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Washtenaw Co., MI
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Peggy M Haines, Washtenaw DMAAM 5579141

SECOND AMENDMENT TO MASTER DEED
ARBOR RIDGE CONDOMINIUM

This Second Amendment to Master Deed is made on May 23, 2004, by the Arbor Ridge Condominium Association, a Michigan non-profit corporation, c/o Pinnacle Condominium Mgt., 2320 Washtenaw Ave., Ste 200, Ann Arbor, MI 48104 ("Association").

RECITALS:

- A. Developer established Arbor Ridge Condominiums, a residential condominium by recording a Master Deed on July 12, 1995, in Liber 3127 Page 722, inclusive, Washtenaw County Records, known as Washtenaw County Condominium Subdivision Plan # 214. This Master Deed was amended by First Amendment to Master Deed and recorded on 11/29/95, in Liber 3184, Page 489, Washtenaw County Records.
- B. The Co-owners retained the right in Article IX of the Master Deed to amend the Master Deed.
- C. The Co-owners wish to amend the Master Deed to correct a typographical error of "Wayne County" in the documents, by replacing "Wayne County" with "Washtenaw County".
- D. The Co-owners wish to amend Article V, Section 1 (a), Article V, Section 6 (b), Article IX, Section 1, Article IX, Section 3, Article XI, Section 4 (g), Article XI, Section 7, Article XIII, Section 2, Article XIII, Section 4, and Article XIII, Section 6 of the Bylaws to clarify that a unit Co-owner may vote if the Co-owner is entitled to vote as of the record date of the vote, if the Co-owner is not in default, and if the Co-owner has presented evidence of ownership of the unit to the Association.
- E. The Co-owners wish to amend Article II, Section 6 of the Bylaws to clarify that a Co-owner of a unit in foreclosure is liable for assessments chargeable to the unit and due during the period of redemption, plus interest thereon. The Co-owner of such unit in foreclosure will also be liable for advances made by the Association for taxes or other liens, costs, and attorney fees.
- F. The Co-owners wish to amend Article VIII, Section 2, and Article VIII, Section 7 of the Bylaws to specify that a Co-owner of a unit is not entitled to recover attorneys' fees or other costs from the Association.

- G. The Co-owners wish to amend Article II, Section 1 (a), Article II, Section 5 (a), and Article II, Section 7 of the Bylaws to remove references to monthly assessments.
- H. The Co-owners wish to amend Article XVI, Section 4 of the Bylaws to clarify how account books will be audited and by whom.

AMENDMENTS:

Exhibit A of the Master Deed, "Condominium Bylaws" is amended as follows:

- 1. All references to "Wayne County" in the Master Deed and Bylaws shall be changed to "Washtenaw County."
- 2. Article II, Section 1 (a) is revised to read as follows:

a. Budget. The Board of Directors of the Association shall establish an annual budget, in advance, for each fiscal year. The budget shall project all expenses for the forthcoming year which may be required for the proper operation, management and maintenance of the Condominium Project, including a reasonable allowance for contingencies and reserves. An adequate reserve fund for major repair and replacement of Common Elements shall be established in the budget and must be funded by regular payments as set forth in Section 2 below rather than by special assessments. At a minimum, the reserve fund shall be equal to ten (10%) percent of the Association's current annual budget on a noncumulative basis. Since the minimum 10% standard required for a reserve fund may prove to be inadequate, the Association should carefully analyze the Condominium Project annually to determine if a greater amount should be set aside, or if additional reserve funds should be established for other purposes. The Association should annually evaluate the anticipated capital expenditures and establish an adequate reserve fund without the necessity of special assessments if at all possible.

Upon adoption of an annual budget by the Board of Directors, copies of the budget shall be delivered to each Co-owner and the assessments shall be established based upon the budget. The delivery of a copy of the budget to each Co-owner shall not affect or in any way diminish the liability of any Co-owner for any existing or future assessments. Should the Board of Directors at any time determine, in its sole discretion, (1) that the assessments levied are or may prove to be insufficient to pay the costs of operation, maintenance and management of the Condominium; or (2) to provide additions to the Common Elements not exceeding Five Thousand Dollars (\$5,000.00) annually for the Condominium Project, or (3) that an event of emergency exists the Board of Directors shall have the authority, without the consent or vote of the Co-owners, to increase the general assessment or to levy such additional assessments as it shall deem necessary.

