized agent.
7. Give such other data and information as required by the *building official*.

R105.3.1 Action on application. The *building official* shall examine or cause to be examined applications for *permits* and amendments thereto within a reasonable time after filing. If the application or the *construction documents* do not conform to the requirements of pertinent laws, the *building official* shall reject such application in writing stating the reasons therefor. If the *building official* is satisfied that the proposed work conforms to the requirements of this code and laws and ordinances applicable thereto, the *building official* shall issue a *permit* therefor as soon as practicable.

R105.3.1.1 Determination of substantially improved or substantially damaged existing buildings in flood hazard areas. For applications for reconstruction, rehabilitation, *addition*, alteration, repair or other improvement of existing buildings or structures located

in a flood hazard area as established by Table R301.2(1), the *building official* shall examine or cause to be examined the *construction documents* and shall make a determination with regard to the value of the proposed work. For buildings that have sustained damage of any origin, the value of the proposed work shall include the cost to repair the building or structure to its predamaged condition. If the *building official* finds that the value of proposed work equals or exceeds 50 percent of the market value of the building or structure before the damage has occurred or the improvement is started, the proposed work is a substantial improvement or restoration of substantial damage and the building official shall require existing portions of the entire building or structure to meet the requirements of Section R322.

For the purpose of this determination, a substantial improvement shall mean any repair, reconstruction, rehabilitation, addition or improvement of a building or structure, the cost of which equals or exceeds 50 percent of the market value of the building or structure before the improvement or repair is started. Where the building or structure has sustained substantial damage, repairs necessary to restore the building or structure to its predamaged condition shall be considered substantial improvements regardless of the actual repair work performed. The term shall not include either of the following:

1. Improvements to a building or structure that are required to correct existing health, sanitary or safety code violations identified by the building official and that are the minimum necessary to ensure safe living conditions.
2. Any alteration of a historic building or structure, provided that the alteration will not preclude the continued designation as a historic building or structure. For the purposes of this exclusion, a historic building shall be any of the following:
   2.1. Listed or preliminarily determined to be eligible for listing in the National Register of Historic Places.
   2.2. Determined by the Secretary of the U.S. Department of Interior as contributing to the historical significance of a registered historic district or a district preliminarily determined to qualify as an historic district.
   2.3. Designated as historic under a state or local historic preservation program that is approved by the Department of Interior.

R105.3.2 Time limitation of application. An application for a *permit* for any proposed work shall be deemed to have been abandoned 180 days after the date of filing unless such application has been pursued in good faith or a *permit* has been issued; except that the *building official* is authorized to grant one or more extensions of time for additional periods not exceeding 180 days each. The extension shall be requested in writing and justifiable cause demonstrated.

R105.4 Validity of permit. The issuance or granting of a *permit* shall not be construed to be a *permit* for, or an *approval* of, any violation of any of the provisions of this code or of any other ordinance of the *jurisdiction*. *Permits* presuming to give authority to violate or cancel the provisions of this code or other ordinances of the *jurisdiction* shall not be valid. The issuance of a *permit* based on *construction documents* and other data shall not prevent the *building official* from requiring the correction of errors in the *construction documents* and other data. The *building official* is authorized to prevent occupancy or use of a structure where in violation of this code or of any other ordinances of this *jurisdiction*.

R105.5 Expiration. Every *permit* issued shall become invalid unless the work authorized by such *permit* is commenced within 180 days after its issuance, or if the work authorized by such *permit* is suspended or abandoned for a period of 180 days after the time the work is commenced. The *building official* is authorized to grant, in writing, one or more extensions of time, for periods not more than 180 days each. The extension shall be requested in writing and justifiable cause demonstrated.

R105.6 Suspension or revocation. The *building official* is authorized to suspend or revoke a *permit* issued under the provisions of this code wherever the *permit* is issued in error or on the basis of incorrect, inaccurate or incomplete information, or in violation of any ordinance or regulation or any of the provisions of this code.

R105.7 Placement of permit. The building *permit* or a copy shall be kept on the site of the work until the completion of the project.

R105.8 Responsibility. It shall be the duty of every person who performs work for the installation or repair of building, structure, electrical, gas, mechanical or plumbing systems, for which this code is applicable, to comply with this code.

R105.9 Preliminary inspection. Before issuing a *permit*, the *building official* is authorized to examine or cause to be examined buildings, structures and sites for which an application has been filed.

SECTION R106
CONSTRUCTION DOCUMENTS

R106.1 Submittal documents. Construction documents, special inspection and structural program and other data shall be submitted in 1 or more sets with each application for a permit. The construction documents shall be prepared by or under the direct supervision of a registered design professional when required by 1980 PA 299, MCL 339.101 to 339.2919, and known as the Michigan occupational code. Where special conditions exist, the building official may require additional construction documents to be prepared by a registered design professional.

R 408.30506

R106.1.1 Information on construction documents. Construction documents shall be drawn upon suitable material. Electronic media documents may be submitted when approved by the building official. Construction documents shall be of sufficient clarity to indicate the location, nature,

R301.6 Roof load. The roof shall be designed for the live load indicated in Table R301.6 or the snow load indicated in Table R301.2(1), whichever is greater.

TABLE R301.6
MINIMUM ROOF LIVE LOADS IN POUNDS-FORCE PER SQUARE FOOT OF HORIZONTAL PROJECTION

ROOF SLOPE	TRIBUTARY LOADED AREA IN SQUARE FEET FOR ANY STRUCTURAL MEMBER		
	0 to 200	201 to 600	Over 600
Flat or rise less than 4 inches per foot (1:3)	20	16	12
Rise 4 inches per foot (1:3) to less than 12 inches per foot (1:1)	16	14	12
Rise 12 inches per foot (1:1) and greater	12	12	12

For SI: 1 square foot = 0.0929 m^2, 1 pound per square foot = 0.0479 kPa, 1 inch per foot = 83.3 mm/m.

R301.7 Deflection. The allowable deflection of any structural member under the live load listed in Sections R301.5 and R301.6 or wind loads determined by Section R301.2.1 shall not exceed the values in Table R301.7.

TABLE R301.7
ALLOWABLE DEFLECTION OF STRUCTURAL MEMBERS[b, c]

STRUCTURAL MEMBER	ALLOWABLE DEFLECTION
Rafters having slopes greater than 3:12 with finished ceiling not attached to rafters	*L*/180
Interior walls and partitions	*H*/180
Floors	*L*/360
Ceilings with brittle finishes (including plaster and stucco)	*L*/360
Ceilings with flexible finishes (including gypsum board)	*L*/240
All other structural members	*L*/240
Exterior walls—wind loads[a] with plaster or stucco finish	*H*/360
Exterior walls—wind loads[a] with other brittle finishes	*H*/240
Exterior walls—wind loads[a] with flexible finishes	*H*/120[d]
Lintels supporting masonry veneer walls[e]	*L*/600

Note: *L* = span length. *H* = span height.

a. For the purpose of the determining deflection limits herein, the wind load shall be permitted to be taken as 0.7 times the component and cladding (ASD) loads obtained from Table R301.2(2).

b. For cantilever members, *L* shall be taken as twice the length of the cantilever.

c. For aluminum structural members or panels used in roofs or walls of sunroom additions or patio covers, not supporting edge of glass or sandwich panels, the total load deflection shall not exceed *L*/60. For continuous aluminum structural members supporting edge of glass, the total load deflection shall not exceed *L*/175 for each glass lite or *L*/60 for the entire length of the member, whichever is more stringent. For sandwich panels used in roofs or walls of sunroom additions or patio covers, the total load deflection shall not exceed *L*/120.

d. Deflection for *exterior walls* with interior gypsum board finish shall be limited to an allowable deflection of *H*/180.

e. Refer to Section R703.8.2.

R301.8 Nominal sizes. For the purposes of this code, dimensions of lumber specified shall be deemed to be nominal dimensions unless specifically designated as actual dimensions.

SECTION R302
FIRE-RESISTANT CONSTRUCTION

R302.1 Exterior walls. Construction, projections, openings and penetrations of *exterior walls* of *dwellings* and accessory buildings shall comply with Table R302.1(1); or *dwellings* equipped throughout with an *automatic sprinkler system* installed in accordance with Section P2904 shall comply with Table R302.1(2).

Exceptions:

1. Walls, projections, openings or penetrations in walls perpendicular to the line used to determine the *fire separation distance*.
2. Walls of *dwellings* and *accessory structures* located on the same *lot*.
3. Detached tool sheds and storage sheds, playhouses and similar structures exempted from permits are not required to provide wall protection based on location on the *lot*. Projections beyond the *exterior wall* shall not extend over the *lot line*.
4. Detached garages accessory to a *dwelling* located within 2 feet (610 mm) of a *lot line* are permitted to have roof eave projections not exceeding 4 inches (102 mm).
5. Foundation vents installed in compliance with this code are permitted.

R302.2 Townhouses. Each townhouse shall be considered a separate building and shall be separated by a 2-hour fire-resistance-rated wall assembly tested in accordance with ASTM E119 or UL 263 with exposure from both sides.

Exception: Where the building is provided with an automatic fire sprinkler system installed in accordance with NFPA 13D or Section P2904.1, a common 1-hour fire-resistance-rated wall assembly tested in accordance with ASTM E119 or UL 263, as listed in Chapter 44, is permitted for townhouses if such walls do not contain plumbing or mechanical equipment, ducts, or vents in the cavity of the common wall. The wall shall be rated for fire exposure from both sides and shall extend to and be tight against exterior walls and the underside of the roof sheathing. Electrical installations shall be installed in accordance with Chapters 34 to 43. Penetrations of electrical outlet boxes shall be in accordance with Section R302.4.

R 408.30544a

R302.2.1 Continuity. The fire-resistance-rated wall or assembly separating *townhouses* shall be continuous from the foundation to the underside of the roof sheathing, deck or slab. The fire-resistance rating shall extend the full length of the wall or assembly, including wall extensions through and separating attached enclosed *accessory structures*.

TABLE R302.1(1)
EXTERIOR WALLS

EXTERIOR WALL ELEMENT		MINIMUM FIRE-RESISTANCE RATING	MINIMUM FIRE SEPARATION DISTANCE
Walls	Fire-resistance rated	1 hour—tested in accordance with ASTM E119 or UL 263 with exposure from both sides	< 5 feet
	Not fire-resistance rated	0 hours	≥ 5 feet
Projections	Not allowed[a]	N/A	< 2 feet
	Fire-resistance rated	1 hour on the underside	≥ 2 feet to < 5 feet
	Not fire-resistance rated	0 hours	≥ 5 feet
Openings in walls	Not allowed	N/A	< 3 feet
	25% maximum of wall area	0 hours	3 feet
	Unlimited	0 hours	5 feet
Penetrations	All	Comply with Section R302.4	< 5 feet
		None required	5 feet

For SI: 1 foot = 304.8 mm.
N/A = Not Applicable.
a. Except as allowed as per Section R302.1 exceptions 3 and 4.

R 408.30544b

TABLE R302.1(2)
EXTERIOR WALLS—DWELLINGS WITH FIRE SPRINKLERS

EXTERIOR WALL ELEMENT		MINIMUM FIRE-RESISTANCE RATING	MINIMUM FIRE SEPARATION DISTANCE
Walls	Fire-resistance rated	1 hour—tested in accordance with ASTM E119 or UL 263 with exposure from the outside	0 feet
	Not fire-resistance rated	0 hours	3 feet[b]
Projections	Not allowed	N/A	< 2 feet
	Fire-resistance rated	1 hour on the underside[b, c]	2 feet[a]
	Not fire-resistance rated	0 hours	3 feet
Openings in walls	Not allowed	N/A	< 3 feet
	Unlimited	0 hours	3 feet[a]
Penetrations	All	Comply with Section R302.4	< 3 feet
		None required	3 feet[a]

For SI: 1 foot = 304.8 mm.
N/A = Not Applicable
a. For residential subdivisions where all *dwellings* are equipped throughout with an automatic sprinkler system installed in accordance with Section P2904, the *fire separation distance* for nonrated exterior walls and rated projections shall be permitted to be reduced to 0 feet, and unlimited unprotected openings and penetrations shall be permitted, where the adjoining *lot* provides an open setback *yard* that is 6 feet or more in width on the opposite side of the property line.
b. The roof eave fire-resistance rating shall be permitted to be reduced to 0 hours on the underside of the eave if fireblocking is provided from the wall top plate to the underside of the roof sheathing.
c. The roof eave fire-resistance rating shall be permitted to be reduced to 0 hours on the underside of the eave provided that gable vent openings are not installed.

