CO-OWNER HANDBOOK

PART I:

WHAT IS A CONDOMINIUM?

The word condominium comes from a Latin word meaning common ownership or control. Ordinarily it means individual ownership of all the space inside the inner walls of an apartment or house and common ownership of the structures and land. This division between exclusive and common ownership exists regardless of the form or design of the project. The project may take the form of a high-rise duplex townhouse or single-family dwelling. In other forms of condominium projects, such as mobile homes, campgrounds, or marinas, the exclusive ownership may be merely a cube of airspace within which a mobile home, recreational vehicle or boat is parked or anchored. The common ownership would be the land and improvements such as concrete pads and piers and the utility systems.

The inner space, which you own, is yours to decorate, to maintain, and to live in.

Usually, everything else in the condominium development - the exterior walls, the land, and any recreation facilities - is the common property of everyone who owns a unit and is referred to as a "common element".

WHAT ARE ASSOCIATION FEES?

The Association fee is sometimes referred to as the "Maintenance Fee." This is misleading. It is called the Association fee because, although maintenance is a large part of the expense, many other factors enter into the budget. Some of these are gas, electric, water, legal, audit, insurance, management, capital improvements and reserves. For these and other reasons, the monthly payments are best described as "Association Fees".

Prior to each fiscal year, the Association budget is developed taking into account budget and expense items for the past year plus any anticipated and inflationary factors. The Board of Directors approves the final draft. Individual Association fees are then determined based in the "unit value" of each home as it relates to the total value. You are then notified of your new Association fee.

LIMITED OR GENERAL COMMON ELEMENTS

Areas, such as your patio, balcony, garage, and carport space, are called "limited common elements" and are restricted to use by your family only. To modify a limited common element, such as your patio, yard, courtyard, etc., please refer to the following procedures:
1. Fill out a Modification Request Form and Submit the completed form to the President of the Board of Directors who will review it and present it to the members of the Board of Directors. Wait to hear approval or disapproval before beginning any work.

2. Modifications to limited common elements are the responsibility of each co-owner for upkeep. The rest of the common elements - roads, green areas and recreation facilities are termed "general common elements" and are available for use by everyone in the development. You must read your legal documents carefully to understand which parts of your condominium are designated as limited, or general, common elements.

3. The co-owners of a condominium are legally organized into an Association, which is responsible for governing and maintaining the common elements of the condominium. Each co-owner pays a monthly fee or assessment for these services.

THE MASTER DEED, CONDOMINIUM BY-LAWS AND THE DISCLOSURE STATEMENT

The condominium documents are made up of the Master Deed, Condominium By-laws, Site Plans, & Disclosure Statement.

The Master Deed and Condominium By-laws, along with the condominium subdivision plans, are the basic documents establishing and describing your condominium and the future operation of the Association. These documents must be recorded with the Register of Deeds in the county where the condominium is located. The Disclosure Statement contains a summary of important information about the developer's previous experience.

WARRANTIES

Most buyers also are interested in the kind of warranty that comes with their condominium. The answer usually is found in the purchase agreement. The developer normally warrants the project against building defects in materials or workmanship for one year. Be sure to find out when the warranty begins and whether it covers building structures, recreational facilities, roads, sidewalks, and shrubbery. Remember that warranties generally only cover new construction.

RESPONSIBILITIES AND RIGHTS OF THE ASSOCIATION

The Association is usually responsible for maintenance of the outside of the condominium units, such as the building exterior, lawn care, snow removal, trash pick-up, street maintenance (if the roads are private), and the operation of the Common
Elements, including the recreation facilities, water or electric systems. These jobs are done through various contractors working under the Board of Directors of the Association.

The Association, through the Board of Directors sets fees for the maintenance of those Common Elements, which fall under its responsibility as, stated in the Master Deed or other condominium documents and may increase the charges. Additional assessments may be made by the Board of Directors to cover capital improvements. The special assessments must first be approved by a 2/3 vote of the co-owners. The condominium Bylaws often set the dollar limit on what may be approved by the Board of Directors without a vote of the co-owners.

The condominium Bylaws also provides methods for settling disputes concerning interpretation or application of the Master Deed, Bylaws, between co-owners and the Association.

**RESPONSIBILITIES AND RIGHTS OF THE CO-OWNERS**

While the Association is responsible for maintaining the Common Elements of the condominium, you are responsible for the maintenance and upkeep of your unit interior.

There may be restrictions on your use of your unit that can be enforced by the Association. They include such things as: restrictions on pets, selling or renting your unit, or willing it to another person. Check for these in the condominium Bylaws.

The Association also sets rules for the use of the recreational facilities and other Common Elements. It may require approval of repairs or structural modifications you wish to make in your unit. If you mortgage your unit, you must notify the Association of the name of the lender who is holding the mortgage, and the Association may inform the mortgage holder of unpaid assessments due from you and your unit. Late charges and other penalties for non-payment of assessments are also common provision found in the condominium Bylaws.