- 3. Article II, Section 5 (a) is revised to read as follows:

a. Remedies. The Association may enforce collection of delinquent assessments by a suit for a money judgment or by foreclosure of the statutory lien that secures payment of such assessments. In the event of a default in the payment of any general and/ or special assessment as set forth in Section 2 above, the Association shall have the right to accelerate and declare all unpaid installments of the general and/ or special assessment for the pertinent fiscal year immediately due and payable. The Association may also discontinue the furnishing of any utilities or other services to a Co-owner

in default. A Co-owner in default shall not be entitled to vote at any meeting of the Association as long as a default continues. All of these remedies shall be cumulative and not alternative.

4. Article II, Section 6 is revised to read as follows:

Section 6. **LIABILITY FOR ASSESSMENTS.** The Co-owner of a condominium unit subject to foreclosure pursuant to Article II, Section 5, and any purchaser, grantee, successor, or assignee of the Co-owner's interest in the condominium unit, is liable for assessments by the Association of Co-owners chargeable to the condominium unit that become due during the period of redemption (6 months from the date of sale or 1 month from the date of abandonment) together with interest, advances made by the association of co-owners for taxes or other liens to protect its lien, costs, and attorney fees incurred in their collection.

Upon the sale or conveyance of a condominium unit, all unpaid assessments, interest, late charges, fines, costs, and attorney fees against a condominium unit shall be paid out of the sale price or by the purchaser in preference over any other assessments or charges of whatever nature except the following:

- (a) Amounts due the state, or any subdivision thereof, or any municipality for taxes and special assessments due and unpaid on the condominium unit.
- (b) Payments due under a first mortgage having priority thereto. (A first mortgage recorded subsequent to the recording of the notice of lien does not have priority.)

A purchaser or grantee is entitled to a written statement from the association of co-owners setting forth the amount of unpaid assessments, interest, late charges, fines, costs, and attorney fees against the seller or grantor, and the purchaser or grantee is not liable for, nor is the condominium unit conveyed or granted subject to, a lien for any unpaid assessments, interest, late charges, fines, costs, and attorney fees against the seller or grantor in excess of the amount set forth in the written statement. Unless the purchaser or grantee requests a written statement from the association of co-owners as provided in this act, at least 5 days before sale, the purchaser or grantee shall be liable for any unpaid assessments against the condominium unit together with interest, costs, fines, late charges, and attorney fees incurred in the collection thereof.

5. Article II, Section 7 is revised to read as follows:

Section 7. **DEVELOPER'S RESPONSIBILITY FOR ASSOCIATION ASSESSMENTS.** The Developer, although a member of the Association, the Developer shall not be responsible, at any time, for payment of the general and/ or special Association assessments, except with respect to completed and occupied Units that it owns. A completed Unit is one with respect to which a Certificate of Occupancy (Temporary or Final) has been issued by the Township of Pittsfield. Developer shall independently pay all direct costs of maintaining completed Units for which it is not required to pay Association assessments and shall not be responsible for any payments whatsoever to the Association in connection with such Units. The Developer shall not be responsible at any time for payment of Condominium assessments or payment of any expenses whatsoever with respect to unbuilt Units notwithstanding the fact that such unbuilt Units may have been included in the Master Deed. However, the Developer shall pay a proportionate share of the Association's current maintenance and administrative (excluding reserves) expenses for insurance, street maintenance, landscaping, lighting, snow removal and the like. The Developer's proportionate share shall be based

upon the ratio of all completed units owned by the Developer at the time the expense is incurred to the total number of completed units in the Condominium.