R302.2.2 Parapets for townhouses. Parapets constructed in accordance with Section R302.2.3 shall be constructed for *townhouses* as an extension of exterior walls or common walls in accordance with the following:

1. Where roof surfaces adjacent to the wall or walls are at the same elevation, the parapet shall extend not less than 30 inches (762 mm) above the roof surfaces.
2. Where roof surfaces adjacent to the wall or walls are at different elevations and the higher roof is not more than 30 inches (762 mm) above the lower roof, the parapet shall extend not less than 30 inches (762 mm) above the lower roof surface.

Exception: A parapet is not required in the preceding two cases where the roof covering complies with a minimum Class C rating as tested in accordance with ASTM E108 or UL 790 and the roof decking or sheathing is of noncombustible materials or *approved* fire-retardant-treated wood for a distance of 4 feet (1219 mm) on each side of the wall or walls, or one layer of $^5/_8$-inch (15.9 mm) Type X gypsum board is installed directly beneath the roof decking or sheathing, supported by not less than nominal 2-inch (51 mm) ledgers attached to the sides of the roof framing members, for a distance of not less than 4 feet (1219 mm) on each side of the wall or walls and any openings or penetra-

tions in the roof are not within 4 feet (1219 mm) of the common walls.

3. A parapet is not required where roof surfaces adjacent to the wall or walls are at different elevations and the higher roof is more than 30 inches (762 mm) above the lower roof. The common wall construction from the lower roof to the underside of the higher roof deck shall have not less than a 1-hour fire-resistance rating. The wall shall be rated for exposure from both sides.

R302.2.3 Parapet construction. Parapets shall have the same fire-resistance rating as that required for the supporting wall or walls. On any side adjacent to a roof surface, the parapet shall have noncombustible faces for the uppermost 18 inches (457 mm), to include counterflashing and coping materials. Where the roof slopes toward a parapet at slopes greater than 2 units vertical in 12 units horizontal (16.7-percent slope), the parapet shall extend to the same height as any portion of the roof within a distance of 3 feet (914 mm), and the height shall be not less than 30 inches (762 mm).

R302.2.4 Structural independence. Each individual *townhouse* shall be structurally independent.

Exceptions:

1. Foundations supporting *exterior walls* or common walls.
2. Structural roof and wall sheathing from each unit fastened to the common wall framing.
3. Nonstructural wall and roof coverings.
4. Flashing at termination of roof covering over common wall.
5. *Townhouses* separated by a common wall as provided in Section R302.2, Item 1 or 2.

R302.3 Two-family dwellings. *Dwelling units* in two-family dwellings shall be separated from each other by wall and floor assemblies having not less than a 1-hour fire-resistance rating where tested in accordance with ASTM E119 or UL 263. Fire-resistance-rated floor/ceiling and wall assemblies shall extend to and be tight against the *exterior wall*, and wall assemblies shall extend from the foundation to the underside of the roof sheathing.

Exceptions:

1. A fire-resistance rating of $^1/_2$ hour shall be permitted in buildings equipped throughout with an automatic sprinkler system installed in accordance with NFPA 13.
2. Wall assemblies need not extend through *attic* spaces where the ceiling is protected by not less than $^5/_8$-inch (15.9 mm) Type X gypsum board, an *attic* draft stop constructed as specified in Section R302.12.1 is provided above and along the wall assembly separating the *dwellings* and the structural framing supporting the ceiling is protected by not less than $^1/_2$-inch (12.7 mm) gypsum board or equivalent.

R302.3.1 Supporting construction. Where floor assemblies are required to be fire-resistance rated by Section R302.3, the supporting construction of such assemblies shall have an equal or greater fire-resistance rating.

R302.4 Dwelling unit rated penetrations. Penetrations of wall or floor-ceiling assemblies required to be fire-resistance rated in accordance with Section R302.2 or R302.3 shall be protected in accordance with this section.

R302.4.1 Through penetrations. Through penetrations of fire-resistance-rated wall or floor assemblies shall comply with Section R302.4.1.1 or R302.4.1.2.

Exception: Where the penetrating items are steel, ferrous or copper pipes, tubes or conduits, the annular space shall be protected as follows:

1. In concrete or masonry wall or floor assemblies, concrete, grout or mortar shall be permitted where installed to the full thickness of the wall or floor assembly or the thickness required to maintain the fire-resistance rating, provided that both of the following are complied with:
   1.1. The nominal diameter of the penetrating item is not more than 6 inches (152 mm).
   1.2. The area of the opening through the wall does not exceed 144 square inches (92 900 mm^2).
2. The material used to fill the annular space shall prevent the passage of flame and hot gases sufficient to ignite cotton waste where subjected to ASTM E119 or UL 263 time temperature fire conditions under a positive pressure differential of not less than 0.01 inch of water (3 Pa) at the location of the penetration for the time period equivalent to the fire-resistance rating of the construction penetrated.

R302.4.1.1 Fire-resistance-rated assembly. Penetrations shall be installed as tested in the *approved* fire-resistance-rated assembly.

R302.4.1.2 Penetration firestop system. Penetrations shall be protected by an *approved* penetration firestop system installed as tested in accordance with ASTM E814 or UL 1479, with a positive pressure differential of not less than 0.01 inch of water (3 Pa) and shall have an F rating of not less than the required fire-resistance rating of the wall or floor-ceiling assembly penetrated.

R302.4.2 Membrane penetrations. Membrane penetrations shall comply with Section R302.4.1. Where walls are required to have a fire-resistance rating, recessed fixtures shall be installed so that the required fire-resistance rating will not be reduced.

Exceptions:

1. Membrane penetrations of not more than 2-hour fire-resistance-rated walls and partitions by steel electrical boxes that do not exceed 16 square inches (0.0103 m^2) in area provided that the aggregate area of the openings through the membrane does not exceed 100 square inches (0.0645 m^2) in any 100 square feet (9.29 m^2) of wall area. The annular space between the wall membrane and the

EXHIBIT 4

8:381. - Dangerous building, prohibitions.

It is unlawful and deemed a public nuisance for any owner or agent thereof to keep or maintain any dangerous building or part thereof as defined in section 8:382. All such dangerous buildings shall be abated by alteration, repair, rehabilitation, demolition or removal in accordance with the procedures specified in this chapter. In addition to the procedures specified in this chapter, the City Attorney may prosecute violations of this chapter and may file suit in the appropriate court or pursue any other legal remedies to abate any nuisance resulting from a violation of this chapter.

(Ord. No. 41-05, § 2, 10-17-05)

8:382. - "Dangerous buildings" defined.

A dangerous building is any building or structure that has 1 or more of the following defects or is in 1 or more of the following conditions:

(1) A door, aisle, passageway, stairway or other means of exit does not conform to the approved fire code of the City of Ann Arbor.

(2) A portion of the building or structure is damaged by fire, wind, flood, deterioration, neglect, abandonment, vandalism or other cause so that the structural strength or stability of the building or structure is appreciably less than it was before the damage and does not meet the minimum requirements of applicable housing or construction codes for a new building or structure, purpose or location.

(3) A part of the building or structure is likely to fall, become detached or dislodged, or collapse and injure persons or damage property.

(4) A portion of the building or structure has settled to an extent that walls or other structural portions of the building or structure have materially less resistance to wind than is required in the case of new construction by applicable housing or construction codes.

(5) The building or structure or any part, that because of dilapidation, deterioration, decay, faulty construction, the removal or movement of some portion of the ground necessary for the support, or for other reason is likely to partially or completely collapse, or some portion of the foundation or underpinning of the building or structure is likely to fall or give way.

(6) The building or structure or any part is manifestly unsafe for the purpose for which it is used.

(7) A building or structure is damaged by fire, wind, or flood, or is dilapidated or deteriorated and becomes an attractive nuisance to children who might play in the building or structure to their danger, becomes a harbor for vagrants, criminals or immoral persons, or enables persons to resort to the building or structure for committing a nuisance or an unlawful or immoral act.

(8) A building or structure used or intended to be used for dwelling purposes, because of dilapidation, decay, damage, faulty construction or arrangement, or for other reason, is unsanitary or unfit for human habitation, is in a condition that is likely to cause sickness or disease when so determined by the health officer of the city or county or is likely to injure the health, safety or general welfare of those living within.

(9) A building or structure is vacant, dilapidated and open at door or window, leaving the interior of the building or structure exposed to the elements or accessible to entrance by trespassers.

(10) A building or structure remains unoccupied for a period of 180 consecutive days or longer, and is not listed as being available for sale, lease, or rent with a real estate broker licensed under the state occupational code. For purposes of this subsection, "building or structure" includes, but is not limited to, residential and commercial buildings or structures. This subsection does not apply to any of the following buildings or structures, provided that the building or structure and adjoining grounds are maintained free from graffiti as defined in

Chapter 106 (Nuisances) and in accordance with the city's Housing and Construction Codes and all other applicable ordinances and statutes:

(a) A building or structure, if the owner, not more than 30 days after the building or structure becomes unoccupied, notifies the city in writing on a form available in the Planning and Development Services Unit that the building or structure will remain unoccupied for a period of not more than 180 consecutive days.

(b) A secondary dwelling of the owner that is or will be regularly unoccupied for a period of 180 days or longer each year, if the owner notifies the city in writing on a form available in the city's Planning and Development Services Unit that the dwelling will remain regularly unoccupied for a period of 180 consecutive days or more each year. An owner who has given the notice prescribed by this subparagraph shall notify the Planning and Development Services Unit in writing not more than 30 days after the dwelling no longer qualifies for this exception.

(c) A new building or new structure under construction that meets all of the following conditions: 1) has a valid building permit, 2) demonstrates that significant and continuous progress is being made toward completion, 3) secures the property and takes all other necessary safety precautions, and 4) otherwise complies with this chapter and all applicable laws, ordinances, and regulations.

In the case of a single family dwelling only that is deemed dangerous under this subsection only, the city will send notice by first class mail to the owner or agent as indicated by the records of the City Assessor that administrative or other legal proceedings under this subsection may be commenced against the owner in 10 business days after the notice is mailed.

(Ord. No. 41-05, § 3, 10-17-05)

STATE OF MICHIGAN

IN THE 22nd JUDICIAL CIRCUIT COURT FOR THE COUNTY OF WASHTENAW

GEDDES LAKE CONDOMINIUM ASSOCIATION, a Michigan non-profit corporation,

Plaintiff,

vs.

REYES I. GALVAN,

Defendant(s).
/

22-000448-CH

Case No. 22-_____-CH

HON. JUDGE PATRICK J. CONLIN, JR.

David B. Guenther (P67947)
W. Daniel Troyka (P65155)
Conlin, McKenney & Philbrick, P.C.
Attorneys for Plaintiff
350 S. Main Street, Suite 400
Ann Arbor, Michigan 48104-2131
(734) 761-9000
/

COMPLAINT

There is no other civil action between these parties arising out of the same transaction or occurrence as alleged in this complaint pending in this court, nor has any such action been previously filed and dismissed or transferred after having been assigned to a judge, nor do I know of any other civil action, not between these parties, arising out of the same transaction or occurrence as alleged in this complaint that is either pending or was previously filed and dismissed, transferred, or otherwise disposed of after having been assigned to a judge in this court.

NOW COMES the Plaintiff, Geddes Lake Condominium Association, a Michigan non-profit corporation, by and through its attorneys, Conlin, McKenney & Philbrick, P.C., and for its Complaint against said Defendant, states as follows:

1. That the Plaintiff, Geddes Lake Condominium Association, is a Michigan non-profit corporation having its principal place of business located within the County of Washtenaw and State of Michigan.