**HOW DO YOU REQUEST WORK ACTION?**

Should you have a maintenance problem in your unit that is the responsibility of the Association, you may request this work to be done through the Board of Directors representative.

Your request should be made in writing explaining in detail the problem you are having. Once the Board of Directors receives your request, it is then entered into their computerized work order system. Once a contractor has been assigned, you will receive a copy of the work order with a work performance report.
Any time you wish to check the progress of your work order, simply call the Board of Directors’ representative with your work order number. When the contractor has completed the work, fill out the work performance report and return it to the Board of Directors representative, if you are not satisfied. If you are satisfied with the work, there is no need to return this work performance report. Should you have a maintenance emergency at any time with your unit, please contact the Board of Directors’ representative immediately.

ARE PETS ALLOWED?

Pets are allowed in the condominium association under the following provisions:

1. All pets shall meet the requirements set forth in the Association Master Deed and Bylaws.
2. All pets must first be approved by the Board of Directors before allowed on the grounds.
3. A Pet Registration Form must be on file with the management company for each pet in the unit.

A Pet Registration Form has been included for your convenience. It must be filled out completely and submitted to the Board of Directors and a recent identifying picture of the animal, before the animal is brought into your home. No animals will be allowed in the condominium association unless approval has first been granted by the Board.

PART II:

WHAT THE WORDS MEAN

ASSESSMENT (OPERATING)
Proportionate share of budgeted annual cost, which is paid as a monthly charge to maintain the Common Areas and Elements of a condominium and to maintain a sufficient reserve fund to assure financial stability.

ASSESSMENT (SPECIAL)
An assessment made for some special purpose or because of inadequate budgeting of operating expenses.

ASSOCIATION OF CO-OWNERS
All of the co-owners acting as a group in accordance with the Master Deed and Bylaws for the administration of the Association. The co-owner can exercise voting rights in the Association.

CONDOMINIUM BY-LAWS
The operation of the property is governed by a set of By-laws, which are recorded with the Master Deed. The By-laws impose certain duties and obligations on the co-owners
and the Association such as timing of meetings, record keeping, and determination and collection of assessments.

**ASSOCIATION BY-LAWS**
The Association By-laws set forth the operating procedures for the Association.

**COMMON INTEREST**
The percentage of undivided interest in the Common Elements apportioned to each unit as expressed in the Master Deed.

**CO-OWNER**
A person who buys a unit in a condominium association becomes a co-owner. A co-owner owns a divided interest in the unit purchased, which may be a fee simple interest or a land contract vendor’s interest, and has an undivided co-interest in all the common property in the condominium association.

**DEFAULT**
The failure to meet certain contractual obligations, such as monthly payment or maintenance of the property.

**EASEMENT**
An easement in a condominium refers to the right of use under, across, or over the land and improvements in the condominium, such as the sewer pipe or utility easement running beneath the surface of the land, the right to walk over a parking area or over the lobby area and stairways, and the right to have the utility lines running through the walls of the building.

**LIABILITY AND HAZARD INSURANCE (ASSOCIATION)**
Insurance to protect against negligent actions of the co-owners association and damages caused to the property by fire, windstorm, and other common hazards. This policy differs from the homeowner’s personal insurance on the unit and its furnishings.

**LIEN**
A claim recorded against a property as security for payment of a just debt.

**LIMITED COMMON ELEMENT**
Those Common Elements designated in the Master Deed and reserves for the use of a certain unit to the exclusion of other units, such as hallways on a given floor reserved for the use of the unit owners in that floor. This also includes items such as carports, patios, balconies, etc.

**MASTER DEED**
The basic document used in the creation of a condominium, describes the division of the Association into units and Common Elements.
MORTGAGE COMMITMENT
The written notice from the bank or other lender saying that it will advance the mortgage funds in a specified amount to enable one to buy that unit.

RESERVE FUNDS (REPLACEMENT)
Funds which are set aside from a monthly association assessment to replace Common Elements, such as roofs or roads, at some future date.

TAXES
Local real estate taxes are levied on the individual units and not on the condominium association.

UNDIVIDED INTEREST
Local real estate taxes are levied on the individual units and not on the condominium association.

UNDIVIDED INTEREST
In condominium law, the joint ownership of common areas in which the individual percentages are known but not applied to separate the areas physically. This situation is similar to the joint ownership of an automobile of home by husband and wife.

PART III:
The following forms are for your use as described previously throughout this handbook. All of these forms must be filled out in completion and signed before being submitted to the Board of Directors for their review.

Enclosed forms:

1. Co-owner Information Form
2. Pet Registration Form
3. Modification Request Form

Should you have questions or concerns relating to any matter stated in this handbook, please contact the Board of Directors.

Sugar Creek Delinquency Procedure
The collection procedure for the Board of Directors is broken down into 3 steps. They are as follows:

Steps
1) Send a standard late letter, when the balance is between one and two months delinquent.
2) Send a notice of intent to claim a lien, when a balance is between two and three months delinquent.