Except for completed and occupied Units owned by the Developer, the Developer shall not be responsible for payment of any assessments for capital improvements, special assessments or contributions to the reserve fund. In addition, the Developer shall never be liable for any assessment, general or special, to buy any unit from the Developer or to finance any litigation or claims against the Developer.

6. Article V, Section 1, Sub-section (a) is revised to read as follows:

a. Partial Damage. If the damaged property is a Common Element or a residence constructed within a Unit, the property shall be rebuilt or repaired if it is tenantable, unless it is determined by a unanimous vote of all the Co-owners entitled to vote as of the record date of the vote that the Condominium Project shall be terminated.

7. Article V, Section 6, Sub-section (b) is revised to read as follows:

b. Taking of Common Elements. If there is a taking of any portion of the Condominium other than any Unit or the Limited Common Elements appurtenant to such Unit, the award for such taking shall be paid to the Co-owners and their mortgagees in proportion to their respective interests in the Common Elements. An affirmative vote of more than fifty percent (50%) of the Co-owners entitled to vote as of the record date of the vote in number and in percentage of value shall determine whether to rebuild, repair or replace the portion so taken or to take such other action as they deem appropriate.

8. Article VIII, Section 2 is revised to read as follows:

Section 2. RECOVERY OF COSTS. In any proceeding arising because of an alleged default by any Co-owner, the Association, if successful, shall be entitled to recover all costs incurred by the Association as a result of the default and actual attorneys' fees, not limited to statutory fees, incurred by the Association as a result of the default. Costs and attorney fees incurred before initiation of a lawsuit may also be recovered by the Association. If the Association is unsuccessful in the proceeding arising from alleged Co-owner default, the Co-owner shall not be entitled to recover any costs from the Association (which could include attorneys' fees).

9. Article VIII, Section 7 is revised to read as follows:

Section 7. ENFORCEMENT OF PROVISIONS OF CONDOMINIUM DOCUMENTS. A Co-owner may maintain an action against the Association and its officers and directors to compel such persons to enforce the terms and provisions of the Condominium Documents. A Co-owner maintaining an action against either the Association or its officers shall not be entitled to recovery of attorneys' fees, or other costs, incurred in maintaining the action. A Co-owner (plaintiff) may maintain an action against any other Co-owner (defendant) for injunctive relief or for damages or any combination thereof for noncompliance with the terms and provisions of the Condominium Documents or the Act.



10. Article IX, Section 1 is revised to read as follows:

Section 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 may be proposed by one-third (1/3) or more in number of the Co-owners entitled to vote as of the record date of the vote, in writing and signed by them.

11. Article IX, Section 3 is revised to read as follows:

Section 3. **VOTING.** These Bylaws may be amended by the Co-owners at any regular meeting, annual meeting or special meeting called for such purpose by an affirmative vote of sixty-six and two-thirds percent (66-2/3%) of all Co-owners entitled to vote as of the record date of the vote in number and in percentage of value. No consent of the mortgagees shall be required to amend these Bylaws unless such amendment would materially alter or change the rights of such mortgagees, in which event the approval of sixty-six and two-thirds percent (66-2/3%) of the mortgagees shall be required with each mortgagee having one vote for each mortgage held.

12. Article XI, Section 4, Sub-section (g) is revised to read as follows:

g. To borrow money and issue evidences of indebtedness in furtherance of any or all of the purposes of the business of the Association, and to secure the same by mortgage, pledge, or other lien on property owned by the Association; provided, however, that any such action shall also be approved by an affirmative vote of seventy-five percent (75%) of all the Co-owners entitled to vote as of the record date of the vote in number and in value.

13. Article XI, Section 7 is revised to read as follows:

Section 7. **REMOVAL.** At any regular or special meeting of the Association where timely notice of the removal action proposed to be taken has been given, any one or more of the Directors may be removed, with or without cause, by the affirmative vote of fifty-one percent (51%) in number of all the Co-owners in the Project who are entitled to vote as of the record date of the vote. A successor director may be elected to fill any vacancy thus created. The quorum requirement for the purpose of filling such vacancy shall be thirty-five percent (35%) in number of all Co-owners in the Project who are entitled to vote as of the record date of the vote. Any Director whose removal has been proposed by the Co-owners shall be given an opportunity to be heard at the meeting. The Developer may remove and replace any or all of the Directors selected by it at any time, or from time to time, in its sole discretion. Likewise, any Director selected by the Co-owners unaffiliated with the Developer to serve before the First Annual Meeting may be removed before the First Annual Meeting in the same manner set forth in this paragraph for removal of Directors generally.