2. That the Defendant, Reyes I. Galvan, resides at 644 Peninsula Court, Unit 79, Ann Arbor, Michigan 48105, within the County of Washtenaw.

3. That the subject matter of this action is situated in the City of Ann Arbor, County of Washtenaw, and State of Michigan.

4. That Geddes Lake Condominium Association, was organized to manage and administer the affairs of Geddes Lake Condominium which was established by the recording of its Master Deed in Liber 4690, on Page 720, as amended, Washtenaw County Records.

5. That pursuant to the Condominium Bylaws of Geddes Lake Condominium, including Articles IV and VI, the Plaintiff was authorized to assess the Defendant his proportionate share of the costs of maintaining and administering Geddes Lake Condominium and costs incurred by the Association in repairing the Unit and common elements which are the responsibility of Defendant.

6. That Plaintiff has assessed the Defendant and his condominium unit a total of $22,989.68 to date, which remains unpaid and owing to Plaintiff.

7. That on February 15, 2022, the Plaintiff recorded a Notice of Lien in the then amount of $21,758.68 in Liber 5469, Page 935, Washtenaw County Records, and on February 14, 2022, mailed a copy of said Notice of Lien to Defendant at his residence address with first class postage prepaid, a copy of which Notice of Lien is attached hereto as Exhibit "A".

8. That the legal description of the condominium unit owned by the Defendant located in the City of Ann Arbor, Washtenaw County, Michigan, is as follows:

> Unit 79, Geddes Lake Condominium, a condominium, according to Master Deed recorded in Liber 4690, Page 720, Washtenaw County Records, and designated as Washtenaw County Condominium Subdivision Plan No. 568.

9. That Section 108 of the Michigan Condominium Act, being Act 59, P.A. 1978, as amended, being MCL 559.208, authorizes the Plaintiff to foreclose its lien in the same manner as a foreclosure under the laws relating to foreclosure of real estate mortgages by judicial action.

10. That Plaintiff has made repeated demands of the Defendant for payment of the assessment arrearages and the Defendant has failed to comply with those requests.

11. That in addition to the present arrearage of $22,989.68, the Condominium By-Laws of Geddes Lake Condominium authorize the Plaintiff to recover interest on the delinquent amount, monthly assessments accruing hereafter and remaining unpaid, together with court costs and actual attorney fees incurred in the collection of said arrearages.

12. That no proceedings at law have been had for the recovery of the assessment debt, or any part thereof, as secured by the assessment lien.

WHEREFORE, the Plaintiff, Geddes Lake Condominium Association, by and through its attorneys, Conlin, McKenney & Philbrick, P.C., prays as follows:

A. That this Court order and adjudge the foreclosure and sale of the liened premises to satisfy the obligation of the assessment lien, plus interest, court costs and actual attorney fees.

B. That if, upon the sale of the premises, a sufficient sum is not realized, that Plaintiff may have judgment for the deficiency.

C. That Plaintiff may have such other and further, or different relief herein as the Court shall deem lawful and proper.

CONLIN, McKENNEY & PHILBRICK, P.C.
Attorneys for Plaintiff

Dated: April 19, 2022

By: /s/ W. Daniel Troyka
W. Daniel Troyka (P65155)
350 S. Main Street, Suite 400
Ann Arbor, Michigan 48104-2131
(734) 761-9000

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Lawrence Kestenbaum, Washtenaw Co

NOTICE OF LIEN BY AFFIDAVIT REGARDING
LIEN FOR NONPAYMENT OF ASSESSMENT

(Filed as a claim of interest under
Act 200, P.A. 1945, as amended, and
Act 59, P.A. 1978, as amended,
being MSA Section 26.50(208).)

STATE OF MICHIGAN, COUNTY OF WASHTENAW

The undersigned, being first duly sworn, deposes and states that he is the attorney for Geddes Lake Condominium Association, a Michigan non-profit corporation, and that he is duly authorized to make this Affidavit on behalf of such Association.

Affiant further states that there exists a lien for nonpayment of an assessment made against the real estate described below, which lien arises by virtue of Act 59, P.A. 1978, as amended, being MSA Sec. 26.50(208), and Article V of the By-Laws of Geddes Lake Condominium, a condominium project, recorded as a part of the Master Deed of said condominium, in Liber 4690, Page 720, Washtenaw County Records.

Further, that, as of the date hereof, there is outstanding and unpaid on account of said assessment the sum of $21,758.68, (consisting of a delinquency of $21,648.68, legal fees of $80.00 and recording costs of $30.00), plus interest costs, attorney fees, and future assessments, and that foreclosure of said lien (which extends not only to the amount presently due, but to all future assessments which remain unpaid) may result in the termination of the interest of the present owner in the real estate described below.

The real property with respect to which this Affidavit is made is located at 644 Peninsula Court, Unit 79, in the City of Ann Arbor, County of Washtenaw, State of Michigan, and more particularly described as:

Unit Number 79, Geddes Lake Condominium, a condominium project according to the Master Deed thereof, as recorded in Liber 4690, Page 720, Washtenaw County Records and otherwise known as Washtenaw County Condominium Subdivision Plan Number 568.

OWNER: Reyes I. Galvan.

This Affidavit is signed this 14th day of February, 2022.

GEDDES LAKE CONDOMINIUM ASSOCIATION

By _____
David B. Guenther,
Attorney for Geddes Lake Condominium Association
350 S. Main Street, Suite 400
Ann Arbor, Michigan 48104-2131

The foregoing instrument was acknowledged before me on February 14, 2022, by David B. Guenther, attorney for Geddes Lake Condominium Association, a Michigan non-profit corporation, on behalf of the corporation.

Lou Stachnik Emerick
Lou Stachnik Emerick, Notary Public
Livingston County, Michigan
Acting in Washtenaw County
My Commission Expires: 07/08/2027

Prepared by and when recorded return to:
David B. Guenther (P67947)
Conlin, McKenney & Philbrick, P.C.
350 S. Main Street, Suite 400
Ann Arbor, Michigan 48104-2131

Tax Code No: 09-09-26-204-079

Time Submitted for Recording: 9:38 AM
Date: 2/15/2022
Lawrence Kestenbaum
Washtenaw County Clerk

PLAINTIFF'S EXHIBIT A

EXHIBIT A TO MASTER DEED

CONDOMINIUM BYLAWS
of
Geddes Lake Condominiums,
a Michigan Residential Condominium

ARTICLE I

ASSOCIATION OF CO-OWNERS

1.1 Organization. Geddes Lake Condominiums, a residential condominium project located in the City of Ann Arbor, Washtenaw County, Michigan (the "Condominium"), shall be administered by an association of Co-owners (the "Association") which shall be organized as a nonprofit corporation under the laws of the State of Michigan. The Association will 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 and these Bylaws of the Condominium, the Articles of Incorporation and House Rules of the Association, and the laws of the State of Michigan.

1.2 Compliance. All present and future Co-owners, mortgagees, lessees and all other persons who may in any manner use, enter upon or acquire any interest in the Condominium Premises, or any Unit in the Condominium, shall be subject to and comply with the provisions of the Michigan Condominium Act (Act 59, of the Public Acts of 1978, as amended), and the Condominium Documents including, but not necessarily limited to, any provision thereof pertaining to the use and operation of the Condominium Premises and the property of the Condominium. The acceptance of a deed or conveyance, the taking of a mortgage, the execution of a lease or the act of occupancy of a unit, or presence, in the Condominium shall constitute an acceptance of the provisions of these instruments and an agreement to comply therewith.

1.3 Purpose of Bylaws. These Bylaws govern the general operation, maintenance, administration, use and occupancy of the Condominium and the Association, and all such activities shall be performed in accordance with the provisions hereof. These Bylaws shall constitute both the Bylaws referred to in the Master Deed and Section 3(8) of the Act and the Bylaws of the Association provided for under the Michigan Nonprofit Corporation Act.

ARTICLE II

MEMBERSHIP AND VOTING

2.1 Membership. Each Co-owner of a unit in the Condominium, present and future, shall be a member of the Association during the term of such ownership, and no other person or entity shall be entitled to membership. Neither membership in the Association nor the share of a member in the funds and assets of the Association shall be assigned, pledged or transferred in any manner, except as an appurtenance to a unit in the Condominium.

2.2 Voting Rights. Except as otherwise provided in the Master Deed and in these Bylaws, the Co-owners of each unit shall collectively be entitled to one vote when voting by number. Voting when required or permitted herein, or elsewhere in the Condominium Documents, shall be based on one vote per unit value and no accumulation of votes shall be permitted. The Percentage of Value assigned to each unit under Section 6.2 of the Master Deed shall not determine the weight or value of such unit's vote at meetings of the Association.

2.3 Persons Entitled to Vote. If requested by the Association, the Co-owners for each unit shall file a written certificate designating one individual representative entitled to cast the vote for the unit and to receive all notices and other communications from the Association. The certificate shall be signed by all the record owners of the unit and filed with the Secretary of the Association. The certificate shall state the name and address of the individual representative designated, the number or numbers of the unit or units owned, the name and address of the person or persons, firm, corporation, partnership, association, trust or other legal entity who is the Co-owner thereof, and shall be signed and dated by the Co-owners of record. All certificates shall be valid until revoked, until superseded by a subsequent certificate, or until a change occurs in the record ownership of the unit concerned. The Cooperative-Developer shall, at any meeting, be entitled to cast a vote on behalf of each unit it owns without submitting any proof of ownership.

2.4 Method of Voting. Votes on a specific issue may be cast in person. In addition, any person entitled to vote at any meeting may vote via telecommunications equipment , as provided in the Bylaws or vote (either specifically on an issue or by the general designation of a person to cast a vote) by written proxy. Proxies may be made by any person entitled to vote and shall be valid only for the particular meeting designated, and any adjournment thereof, and must be filed with the Association before the appointed time of the meeting.

2.5 Majority. 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 an affirmative vote of more than fifty (50%) percent of the units of Co-owners voting. The foregoing statement and any other provision of the Master Deed or these Bylaws requiring the approval of a majority (or other stated percentage) of the members shall be construed to mean, unless otherwise specifically stated, majority in number 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.

2.6 Voting. Votes may be cast in person or by a writing duly signed by the designated voting representative not present at a given meeting by proxy or via written ballot as provided in Section 3.7 below. Proxies and any written votes must be filed with the Secretary of the Association at or before the appointed time of each meeting of the members of the Association, or if written ballots are being used and no such meeting is schedules, then by the date specified by the Association in such ballot.

ARTICLE III

MEETINGS AND QUORUM

3.1 First Meeting of Members. The first meeting of the members of the Association may be convened only by the Board of Directors and may be called at any time upon 30 days written notice to all members. In no event, however, shall the first meeting be held later than (a) one hundred twenty (120) days after legal or equitable title to fifty percent (50%) of the Condominium units that may be created has been conveyed to non-Cooperative-Developer Co-owners; or (b) fifty-four (54) months after the first conveyance of legal or equitable title to a Condominium unit to a non-Cooperative-Developer Co-owner, whichever first occurs. The Board of Directors may call meetings of members of the Association for informational or other appropriate purposes before the first meeting of members, but no such meeting shall be construed as the first meeting of members. Before the first annual meeting, the Cooperative-Developer shall appoint all directors.

3.2 Notice of Meetings. It shall be the duty of the Secretary (or other Association officer in the Secretary's absence) to serve a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, upon each Co-owner of record, at least ten (10) days but not more than sixty (60) days prior to the date of such meeting. The mailing of a notice to the representative of each Co-owner at the address shown in the notice required by Section 2.3 of these Bylaws to be filed with the Association shall be deemed proper notice served. Any member may waive such notice in writing and such waiver, when filed in the records of the Association, shall be deemed due notice.

3.3 Annual Meetings of Members. Following the first meeting of members and in addition to subsequent meetings called for the purpose of electing directors, as provided in Section 4.1 below, an annual meeting of the members shall be held each year at the time and place specified in the Bylaws. Unless otherwise specified by the Association, each annual meeting of the members shall be held in the City of Ann Arbor on the second Tuesday in May (the "Scheduled Meeting Date") of each and every year. The date, time and place of the meeting shall be designated in the notice of the meeting. The Board shall have the power to set the date of the annual meeting at any time within ninety (90) days prior to, or following, the Scheduled Meeting Date, provided that the date of the annual meeting shall not occur on a legal holiday.

3.4 Special Meetings of Members. It shall be the duty of the President to call a special meeting of the Co-owners upon a petition signed by not less than one-tenth (1/10), in number, of the Co-owners and presented to the Secretary of the Association or upon the direction of a majority of members of the Board of Directors. No business shall be transacted at a special meeting except as stated in the notice.

3.5 Quorum of Members. Unless otherwise provided herein, the presence, in person or by proxy, of twenty-five percent (25%) of the units of Co-owners entitled to vote shall constitute a quorum of members. If a quorum shall not be present at any meeting, the members present may adjourn the meeting for not more than thirty (30) days.

3.6 Adjournment. If any meeting of Co-owners cannot be held because a quorum is not in attendance, the Co-owners who are present may adjourn the meeting to a time not less than ten (10) days from the time the original meeting was called and notice of the meeting shall be provided above.

3.7 Action without Meeting. Any action which may be taken at a meeting of the

members (except for the election or removal of Directors) may be taken without a meeting by written ballot of the members. Ballots shall be solicited in the same manner as provided in Section 3.2 of the Bylaws for the giving of notice of meetings of members. Such solicitations shall specify: (a) the number of responses needed to meet the quorum requirements; (b) the percentage or number of approvals necessary to approve the action; and (c) the time by which ballots must be received in order to be counted. The form of written ballot shall afford an opportunity to specify a choice between approval and disapproval of each matter and shall provide that, where the member specifies a choice, the vote shall be cast in accordance therewith. Approval by written ballot shall be constituted by receipt, within the time period specified in the solicitation, of: (i) a number of ballots which equals or exceeds the quorum which would be required if the action were taken at a meeting; and (ii) a number of votes or total percentage of approvals which equals or exceeds the votes that would be required for approval if the action were taken at a meeting at which the total number of votes cast was the same as the total number of ballots cast.

ARTICLE IV

ADMINISTRATION

4.1 Board of Directors. The business, property and affairs of the Association shall be managed by a Board of Directors to be elected and to serve in the manner set forth in the Bylaws. Until the initial meeting of members as provided in Section 3.1, hereof, the Directors designated by the Cooperative-Developer, or their successors appointed by the Association as provided in the Bylaws, shall serve. The entire Board of Directors consisting of seven (7) directors shall be elected or appointed at the first meeting of the Association. A director must be a resident Co-owner. In the event that a unit has more than one Co-owner, only one of the Co-owners may be a director at any one time. The top three (3) directors receiving the most votes shall serve for a two (2) year term and the remaining four (4) shall serve for an initial term of one (1) year. Thereafter, at each annual meeting of the Association and at any meeting of the Association called by the Board of Directors for the particular purpose of electing directors, directors shall be elected for two (2) year terms, thus providing a "staggered" Board of Directors.

4.2 Powers and Duties. The Association shall have all powers and duties necessary for the administration of the affairs of the Condominium and may do all things which are not prohibited by law or the Condominium Documents or required thereby to be done by the Co-owners. The powers and duties to be exercised by the Association through the Board shall include, but shall not be limited to, the power and duty:

(a) To develop an annual budget for general operating expenses as well as capital reserves and determine amounts required for the operation and affairs of the Condominium;

(b) To manage and administer the affairs of and to maintain the Condominium, all appurtenances thereto and the common elements, property and easements thereof;

(c) To levy and collect assessments against and from the members of the Association, provided, however, that any new annual budget established by the Board of Directors where such assessments would exceed 15% of the prior twelve (12) month period

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shall first be approved by the affirmative vote of the Co-owners of the Association as provided in Section 2.5; and to use the proceeds therefrom for the purposes of the Association, and to enforce assessments through liens and foreclosure proceedings where, in the judgment of the Directors, appropriate;

(d) To carry insurance and to collect and allocate the proceeds thereof;

(e) To restore, repair or rebuild the common elements of the Condominium, or any portion thereof, and any improvements located thereon, after the occurrence of a casualty and to negotiate on behalf of Co-owners in connection with the taking of the Condominium, or any portion thereof, by eminent domain;

(f) To contract for and employ, supervise, and discharge, persons or business entities to assist in the management, operation, maintenance and administration of the Condominium;

(g) To make and amend reasonable rules and regulations (the "House Rules"), in its sole discretion, consistent with the Michigan Condominium Act, the Master Deed and these Condominium Bylaws affecting Co-owners and their tenants, guests, employees and invitees concerning the use and enjoyment of the Condominium and to enforce such regulations by all legal methods, including, but not limited to, the imposition of fines and late payment charges, eviction proceedings or legal proceedings (copies of all such regulations and amendments thereto shall be furnished to all members and shall be come effective ten (10) days after mailing or delivery thereof to the designated voting representative, as provided for in Section 2.3 above, of each member. House Rules adopted by the Association may be adopted, amended or revoked by the Board of Directors;

(h) To own, maintain and improve, and to buy, sell, convey, assign, mortgage, license, rent or lease (as landlord or tenant) any real or personal property, including, but not limited to, any common elements or unit in the Condominium, easements, rights-of-way or licenses or any other real property, whether or not contiguous to the Condominium, for the purpose of generating revenues, providing benefit to the members of the Association or in furtherance of any other appropriate purposes of the Association;

(i) To borrow money and issue evidences of indebtedness in furtherance of any and all the purposes of the business of the Association, and to secure those debts by mortgage, pledge or other lien on property owned by the Association; provided, however, that any such action shall first be approved by the affirmative vote of the Co-Owners of the Association as provided in Section 2.5 above;

(j) To establish such committees as it considers necessary, convenient or desirable and to appoint persons thereto, for the purpose of implementing the administration of the Condominium and to delegate to such committees any functions or responsibilities which are not by law or the Condominium Documents required to be performed by the Board;

(k) To enforce the provisions of the Condominium Documents, as amended from time to time, and to sue on behalf of the Condominium or the members and to assert, defend or settle claims on behalf of the members with respect to the Condominium;

(l) To do anything required of or permitted by it as administrator of the Condominium by the Condominium Master Deed, these Bylaws or the Michigan Condominium Act, as amended from time to time;

(m) To provide services to Co-owners;

(n) 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 not forbidden, and with all powers conferred upon nonprofit corporations by the laws of the State of Michigan. Provided, however, that, except in the case of licenses, leases or rental arrangements having a duration of one (1) year or less, neither the Board nor the Association shall, by act or omission, abandon, partition, subdivide, encumber, sell or transfer the common elements, or any of them, unless at least two-thirds (2/3) of the first mortgagees (based upon one (1) vote for each first mortgage owned) and two-thirds (2/3) of the Co-owners (one vote per unit) in number have consented thereto

4.3 Vacancies. Except as described in Section 4.4 below, vacancies in the Board of Directors which occur after the Transitional Control Date may be filled by vote of the majority of the remaining Directors, even if they 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 members of the Association.

4.4 Removal. At any regular or special meeting of the Association duly called with due notice of the removal action proposed to be taken, any one or more of the Directors may be removed with or without cause by the affirmative vote of a majority of the Co-owners and a successor may then and there be elected to fill any vacancy thus created. If no successor is then elected, the remaining Directors may fill such vacancy as provided in Section 4.3 above. Any Director whose removal has been proposed by the Co-owners shall be given an opportunity to be heard at the meeting.

4.5 Meetings. Regular and special 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, but at least two regular meetings shall be held during each fiscal year. Notice of any regular or special meetings of the Board of Directors shall be given to each Director personally, by mail, telephone, facsimile or email, at least three (3) days prior to the date named for such meeting. 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 such 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.

4.6 Managing Agent. The Board may employ, at a compensation established by it, a professional management agent for the Condominium to perform such duties and services as the Board shall authorize, including, but not limited to, the powers and duties set forth in Section 4.2 above. Before the Transitional Control Date, the Cooperative-Developer, or any related person or entity, may serve as managing agent if so appointed. In no event shall the Board be authorized to enter into any contract with a management agent, or any contract providing for services by the Cooperative-Developer or its affiliates, in which the maximum term is greater than three (3) years or which is not terminable by the Association upon the Transitional Control Date or within ninety (90) days thereafter and upon thirty (30) days' written notice for cause. On the Transitional Control Date, or within ninety (90) days thereafter, the Board of Directors may terminate a service or management contract with the Cooperative-Developer or its affiliates. In addition, the Board of Directors may terminate any management contract which extends beyond one (1) year after the Transitional Control Date by providing notice of termination to the management agent at least thirty (30) days before the expiration of the one (1) year.

4.7 Officers. The Bylaws shall provide the designation, number, terms of office, qualifications, manner of election, duties, removal and replacement of the officers of the Association and may contain any other provisions pertinent to affairs of the Association not inconsistent herewith. Officers may be compensated, but only after the affirmative vote of two-thirds (2/3) of the members.

(a) Designation. The principal officers of the Association shall be a President, a Vice- President, a Secretary and a Treasurer, all of whom shall be member of the Board. (both of whom shall be members of the Board, a Secretary and a Treasurer). The Board may also appoint such Assistant Treasurers and Assistant Secretaries as may be necessary. Any two (2) offices, except that of President and Vice-President, may be held by one person.

(b) Election of Officers. The Board shall elect the officers of the Association annually at the first Board of Directors meeting following the annual meeting. The officers shall hold office at the pleasure of the Board.

(c) Removal of Officers. Upon an affirmative vote of a majority of the full number of Directors, any officer may be removed, either with or without cause, after opportunity for a hearing, and his successor elected at any regular meeting of the Board, or at any special meeting of the Board of Directors called for such purpose.

(d) Duties and Responsibilities of Officers

1. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board. He shall have all of the general powers and duties that are customarily vested in the office of President of an Association.
2. The Vice-President shall take the place of the President and perform his 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 shall appoint another Trustee to so do on an interim basis. The Vice-President shall also perform such other duties as shall from time to time be imposed upon him by the Board.
3. The Secretary shall keep the minutes of all meetings of the Board and the minutes of all meetings of the members of the Association; he shall have charge

of such books and papers as the Board of Directors may direct; and he shall, in general, perform all the duties customarily incident to the office of the Secretary.

4. The Treasurer shall have the responsibility for the custody of Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit of the Association in such depositories as may from time to time be authorized by the Board.

(e) Other Duties and Powers. The officers shall have such other duties, powers and responsibilities as shall, from time to time, be authorized by the Board.

(f) Eligibility of Officer. An Officer must be a Director.

4.8 Actions before First Meeting. Subject to the provisions of Section 4.4 above, all the actions (including without limitation, the adoption of these Bylaws, any House Rules 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 their appointed successors, before the first meeting of members, shall be binding upon the Association in the same manner as though such actions had been authorized by a Board of Directors duly elected by the members of the Association at the first or any later meeting of members so long as such actions are within the scope of the powers and duties which may be exercised by any Board of Directors as provided in the Condominium Documents.

4.6 Indemnification of Officers and Directors. The Association shall indemnify every Association director and officer against all expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him as a consequence of his being made a party to or being threatened to be made a party to any threatened, pending or contemplated action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of his being or having been a director or officer of the Association, except in such cases where he is adjudged guilty of willful and wanton misconduct or gross negligence in the performance of his duties or adjudged to have not acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Association and its members, and with respect to any criminal action or proceeding, he is adjudged to have had no reasonable cause to believe that his conduct was unlawful; provided, that, if a director or officer claims reimbursement or indemnification hereunder based upon his settlement of a matter, he shall be indemnified only if the Board of Directors (with any director seeking reimbursement abstaining) approves such settlement and reimbursement as being in the best interests of the Association and, if a majority of the members request it, such approval is based on an opinion of independent counsel supporting the propriety of such indemnification and reimbursement. The foregoing right of indemnification shall not be exclusive and shall be in addition to all other rights such director or officer may have. The Board of Directors shall notify all members that it has approved an indemnification payment at least ten (10) days before making the payment.