14. Article XIII, Section 2 is revised to read as follows:

Section 2. **ENTITLEMENT TO VOTE.** No Co-owner shall be entitled to vote at any meeting of the Association until he has presented evidence of ownership of a Unit in the Project to the Association. A Co-owner in default shall not be entitled to vote at any meeting of the Association as long as the default continues. ("Default" is non-compliance with any part of the Condominium Documents.) The vote of each Co-owner may be cast only by the individual representative

designated by such Co-owner in the notice required in Section 3 below or by a proxy given by such individual representative. At and after the First Annual Meeting the Developer shall be entitled to vote for each Unit which it owns.

15. Article XIII, Section 4 is revised to read as follows:

Section 4. **QUORUM.** The presence in person or by proxy of thirty-five percent (35%) of the Co-owners entitled to vote, as specified in Article XIII, Section 2, in number and in value shall constitute a quorum for holding a meeting of the Association except for voting on questions specifically required by the Condominium Documents to require a greater quorum. The written vote of any person furnished at or before any duly called meeting who is not present in person or by proxy shall be counted in determining the presence of a quorum with respect to the questions upon which the vote is cast.

16. Article XIII, Section 6 is revised to read as follows:

Section 6. **MAJORITY.** Unless stated otherwise, a majority shall consist of fifty-one percent (51%) in number of those Co-owners entitled to vote, as specified in Article XIII, Section 2, and present in person, by proxy or by written vote at a given meeting of the Association.

17. Article XVI, Section 4 is revised to read as follows:

Section 4. **RECORDS.** The Association shall keep detailed books of account showing all expenditures and receipts of administration which shall specify the maintenance and repair expenses of the Common Elements and any other expenses incurred by or on behalf of the Association and the Co-owners. Such accounts and all other Association records shall be open for inspection by the Co-owners and their mortgagees during reasonable working hours. The Association shall prepare and distribute to each Co-owner, at least once a year a financial statement, the contents of which shall be defined by the Association. The books of account shall be audited or reviewed at least annually by qualified, independent reviewers. Such reviewers need not be certified public accountants for a review or uncertified audit, but a certified audit requires independent, certified public accountants. "Independent" implies that the reviewer/auditor has not written or authorized checks, or handled money, on behalf of the Association. "Qualified" means that the reviewer/auditor has had experience conducting reviews or audits, not necessarily for the Association. The Board shall authorize a certified audit in the first fiscal year (defined in Article XVI, Section 2) after the year-end reserve balance exceeds \$50,000.00, then every five years thereafter, unless and until the year-end reserve balance falls below \$45,000.00. Unless the Board of Directors deems it necessary, in no case shall a certified audit be necessary more frequently than once every 5 years.



Except as amended hereby, the Master Deed, recorded in Liber 3127 Page 737 Washtenaw County Records, and First Amendment to Master Deed of Arbor Ridge, recorded in Liber 3184, Page 489 a condominium, shall continue in full force and effect.

Dated: May 23, 2004

Arbor Ridge Condominium Association, a Michigan Non-Profit Corporation

By: Jeffrey H. Fry 5/23/2004
Its: Secretary Treasurer

STATE OF MICHIGAN, COUNTY OF WASHTENAW

Subscribed and sworn to this 23rd day of May, 2004, by
Jeffrey H. Fry, Secretary/Treasurer of Arbor Ridge Condominium Association, a Michigan Non-Profit Corporation, for the corporation.

Nancy M. Burger
Nancy M. Burger
Notary Public, Washtenaw County, MI
My Commission expires: 5-14-07

Prepared by, and when recorded return to:
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