ARTICLE V

OPERATION OF THE PROPERTY

5.1 Costs and Receipts to Be Common. All costs incurred by the Association in satisfaction of any liability arising within, or caused by or in connection with, the common elements or the administration of the Condominium shall be Expenses of Administration. All sums received as proceeds of, or pursuant to, any policy of insurance carried by the Association securing the interests of the Co-owners against liabilities or losses arising within, caused by or connected with the general common elements or the administration of the Condominium shall be receipts of administration.

5.2 Books of Account. The Association shall keep or cause to be kept detailed books of account showing all expenditures and receipts affecting administration of the Condominium. The books of account shall specify the maintenance and repair expenses of the general and limited common elements and any other expenses incurred by or on behalf of the Association of Co-owners and shall be open for inspection by the Co-owners and their mortgagees during reasonable working hours on normal working days at a place to be designated by the Association. The books of account shall be reviewed at least annually and audited at such times as required by the Board of Directors by qualified independent accountants. The cost of the review or audit, and all accounting expenses, shall be Expenses of Administration. Any institutional holder of a first mortgage lien on any unit in the Condominium shall, upon request, be entitled to receive a copy of the accountant's report within ninety (90) days following the end of the Association's fiscal year. At least once a year, the Association shall prepare and distribute to each Co-owner a statement of its financial condition, the contents of which shall be defined by the Association.

5.3 Power to Levy and Assessments. The Board shall establish an annual budget in advance for each fiscal year for the Condominium which contains a statement of the estimated funds required to defray the "Expenses of Administration" for the forthcoming year, which shall mean all items specifically defined as such in these Bylaws and all other general common and limited common expenses necessary to defray the costs of maintenance of the common elements of the Condominium and to collect the proper reserves for future capital repairs or replacements of the common elements ("Capital Reserve Funding"). The Expenses of Administration shall consist, among other things, of such amounts as the Board may consider proper for the operation, management and maintenance and Capital Reserve Funding of the Condominium Project to the extent of the powers and duties delegated to it hereunder, and in the Master Deed. The budget shall allocate and assess all Expenses of Administration against all Co-owners in accordance with the percentage of value allocated to each unit by the Master Deed, without increase or decrease for the existence of any rights to the use of the common elements.

The Board shall advise each Co-owner in writing of the amount of the Expenses of Administration and of the limited common element charges payable by him and shall furnish copies of each budget on which such common charges are based to all Co-owners, although failure to deliver a copy of the budget to each Co-owner shall not affect the liability of any Co-owner for any existing or future assessments. All assessments levied in accordance with the foregoing provisions of this Section 5.3 shall be payable by the Co-owners in twelve (12) equal monthly installments, commencing with acquisition of legal or equitable title to a unit by any means. The Board may, at any time in its sole discretion, elect to collect the regular assessments on a quarterly basis. Should the Board at any time determine, in its sole discretion, that the annual budget incorporating the

assessments levied are or may prove to be insufficient, the Board shall have the authority to increase the assessments or to levy such additional assessment or assessments as it shall consider necessary provided, however, that any revised annual budget established by the Board of Directors where the resulting assessments would exceed 15% of the prior twelve (12) month period shall first be approved by the affirmative vote of the Co-owners of the Association as provided in Section 2.5. Such assessments shall be payable when and as the Board shall determine. Notwithstanding the limitations as provided for in this Section 5.3, the Board of Directors shall have the authority to increase the assessments or to levy additional assessment or assessments as it shall consider necessary, in its sole discretion, for emergency, safety or casualty purposes without the need for membership approval.

Any sums owed to the Association by any individual Co-owner may be assessed to and collected from the responsible Co-owner as an addition to the regular assessment installment next coming due. The discretionary authority of the Board to levy assessments pursuant to this Section will rest solely with the Board for the benefit of the Association and the members thereof and will not be enforceable by any creditors of the Association or its members.

5.4 Special Assessments. Special assessments, in addition to those provided for in Section 5.3 above, may be levied by the Board on the Co-owners from time to time, following approval by the Co-owners as hereinafter provided, to meet other needs, requirements or desires of the Association, including, but not limited to, (1) assessments for capital improvements or additions to the common elements at a cost exceeding One Hundred Thousand and 00/100 Dollars ($100,000.00) per defined project and (2) assessments to purchase a unit upon foreclosure of the lien for assessments as described in Section 5.6 hereof, Special assessments referred to in this Section (but not including assessments referred to in Section 5.3 above, which shall be levied in the sole discretion of the Board) shall not be levied without first being approved by the affirmative vote of the Co-owners of the Association as provided in Section 2.5.

5.5 Collection of Assessments. When used in this Section and Section 5.12 below, and wherever else appropriate in these Condominium Bylaws, the term "assessment" shall include all regular and special assessments described in Sections 5.3 and 5.4 above, and all other charges whatsoever levied by the Association against any Co-owner. This Section 5.5 is intended to provide the Association with a vehicle for collection.

(a) Each Co-owner, whether one or more persons, shall be and shall remain personally obligated for the payment of all assessments levied with regard to his unit during the time that he is the owner thereof. If any Co-owner defaults in paying an assessment, interest at a rate equal to the lesser of eighteen (18%) percent per annum or the maximum legal rate shall be charged on such assessment from five (5) days after the due date and further penalties or proceedings may be instituted by the Board in its discretion. The Board may also provide in the House Rules for late fees in the event of nonpayment. The payment of an assessment shall be in default if such assessment is not paid in full on or before the due date established by the Board for such payment. In the event of default by any Co-owner in the payment of any installment of the annual assessment levied against his unit, the Association shall have the right to declare all unpaid installments of the annual assessment for the pertinent fiscal year immediately due and payable. The Association may also discontinue the furnishing of any services to a Co-owner in default upon seven (7) days'

written notice to such Co-owner of its intent to do so. A Co-owner in default on the payment of any assessment shall not be entitled to vote at any meeting of the Association so long as such default continues. The Board may, but need not, report such a default to any first mortgagee of record; provided, however, that if such default is not cured within sixty (60) days, the Association shall give the notice required by Section 9.2 below. Any first mortgagee of a unit in the Condominium may consider a default in the payment of any assessment a default in the payment of its mortgage. When a Co-owner is in arrears to the Association for assessments, the Association may give written notice of arrearage to any person occupying his unit under a lease or rental agreement, and such person, after receiving the notice, shall deduct from rental payments due the Co-owner the arrearage and future assessments as they fall due and pay them to the Association. The deductions shall not be a breach of the rental agreement or lease by the occupant.

(b) Unpaid assessments together with interest, collection and late charges, advances made by the Association for taxes or other liens, attorney fees, and fines in accordance with the Condominium Documents, shall constitute a lien upon the unit prior to all other liens except unpaid ad valorem real estate taxes and special assessments imposed by a governmental entity and sums unpaid on a first mortgage of record. The Association may enforce collection of delinquent assessments by a suit at law for a money judgment or by foreclosure of the lien that secures payment of assessments. Each Co-owner, and every other person, except a first mortgagee, who from time to time has any interest in the Condominium, shall be considered to have granted to the Association the unqualified right to elect to foreclose such lien either by judicial action or by advertisement. Under MCL 559.228, the provisions of Michigan law pertaining to foreclosure of mortgages by judicial action and by advertisement, as they may be amended from time to time, are incorporated 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. THE ASSOCIATION IS HEREBY GRANTED WHAT IS COMMONLY KNOWN AS A "POWER OF SALE," WHICH, UPON DEFAULT, MAY BE FORECLOSED BY ADVERTISEMENT. IN FORECLOSURE BY ADVERTISEMENT, NO HEARING IS INVOLVED AND THE ONLY NOTICES REQUIRED ARE A PUBLIC NOTICE PUBLISHED IN A LOCAL NEWSPAPER AND THE POSTING OF A COPY OF THAT NOTICE ON THE MORTGAGED PREMISES. Further, each Co-owner and every other person, except a first mortgagee, who from time to time has any interest in the Condominium shall be considered to have authorized and empowered the Association to sell or to cause to be sold the unit with respect to which the assessment is delinquent and to receive, hold and distribute the proceeds of such sale in accordance with the priorities established by applicable law. EACH CO-OWNER ACKNOWLEDGES THAT AT THE TIME OF ACQUIRING TITLE TO HIS UNIT, HE WAS NOTIFIED OF THE PROVISIONS OF THIS SECTION AND THAT HE VOLUNTARILY, INTELLIGENTLY AND KNOWINGLY WAIVED ALL RIGHTS UNDER THE CONSTITUTION AND LAWS OF THE STATE OF MICHIGAN AND THE CONSTITUTION AND LAWS OF THE UNITED STATES TO ALL NOTICES AND HEARINGS IN CONNECTION WITH THE ABOVE-MENTIONED FORECLOSURE BY ADVERTISEMENT, EXCEPT AS SET FORTH IN THE MICHIGAN STATUTE PROVIDING FOR FORECLOSURE BY ADVERTISEMENT INCLUDING NOTICE OF ANY PROCEEDINGS BROUGHT BY THE ASSOCIATION TO FORECLOSE BY ADVERTISEMENT THE LIEN FOR

NONPAYMENT OF ASSESSMENTS AND A HEARING ON SUCH FORECLOSURE BEFORE THE SALE OF THE SUBJECT UNIT.

(c) Notwithstanding the foregoing, neither a judicial foreclosure action nor a suit at law for a money judgment shall be commenced, nor shall any notice of foreclosure by advertisement be published, until the expiration of ten (10) days after the mailing of a written notice that an assessment, or any part thereof, levied against his unit is delinquent, and the Association may invoke any of its remedies hereunder if the default is not cured within ten (10) days after the date of mailing. The notice shall be mailed by certified mail, return receipt requested, and postage prepaid, and shall be addressed to the individual representative of the delinquent Co-owner designated in the certificate filed with the Association pursuant to Section 2.3 above, at the address set forth in such certificate or at his last known address. The written notice shall be accompanied by a written affidavit of an authorized representative of the Association that sets forth (i) the affiant's capacity to make the affidavit, (ii) the statutory and other authority for the lien, (iii) the amount outstanding (exclusive of interest, costs, attorneys' fees and future assessments), (iv) the legal description of the subject unit, and (v) the name of the Co-owner of record. The affidavit shall be recorded in the Office of the Washtenaw County Register of Deeds before the commencement of any foreclosure proceeding, but it need not have been recorded as of the date of mailing the notice as provided above. If the delinquency is not cured within the ten (10) day period, the Association may take such remedial action as may be available to it hereunder or under Michigan law. In the event the Association elects to foreclose the lien by advertisement, the Association shall so notify the individual representative designated above and shall inform such representative that he may request a judicial hearing by bringing suit against the Association. The expenses incurred in collecting unpaid assessments, including interest, costs, actual attorneys' fees (not limited to statutory fees) and advances for taxes or other liens paid by the Association to protect its lien, shall be chargeable to the Co-owner in default and shall be secured by the lien on his unit. In a judicial foreclosure action, a receiver may be appointed to collect a reasonable rental for the unit from the Co-owner thereof or any persons claiming under him, and each Co-owner hereby consents to the appointment of such a receiver. The Association may purchase a unit at any foreclosure sale hereunder.

(d) If the holder of a first mortgage on a unit in the Condominium obtains title to the unit as a result of foreclosure of the mortgage, deed in lieu of foreclosure or similar remedy, or any other remedy provided in the mortgage, such person, and its successors and assigns, or other purchaser at a foreclosure sale (collectively, a "Foreclosure Purchaser") shall not be liable for unpaid assessments chargeable to the unit which became due before the acquisition of title to the unit by that person; provided, however, that those unpaid assessments shall be considered common expenses collectible from all the unit owners including the Foreclosure Purchaser and that all assessments chargeable to the unit after the acquisition of title shall be the responsibility of the Foreclosure Purchaser as provided above with respect to all Co-owners.

5.6 Obligations of the Cooperative-Developer. The Cooperative-Developer, a member of the Association, shall be responsible for the payment of all regular or special assessments levied by the Association on the Cooperative-Developer's units

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5.7 Access; Maintenance and Repair. As provided in the Master Deed, the Association shall maintain and repair the general common elements, whether located inside or outside the units, and the limited common elements, to the extent set forth in the Master Deed. The costs thereof shall be charged to all the members as a common expense, unless necessitated by the negligence, misuse or neglect of a member, in which case such expense shall be charged to such member. The Association or its agent shall have access to each unit from time to time during reasonable working hours, upon notice to the occupant thereof, for the purpose of maintenance, repair or replacement of any of the common elements located therein or accessible therefrom. The Association or its agent shall also have access to each unit at all times without notice for making emergency repairs necessary to prevent damage to other units, the common elements, or both.

Each member shall provide the Association means of access to his unit and any limited common elements appurtenant thereto during all periods of absence, and if such member fails to provide a 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 member for any necessary damage to his unit or nay limited common elements appurtenant thereto caused thereby or for the repair or replacement of any doors or windows damaged in gaining such access, the costs of which damage shall be borne by such member. Unless otherwise provided herein or in the Master Deed, damage to a unit or its contents caused by the repair or maintenance activities of the Association, or by the common elements, shall be repaired at the expense of the Association.

All other maintenance and repair obligations shall, as provided in the Master Deed, rest on the individual member. Each member shall maintain his unit and any limited common elements appurtenant thereto for which he has maintenance responsibility in a safe, clean and sanitary condition. Each member 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 member shall be responsible for damages or costs to the Association resulting from negligent damage to or misuse of any of the common elements by him, his family, guests, agents or invitees, unless such damages or costs are actually reimbursed from insurance carried by the Association, in which case there shall be no such responsibility (if reimbursement to the Association is excluded by virtue of a deductible provision, the responsible member shall bear the expense to the extent of the deductible amount, anything else in these Bylaws to the contrary notwithstanding). Any costs or damages to the Association that are herein or elsewhere in the Condominium Documents assigned to the individual member may be assessed to and collected from the responsible member in the manner provided for regular assessments.

The provisions of this Section 5.7 shall be subject to those of Sections 6.1 and 6.2 in the event of repair or replacement on account of a casualty loss.

5.8 Taxes. After the year in which the Condominium is established, all special assessments and property taxes shall be assessed against the individual units and not upon the total property of the Condominium or any part thereof. To the extent that any property taxes are assessed to the Project, the Common Areas and/or the Association, they shall be considered as an Expense of Administration, paid by the Association and assessed to the Co-owners pursuant to Section 5.3. Taxes and governmental special assessments which have become a lien against the property of the

Condominium in the year of its establishment (as provided in Section 131 of the Act) shall be Expenses of Administration and shall be paid by the Association. Each unit shall be assessed a percentage of the total bill for such taxes and assessments equal to the percentage of value allocated to it in the Master Deed, and the owner thereof shall reimburse the Association for his unit's share of such bill within ten (10) days after he has been tendered a statement therefor.

5.9 Documents to Be Kept. The Association shall keep current copies of the recorded Master Deed, and all amendments thereto, and other Condominium Documents available at reasonable hours to Co-owners, mortgagees, prospective purchasers and prospective mortgagees of units in the Condominium.

5.10 Reserve for Major Repairs and Replacement. The Association shall maintain a reserve fund for major repairs and replacement of general common elements pursuant to MCL 559.205 in an amount not less than ten percent (10%) of the Association's current annual budget (excluding that portion of the budget allocated to the reserve fund itself) on a noncumulative basis. Moneys in the reserve fund shall be used only for major repairs and replacement of general common elements. The minimum standards required by this Section may prove inadequate for a particular project. The Association, through it's Board of Directors, should carefully analyze the Condominium Project to determine if a greater amount should be set aside, or if additional reserve funds should be established for other purposes, particularly with respect to long-term projects and replacement costs. The Association may hire professionals to prepare capital reserve studies in order to properly plan for adequate planning and funding of major repairs and replacements to the common elements.

5.11 Working Capital Contribution. To provide working capital to the Project and the Association, each Co-owner shall pay to the Association at closing of the purchase of a unit both the pro rata share of the current assessment for the unit and an additional sum (the "Working Capital Contribution") initially equal to two month's assessments for the Association reserves. The Association shall have the power to increase, decrease, amend or eliminate the amount of the Working Capital Contribution from time-to-time by designating such change or such amount in the House Rules. The Working Capital Contribution may, in the discretion of the Association, be placed either in a short-term operating capital reserve or in the Capital Reserve Funding account, for use by the Association as needed from time to time. The Working Capital Contribution is non-refundable and will not be applied as a credit against any future assessments. If the unit is later sold, a new Working Capital Contribution will be assessed against the purchaser of the unit. The seller of the unit shall not receive any credit for the seller's Working Capital Contribution. The Board of Directors may, in addition to the Working Capital Contribution, levy special assessments to cover expenses that were not anticipated in the budget as provided by the Condominium Documents. Payment of the Working Capital Contribution shall be required prior to the exercise of any rights of membership in the Association including, without limitation, the use of the Common Elements. Any unpaid Working Capital Contribution shall become a lien on the unit in the same manner as any unpaid Common Expenses attributable to such unit. Notwithstanding the foregoing, no Working Capital Contribution shall be required in connection with the transfer of title for a unit from the Cooperative-Developer to its shareholders as a result of the process of the conversion from a cooperative housing community to the Condominium Project. The Association shall have the power to provide certain exceptions to the mandatory Working Capital Contribution where the transfer of a unit is not a arm's length sale.

5.12 Statement of Unpaid Assessments. Pursuant to the provisions of the Act, the purchaser of any unit may request a statement from the Association as to the outstanding amount of any unpaid assessments thereon, whether regular or special or resulting from unpaid charges. Upon written request to the Association accompanied by a copy of the executed purchase agreement pursuant to which the purchaser holds a right to acquire a unit, the Association, at a reasonable administrative cost, shall provide a written statement of such unpaid assessments as may exist or a statement that none exist, which statement shall be binding upon the Association for the period stated therein. Upon the payment of that sum within the period stated, the Association's lien for assessments as to that unit shall be considered satisfied; provided, however, that the failure of a purchaser to request such a statement at least five (5) days before the closing of the purchase of a unit shall render any unpaid assessments and the lien securing them fully enforceable against that purchaser and the unit itself. Notwithstanding the foregoing, the Working Capital Contribution provided for in Section 5.11 above shall be due and payable to the Association by the purchaser of a unit upon the closing of the purchase.

ARTICLE VI

INSURANCE; REPAIR OR REPLACEMENT; CONDEMNATION; CONSTRUCTION LIENS

6.1 Insurance. The Association shall, to the extent appropriate given the nature of the common elements, carry fire and extended coverage, vandalism and malicious mischief and liability insurance (including, without limitation, Directors' and Officers' coverage), worker's compensation insurance, if applicable, and such other insurance coverage as the Board may determine to be appropriate with respect to the ownership, use and maintenance of the common elements of the Condominium and the administration of Condominium affairs. The insurance shall be carried and administered in accordance with the following provisions:

(a) The Association shall purchase that insurance for the benefit of the Association, the Co-owners and their mortgagees, as their interests may appear, and provision shall be made for the issuance of certificates of insurance with mortgagee endorsements to the mortgagees of Co-owners. The Association and all Co-owners shall use their best efforts to see that all property and liability insurance carried pursuant to the terms of this Article VI shall contain appropriate provisions by which the insurer waives its right of subrogation as to any claims against any Co-owner or the Association, and, subject to the provisions of Section 5.8, hereof, the Association and each Co-owner hereby waive, each as to the other, any right of recovery for losses covered by insurance. The liability of carriers issuing insurance obtained by the Association shall not, unless otherwise required by law, be affected or diminished on account of any additional insurance carried by any Co-owner, and vice versa.

(b) The Association shall carry fidelity bond insurance in such limits as the Board shall determine upon all officers and employees of the Association who in the course of their duties may reasonably be expected to handle funds of the Association or any Co-owners.

(c) The Association will under no circumstances have any obligation to obtain any of the insurance coverage described in this subsection or any liability to any person for failure to do so.

(d) 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 maximum insurable replacement value, excluding land, landscaping, pavement, foundation, and excavation costs, as determined annually by the Board of Directors of the Association with the assistance of insurance agents and other professionals. 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, gas lines in or on the roofs and trim within a unit which were furnished with the unit as standard items according to the plans and specifications thereof on file with the Association (or such replacements thereof as do not exceed the cost of such standard items). At a minimum, such coverage must include all reconstruction, fixtures and appliances that are necessary to obtain a certificate of occupancy from local governmental officials. Any improvements made by a Co-owner within his unit shall be covered by insurance obtained by and at the expense of the Co-owner; provided that, if the Association elects to include such improvements under its insurance coverage, any additional premium cost to the Association attributable thereto shall be assessed to and borne solely by the Co-owner and collected as a part of the assessment levied against the Co-owner under Section 5.4 above.

(e) All insurance carried hereunder shall, to the extent possible, provide for cross-coverage of claims by one insured against another.

(f) Public liability insurance shall be carried in such limits as the Board may from time to time determine to be appropriate, and shall cover the Association, each member, director and officer thereof, and any managing agent.

(g) All premiums upon insurance purchased by the Association pursuant to these Bylaws, except pursuant to subsection 6.1(c) above, shall be Expenses of Administration.

(h) 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 Section 6.2 below, 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 Project unless all the holders of first mortgages on units in the Condominium have given their prior written approval.

(i) Each Co-owner, by ownership of a unit in the Condominium, shall be considered to appoint the Association as his true and lawful attorney-in-fact to act in connection with all matters concerning insurance pertinent to the Condominium and the common elements thereof. Without limiting the generality of the foregoing, the Association as 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 them to the Association, the Co-owners and respective mortgagees, as their interests may appear (subject always to the Condominium Documents), to execute releases of liability and to execute all documents and to do all things on behalf of such Co-owners and the Condominium as shall be necessary or convenient to accomplish the foregoing.

(j) Each individual Co-owner shall indemnify and hold harmless every other Co-owner, the Cooperative-Developer, and the Association from and against all damages, costs and judgment, including actual attorneys' fees, which any indemnified party may suffer as a result of defending claims arising out of an occurrence on or within such individual Co-owner's unit or appurtenant limited common elements. This provision shall not be construed to give an insurer any subrogation right or other right or claim against an individual Co-owner, the Cooperative-Developer, or the Association.

(k) Fidelity bonds may be required by the Board of Directors from all persons handling or responsible for Association funds, the amount of such bonds shall be determined by the Board in its sole discretion, and the premium for such bonds shall be a general expense of the Association.

6.2 Reconstruction or Repair. If any part of the Condominium shall be damaged, the determination of whether or not, and how, it shall be reconstructed or repaired shall be made in the following manner:

(a) If a common element or a unit is damaged, such property shall be rebuilt or repaired if any Condominium unit is tenantable, unless the members unanimously vote that the Condominium shall be terminated and each holder of a mortgage lien on any Condominium unit has given its prior written approval of such termination.

(b) If the Condominium is so damaged that no unit is tenantable, and if each holder of a mortgage lien on any unit in the Condominium has given its prior written approval to the termination of the Condominium, the damaged property shall not be rebuilt and the Condominium shall be terminated, unless seventy-five percent (75%) of the members in number agree to reconstruction by vote, based on one vote per unit, or in writing within ninety (90) days after the destruction.

(c) Any reconstruction or repair shall be performed substantially in accordance with the Master Deed and the plans and specifications for the Condominium to a condition as similar as possible to the condition existing prior to damage, unless the members and each holder of a mortgage lien on any Condominium unit shall unanimously decide otherwise.

(d) If the damage is only to a part of a unit which it is the responsibility of a member to maintain and repair, it shall be the responsibility of the member to repair such damage in accordance with subsection (e) hereof. In all other cases, the responsibility for reconstruction and repair shall be that of the Association. The Association promptly shall notify each holder of a mortgage lien on any of the Condominium units if any unit or any part of the common elements is substantially damaged or destroyed.

(e) Each member shall be responsible for the decorative aspects of his unit, including, but not limited to, special floor coverings, wall coverings, window shades, draperies, upgraded interior trim, furniture, non-essential appliances whether freestanding or built-in, and items deemed to be the responsibility of the individual member by Article V of the Master Deed. If damage to interior walls within a 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 thereof shall be the responsibility of the Association in accordance with subsection (f). If any other interior portion of a unit, or item therein, is covered by insurance held by the Association for the benefit of the member, the member 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 member and the mortgagee jointly, without any change to the obligations set forth in this subsection (e).

(f) The Association shall be responsible for the reconstruction and repair of the common elements, and for any incidental damage to a unit and the contents thereof caused by such common elements or the reconstruction or repair thereof. Immediately after a casualty occurs causing damage to property for which the Association has the responsibility of maintenance, repair and reconstruction, the Association shall obtain reliable and detailed estimates of the cost to return the damaged property to a condition as good as that existing before the damage.

(g) Any insurance proceeds received, whether by the Association or a member, shall be used for reconstruction or repair when reconstruction or repair is required by these Bylaws. If the insurance proceeds are not sufficient to pay the estimated costs of reconstruction or repair required to be performed by the Association, or if at any time during such reconstruction or repair, or upon completion of such reconstruction or repair, the funds for the payment of the costs thereof are insufficient, assessments shall be made against all members 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. Such assessments shall be levied in the same manner as the regular monthly assessments, as set forth in Article V, Section 5.4.

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

(a) In the event of any taking of all or any portion of a unit or any limited common element appurtenant thereto, the award for such taking shall be paid to the Co-owner of the unit and the mortgagee thereof, as their interests may appear. If the Co-owner's entire unit is taken by eminent domain, such Co-owner and his mortgagee shall after acceptance of the condemnation award therefor, be divested of all interest in the Condominium Project.

(b) In the event of any taking of all or any portion of the general common elements, the condemnation proceeds relative to such taking shall be paid to the Co-owners and the mortgagees in proportion to their respective interests in the common elements and the affirmative vote of two-thirds (2/3) or more of the Co-owners in number shall determine

whether to rebuild, repair or replace the portion so taken or to take such other action as they consider appropriate.

(c) In the event the Condominium Project continues after taking by eminent domain, then the remaining portion of the Condominium Project shall be resurveyed and the Master Deed amended accordingly and, if any unit shall have been taken, Article VI of the Master Deed shall also be amended to reflect such taking and to proportionately readjust the percentages of value of the remaining Co-owners based upon the continuing value of the Condominium of one hundred percent (100%). 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.

(d) 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 notify each institutional holder of a first mortgage lien on any of the units in the Condominium.

(e) To the extent not inconsistent with the foregoing provisions, Section 133 of the Act shall control upon any taking by eminent domain.

6.4 Construction Liens. The following provisions shall control the circumstances under which construction liens may be applied against the Condominium or any unit thereof:

(a) Except as provided below, a construction lien for work performed on a Condominium unit or upon a limited common element may attach only to the unit upon or for the benefit of which the work was performed.

(b) A construction lien for work authorized by the Cooperative-Developer or principal contractor and performed upon the common elements may attach only to units owned by the Cooperative-Developer at the time of recording of the claim of lien.

(c) A construction lien for work authorized by the Association of Co-owners may attach to each unit only to the proportionate extent that the Co-owner of the unit is required to contribute to the Expenses of Administration as provided by the Condominium Documents.

(d) A construction lien may not arise or attach to a unit for work performed on the common elements not contracted for by the Cooperative-Developer or the Association of Co-owners, except as provided in subsection 6.4(a) above.

If a Co-owner is advised or otherwise learns of a purported construction lien contrary to the foregoing, he shall immediately notify the Board of Directors. Upon learning of the purported construction lien, the Board shall take appropriate measures to remove any cloud on the title of units improperly affected thereby.

6.5 Mortgagees. Nothing contained in the Condominium Documents shall be construed to give a Condominium unit owner, or any other party, priority over any rights of first mortgagees of Condominium units pursuant to their mortgages in the case of a distribution to Condominium unit owners of insurance proceeds or condemnation awards for losses to or a taking of Condominium units, common elements or both.

ARTICLE VII

USE AND OCCUPANCY RESTRICTIONS; ENFORCEMENT

7.1 Establishment of Restrictions. In order to provide for congenial occupancy of the Condominium, and for the protection of the value of the Condominium units, the use of Condominium property shall be subject to the limitations set forth below:

(a) Residential Units. No unit shall be used for other than residential purposes and the common elements shall be used only for purposes consistent with the use of single-family residences. No more than six (6) persons may occupy any of the units without the written consent of the Association and at least one of the residents must be of legal age.

(b) Trash. No trash, garbage or rubbish of any kind shall be placed within any unit, except in sanitary containers for removal. All sanitary containers shall be kept in a clean and sanitary condition and shall be kept in an inconspicuous area of the unit, except as necessary to allow for trash collection.

(c) Antennae. No owner may install within his unit or on the roof of the Condominium project a satellite dish or television antenna unless approved in writing by Association.

(d) Nuisances. No owner of any unit will do or permit to be done any act or condition within his unit which may be or is or may become a nuisance. No unit will be used in whole or in part for the storage of any property or thing that will cause the unit to appear in an unclean or untidy condition or that will be obnoxious to the eye; nor will any substance, thing or material be kept within any unit that will emit foul or obnoxious odors, or that will cause any noise that will or might disturb the peace, quiet, comfort or serenity of the occupants of the surrounding units. No Co-owner shall do or permit anything to be done or keep or permit to be kept in his unit or on the common elements anything that will increase the rate of insurance on the Condominium without the written approval of the 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.

(e) Compliance with Laws. No owner shall take any action on or with respect to his unit that violates any federal, state or local statute, regulation, rule or ordinance.

(f) Alterations. A Co-owner may make improvements or alterations within his unit that (a) do not impair the structural integrity of a structure or otherwise lessen the support of a portion of the Project, and (b) do not affect the external appearance of the unit or to appurtenant limited common elements (only with the consent of all other Co-owners of

units to which the limited common element is appurtenant). Such improvements and alterations shall not require the consent or approval of the Board of Directors. No Co-owner shall make alterations in the exterior appearance of the Condominium Project or make structural modifications to his unit not specifically permitted above or make changes in any of the general common elements, nor shall any Co-owner damage or make modifications or attachments to common or limited common element walls between units which in any way impair sound-conditioning provisions, without the express prior written approval of the Co-owner of the adjoining unit. The Board of Directors may appoint a Committee and may delegate to it responsibility for establishing rules relating to the appearance of units and common areas, and the construction, maintenance, and repair, and approval thereof. Even after approval, a Co-owner shall be responsible for all damages to any other units and their contents or to the common elements, resulting from any such modification. Upon any modification or alteration by a Co-owner, the Co-owner and all successors to the Co-owner's interest shall be responsible for the maintenance, repair or replacement of such modification or alteration.

(g) Use of Common Elements. The common elements shall be used only by the Co-owners of units in the Condominium and by their agents, tenants, invitees and licensees for access, ingress to and egress from the respective units and for other purposes incidental to use of the units; provided, however, that any storage facilities or other common elements designed for a specific use shall be used only for the purposes approved by the Association. In general, no activity shall be carried on nor condition maintained by a Co-owner either in his unit or upon the common elements, which spoils the appearance of the Condominium or unreasonably interferes with the permitted activities of the other Co-owners. In general, all of the general 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.

(h) Signs. No signs or other advertising devices shall be displayed which are visible from the exterior of a unit or on the common elements, without the express written approval of the Cooperative-Developer or the Board of Directors.

(i) Pets. A Co-owner may keep up to three (3) pets, but not more than two (2) dogs and may not raise or breed pets and animals of any kind in any unit. Limitations on pets shall be subject to the House Rules, if any, adopted by the Association. Pets shall have such care and restraint so as not to be obnoxious or offensive on account of noise, odor or unsanitary conditions. No vicious, exotic or dangerous pet shall be kept anywhere. No pet may be permitted to run loose upon the common elements, limited or general. The Association may charge all Co-owners maintaining a pet a reasonable additional assessment to be collected in the manner provided in Article V, Section 5.4, of these Bylaws if the Association determines such assessment necessary to defray the maintenance cost to the Association of accommodating animals within the Condominium. Any person who causes an animal to be brought or kept in the Condominium shall indemnify and hold harmless the Association for any damage, loss or liability which might accrue to the Association as a result of the presence of such animal in the Condominium.

(j) Mailbox System. The Cooperative-Developer and/or the Association may require that a common mailbox system be used for the units which may require mailboxes to

be located at a central location or at separate or joint locations. The Association may determine the design and location of the mailbox system or of joint or individual mailboxes.

7.2 Enforcement of Restrictions. The Association's costs of exercising its rights and administering its responsibilities hereunder shall be Expenses of Administration (as defined in Article V above), provided that the Association shall be entitled to recover its costs of proceeding against a breach by a Co-owner as provided in 12.1(b), below.

7.3 General Provisions.

(a) Zoning. All restrictions imposed by the City of Ann Arbor Zoning Ordinance, as it applies to the Condominium Project, shall apply to all units in the Condominium, except that if the Cooperative-Developer or the Association has imposed more stringent restrictions, those restrictions shall supplement the City of Ann Arbor, Michigan restrictions.

(b) No Gift or Dedication. Nothing herein contained will be considered to be a gift or dedication of any portion of the units or other areas in the Condominium to the general public or for any public purposes whatsoever, it being the intention of the Cooperative-Developer that these restrictions will be strictly limited to the purposes herein specifically expressed.

(c) No Third-Party Beneficiaries. No third party, except grantees, heirs, representatives, successors and assigns of the Cooperative-Developer, as provided herein, will be a beneficiary of any provision set forth herein.

(d) Handicapped Persons. Reasonable accommodations in the rules, policies and practices of the Condominium will be made as required by the Federal Americans with Disabilities Act, as amended, and other applicable laws and regulations.

7.4 Persons Subject to Restrictions. All present and future Co-owners, tenants and any other persons or occupants using the facilities of the Condominium in any manner are subject to and shall comply with the Act, the Master Deed, these Condominium Bylaws and the Articles of Incorporation and House Rules of the Association.

7.5 Enforcement. A breach of any provision contained in this Article VII shall constitute a breach of these Bylaws and may be enforced pursuant to the terms of these Bylaws.

ARTICLE VIII

LEASES AND SALE OF UNITS

8.1 Restriction on Leasing. Except as hereinafter provided, no Unit shall be leased by the Co-owner thereof (except a lender in possession of such Unit following a default in a first mortgage, a foreclosure proceeding or by any deed or other arrangement in lieu of foreclosure) or otherwise utilized for transient or hotel purposes, which shall be defined as (i) rental for any period less than one (1) year

; or (ii) any rental where the occupants of the Unit are provided customary hotel services, such as room service for food and beverages, maid service, furnishing laundry and linen, and bellboy service. No Unit Owner may lease less than an entire Unit.

(a) In addition to the foregoing restriction relative to leasing, where a party that purchases a Unit (Purchaser) from an Owner who was originally a shareholder (Original Owner) of Geddes Lake Cooperative Homes, Inc. the Cooperative-Developer herein, where the Original Owner acquired the Unit as part of the conversion of the property from a cooperative to a condominium form of ownership, such Purchaser shall not be permitted to lease his (her) Unit unless:

(i) Purchaser has occupied the Unit as a primary residence for at least one (1) year from the date of purchase, and

(ii) The number of units in the Association not occupied by a Unit Owner as a primary residence or second home is less than twenty-five percent (25%) of the total units.

(b) The provisions set forth in this paragraph shall not apply to:

(i) Any Institutional Lender who acquires title to one or more Units.

(ii) Where the Unit is occupied or leased by a family member of the Co-owner with direct lineage.

(c) The Association, acting through its Board of Directors, reserves the right to amend these Bylaws to provide additional or different restrictions or conditions on a Co-owner's ability to lease a unit, even if such changes would materially alter or change the rights of a Co-owner or a mortgagee, without first obtaining consent from such Co-owner and mortgagee, provided that (i) the Association shall notify Co-owners of substantial changes to such lease restrictions not less then thirty (30) prior to the effective date of such changes and provide the opportunity to comment on such changes, and (ii) the Association shall not eliminate entirely the ability of every Co-owner to lease a unit. Specifically, without limitation, the Association shall have the power to adopt limits on the total number or percentage of units that are rentals within the Condominium or mandatory waiting periods between lease periods.

8.2 Notice of Intent to Lease. A Co-owner who qualifies to rent his unit in accordance with Section 8.1 herein and desires to rent or lease a Condominium unit for any term, shall disclose that fact in writing to the Association at least ten (10) days before presenting a lease form to a potential lessee, and at the same time, shall supply the Association with a copy of the exact lease form for its review for its compliance with the Condominium Documents. All leases shall indicate that the lease shall be conditioned upon approval by the Association and shall be subject to the Master Deed, the Bylaws, and the House Rules (if any) adopted by the Association. The Board of Directors shall advise the Co-owner of any deficiencies in the lease form and the Co-owner shall correct such deficiencies as directed by the Board of Directors before presenting a copy of the lease form to the potential lessee. Once a lease form is approved by the Board of Directors, a Co-owner of a unit may use the lease form to lease or let a unit for a term of one (1) year or longer. The Association may adopt a "Standard Form of Lease" and may require that all proposed leases use this Standard Form of Lease. The Association may also adopt a standard, mandatory fee for reviewing requests to lease a unit. If Cooperative-Developer proposes to rent any Condominium unit before the Transitional Control Date, Cooperative-Developer shall notify either the Advisory Committee or each Co-owner in writing. For security purposes, all non-Co-owner occupants shall register their

presence with the Association prior to taking occupancy and shall notify the Association upon departure.

8.3 Conduct of Tenants. All tenants and non-Co-owner occupants shall comply with all the terms and conditions of the Condominium Documents, the House Rules adopted by the Association and the provisions of the Act. As part of any lease to a unit, the leasee shall be required to acknowledge in writing that they have read and agree to abide by all the Governing Documents of the Association, including the House Rules, and the lessor (Co-owner) shall agree in writing to enforce all requirements and rules against the leasee. If the Association determines that a tenant or non-Co-owner occupant has failed to comply with the conditions of the Condominium Documents or the provisions of the Act, the Association may advise the appropriate Co-owner by certified mail of the alleged violation by a person occupying his unit. The Co-owner shall have fifteen (15) days after receipt of the notice to investigate and correct the alleged breach or advise the Association that a violation has not occurred. If after fifteen (15) days the Association believes that the alleged breach has not been cured or may be repeated, it may institute on its behalf, or the members may institute derivatively on behalf of the Association if it is under the control of the Cooperative-Developer, an action for eviction against the tenant or non-Co-owner occupant and, simultaneously, for money damages against the member and tenant or non-Co-owner occupant for the breach of the conditions of the Condominium Documents or the Act. The relief set forth in this Section may be by any appropriate proceeding. The Association may hold both (i) the tenant or other non-Co-owner occupant, and (ii) the Co-owner liable for the damages caused to the Condominium, including all reasonable attorney's fees and costs.

8.4 Cooperative-Developer. All the foregoing restrictions on leasing are not applicable to the Cooperative-Developer or the units it owns.

8.5 Temporary Limitation on Sale. For a period of eighteen (18) months from the date of recordation of the Master Deed, the Board of Directors may limit the number of units available for resale upon procedures adopted by the Board. Such procedures shall be designed to maintain the value of the units recently converted from cooperative status and may include, inter alia, restrictions on the number of units available for resale during any monthly period. Such restrictions will give priority to sales of units by unit owners who demonstrate undue hardship. Any procedures promulgated pursuant to this paragraph shall not apply to any unit subject to foreclosure proceedings by a Mortgagee.

8.6 Notice of Sale. A Co-owner who transfers his unit shall immediately notify the Association in writing and supply the purchaser's name and address so that the Association may update its records. As provided in Section 5.11, a non-refundable Working Capital Contribution will be assessed against the incoming purchaser of a unit.

ARTICLE IX

MORTGAGES

9.1 Notice of Mortgage. A Co-owner who mortgages a unit shall notify the Association of the name and address of his mortgagee and shall file a conformed copy of the note and mortgage with the Association, which shall maintain that information in a book entitled "Mortgages of Units."

If the Association does not receive the notice, it shall be relieved of any duty to provide the mortgagee any notice required by the Master Deed or these Bylaws.

9.2 Notice of Default. The Association shall give to the holder of any first mortgage covering any unit in the Condominium Project written notification of any default in the performance of the obligations of the Co-owner of such unit that is not cured within sixty (60) days if such mortgagee has, in writing, requested the Association to report such defaults to it.

9.3 Notice of Insurance. The Association shall notify each mortgagee appearing in the above-described book of the name of each company insuring the general common elements of the Condominium against vandalism and malicious mischief and the amounts of such coverage.

9.4 Notice of Meetings. Upon a 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.

9.5 Acquisition of Title by First Mortgagee. Any first mortgagee who obtains title to a unit pursuant to the remedies provided in the mortgage, or deed in lieu thereof, shall not be liable for that unit's unpaid assessments which accrue before acquisition of title by the mortgagee, except to the extent provided in Section 5.6, above.

9.6 Additional Notification. When notice is to be given to a Mortgagee, the Board of Directors shall also give such notice to the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Veterans Administration, the Federal Housing Administration, the Farmer's Home Administration, the Government National Mortgage Association, and any other public or private secondary mortgage market entity participating in purchasing or guarantying mortgages of Units in the Condominium if the Board of Directors has notice of their participation.

ARTICLE X

AMENDMENTS

10.1 Proposal. Amendments to these Bylaws may be proposed by the Board of Directors of the Association acting upon the vote of the majority of the Directors or by one-tenth (1/10) or more of the members in number (based on one [1] vote per unit) by an instrument in writing signed by them.

10.2 Meeting to Be Held. Upon any amendment being proposed, a meeting for consideration of the amendment shall be duly called in accordance with the provisions of the Bylaws and copies distributed to all Co-owners prior to the vote.

10.3 Vote Required. These Condominium Bylaws may be amended by an affirmative vote of not less than sixty-six (66%) percent of the members in number (based on one [1] vote per unit) and sixty-six (66%) percent of all mortgagees at any regular meeting or special meeting called for that purpose. For purposes of this voting, each Co-owner will have one (1) vote for each unit

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owned, including as to the Cooperative-Developer all units created by the Master Deed but not yet conveyed. Each mortgagee shall have one (1) vote for each mortgage held.

10.4 Amendments Not Materially Changing Condominium Bylaws. The Cooperative-Developer or Board of Directors may enact amendments to these Condominium Bylaws without the approval of any member or mortgagee, provided that the amendments shall not materially alter or change the rights of a member or mortgagee. The Cooperative-Developer may also enact amendments to these Condominium Bylaws as provided in the Master Deed.

10.5 Effective Date. Any amendment to these Bylaws shall become effective upon the recording of the amendment in the Office of the Register of Deeds in the county where the Condominium is located.

10.6 Costs of Amendments. Any person causing or requesting an amendment to these Condominium Bylaws shall be responsible for the costs and expenses of considering, adopting, preparing and recording the amendment except as provided in the Master Deed; provided, however, that such costs and expenses relating to amendments adopted pursuant to Article 10, Section 10.4, or pursuant to a decision of the Advisory Committee shall be expenses of administration.

10.7 Notice; Copies to Be Distributed. Members and mortgagees of record of Condominium units shall be notified of proposed amendments not less than ten (10) days before the amendment is recorded. A copy of each amendment to these Bylaws shall be furnished to every member after recording; provided, however, that any amendment to these Bylaws that is adopted in accordance with this Article shall be binding upon all persons who have an interest in the Condominium Project regardless of whether such persons actually receive a copy of the amendment. Notwithstanding anything herein to the contrary, if a mortgage holder is notified of any proposal or matter on which it is entitled to vote and fails to vote or submit a response within thirty (30) days after being notified by certified or registered mail, with a "return receipt" requested, the consent and approval of such holder on all such matters shall be implied.

ARTICLE XI

DEFINITIONS

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

ARTICLE XII

REMEDIES FOR DEFAULT

12.1 Relief Available. 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 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 an assessment or other amount due) 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 or the failure of any Co-owner to abide by the provisions of the Condominium Documents, 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, but in no event shall any Co-owner be entitled to recover attorneys' fees.

(c) Such other reasonable remedies as are provided in the House Rules promulgated by the Board of Directors, including, without limitation, the levying of fines against Co-owners after notice and opportunity for hearing, as provided in the House Rules of the Association, and the imposition of late charges for nonpayment of assessments.

(d) The violation of any of the provisions of the Condominium Documents shall also give the Association or its duly authorized agents the right, in addition to the rights set forth above, to enter upon the common elements, limited or general, or into any unit, where reasonably necessary, and summarily remove or abate, at the expense of the Co-owner in violation, any structure, thing or condition existing or maintained contrary to the provisions of the Condominium Documents.

(e) The rights and remedies provided in Section 5.5 for the failure to timely pay assessments and other amounts due.

12.2 Failure to Enforce. The failure of the Association or of any Co-owner to enforce any right, provision, covenant or condition which may be granted by the Condominium Documents shall not constitute a waiver of the right of the Association or of any such Co-owner to enforce that right, provision, covenant or condition in the future.

12.3 Rights Cumulative. All rights, remedies and privileges granted to the Association or any Co-owner or Co-owners pursuant to any terms, provisions, covenants or conditions of the Condominium Documents shall be considered to be cumulative and the exercise of any one or more shall not be considered an election of remedies, nor shall it preclude the party exercising it or them from exercising such other and additional rights, remedies or privileges as may be available to that party at law or in equity.

12.4 Hearing. Before the imposition of any fine or other penalty hereunder, the offending unit owner shall be given a reasonable opportunity to appear before the Board and be heard. Following the hearing, the Board shall prepare a written decision and place it in the permanent records of the Association.

ARTICLE XIII

ARBITRATION

13.1 Submission to Arbitration. Any dispute, claim, or grievance arising out of or relating to the interpretation or application of the Master Deed, Bylaws, or other Condominium Documents and any disputes, claims, or grievances arising among or between Co-owners or between Co-owners and the Association may, on the election and written consent of the parties to the dispute, claim, or grievance and written notice to the Association, be submitted to arbitration; and the parties shall accept the arbitrator's decision and award as final and binding. The Arbitration Rules for the Real Estate Industry of the American Arbitration Association, as amended and in effect from time to time, shall apply to all such arbitrations.

13.2 Disputes Involving Developer. A contract to settle by arbitration may also be executed by Cooperative-Developer and any claimant for any claim against Cooperative-Developer that might be the subject of a civil action, provided as follows:

(a) At the exclusive option of a buyer of a unit or an Co-owner in the Project, Cooperative-Developer shall execute a contract to settle by arbitration any claim that might be the subject of a civil action against Cooperative-Developer that involves an amount less than $2,500 and arises out of or relates to a purchase or exchange agreement, a Unit, or the Project.

(b) At the exclusive option of the Association, the Cooperative-Developer shall execute a contract to settle by arbitration any claim that might be the subject of a civil action against Cooperative-Developer that arises out of or relates to the Common Elements of the Project if the amount of the claim is $10,000 or less.

13.3 Preservation of Rights. Election by any Co-owner or by the Association to submit any dispute, claim, or grievance to arbitration shall preclude that party from litigating the dispute, claim, or grievance in the courts. Except as provided in this Section 13, however, all interested parties shall be entitled to petition the courts to resolve any dispute, claim, or grievance in the absence of an election to arbitrate.

ARTICLE XIV

SEVERABILITY

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

ARTICLE XV

CONFLICTING PROVISIONS

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In the event of a conflict between the provisions of the Act (or other law of the United States or of the State of Michigan) and any Condominium Document, the Act (or other law) shall govern. In the event of any conflict between the provisions of any one or more Condominium Documents, the following order of priority shall prevail and the provisions of the Condominium Document having the highest priority shall govern.

(a) The Articles of Incorporation of the Association;
(b) The Master Deed, including the Condominium Subdivision Plan;
(c) These Condominium Bylaws;
(d) The Chart of Maintenance Responsibilities; and
(d) The House Rules of the Association.