3) Send the association's attorney a request to lien the property for any uncollected balance (Only after the notice of intent was sent).

After the attorney is involved, they will handle the account until it is brought current. That is when the accounts receivable department, or Board of Directors will no longer be authorized to speak on behalf of the association. All inquiries regarding the liened property will need to be handled by the attorney. If you have any questions regarding the procedure, please contact the Board of Directors

"Providing Solutions to Common Association Concerns with Uncommon Service."
SUGARCREEK MODIFICATION REQUEST FORM
(Approval of the Board of Directors is required prior to the commencement of any modification.)

Co-Owner Name: Phone #: __________________________
Address: _____________________________ Lot#: ______

Requested Modification:
_______ Exterior Appearance
_______ Structural
_______ Other

Explanation of Modification.

If applicable, a picture must be included with this form.

The work will be performed by: __________________________

Please read the following closely before signing:

1. All applicable codes and regulations will be followed and all necessary permits will be obtained at my expense.
2. I have read all applicable sections of the Bylaws and understand the same.
3. All maintenance to this modification will be performed at my expense.
4. I understand that, should any legal regulatory agency require, at any time in the future, modifications to this variance, they will be done at my expense.
5. I will pay any maintenance costs incurred by the Association as a result of this modification.
6. I understand it is my responsibility to advise future assigns or owners of this unit of their responsibility for this modification.
7. I hereby certify all of the above information is truthful and accurate.

Signature of Co-owner:
___________________________________________ Date_____________
Name and Address/Unit Number

__________________________________________________
Board Member Signature

Approved By: ____________________________ Date____________
SUGAR CREEK CONDOMINIUM ASSOCIATION
PET REGISTRATION
(An identifying picture must accompany this form.)

OWNER NAME UNIT NUMBER_____________________________________

ADDRESS _____________________________________________________
HOME PHONE:____________________________________
HIS WORK______________________ HER WORK_____________________

I/we agree to abide by the following rules:

1. My pet will be registered and inoculated in accordance with the law of the county
   (attach a copy of vaccination).
2. My pet will not be allowed out of my home except when accompanied by a
   responsible person and restrained by a leash.
3. My pet will not be tied up outside in any way.
4. I understand that I am directly responsible for the cleaning up of any mess
   caused by my pet.
5. I understand that I must immediately remove and properly dispose of any of my
   pet's droppings.
6. My pet will not be allowed to make unreasonable noise.
7. In compliance with the By-laws, I presently have ___ dog(s) and/or ___cat(s).
8. I do not have a pet, but I am aware that I must comply with the registration
   within ten (10) days if and when I may procure a pet.

I UNDERSTAND THAT VIOLATION OF ANY OF THE ABOVE RULES MAY CAUSE AN
ANIMAL TO BE REMOVED FROM THE CONDOMINIUM IF IT IS DETERMINED TO BE IN
VIOLATION OF THE RULES AND REGULATIONS OF THE BY-LAWS OF THE
CONDOMINIUM ASSOCIATION.

Name of Pet(s) Breed __________________________
Color __________________________ Weight __________________________

Owner Signature Date __________________________

Owner Signature Date __________________________

SUGARCREEK CO-OWNER INFORMATION FORM

As a member of your Condominium Association, it is necessary that you provide the
following information in order to properly update the Association records. Per the
Master Deed and By-laws of the Association, it is a requirement that the Board of
Directors maintain updated and accurate records. Therefore, please accurately complete and supply as much information as possible. Thank you.

**CURRENT OWNER INFORMATION**

Co-Owner(s) Name: __________________________________________

Unit Address: Unit # _______________________________________

Home Phone #: Work Phone #: _______________________________
Vehicle Information: License #: _____________________________
Vehicle Information: License #: _____________________________

**Person to contact in case of an emergency that has access to your home:**

Name: __________________________________________
Phone: _________________________________________

Additional Emergency Contact: ___________________________

Name: __________________________________________
Phone: _________________________________________

**CURRENT MORTGAGE INFORMATION**

The Master Deed and By-laws of your Association require the Board of Directors to have updated mortgage information. Certain circumstances require the Board of Directors to notify each holder of a first mortgage lien. Please note if your unit was purchased through a cash only sale and there is no mortgage.

Name of Mortgage Company: ________________________________

Address: ____________________________________________________________________

Mortgage/Loan Number______________________________________________

Homeowner Insurance Company _________________________________

Phone Number___________________________________________

Policy_________________________________________________
PROPER LEASE/RENT INFORMATION

Please note that if you are considering leasing your unit, you should refer to the Master Deed and By-laws of your Association for the proper rent/lease procedure. Your tenant must be made aware of and abide by the rules and regulations of the community.

Once both the Co-owner and tenant sign a lease, a copy must be submitted to the Board of Directors for record purposes. If you are currently renting or leasing your unit, please submit a copy of the signed lease and complete the following information:

Owner Name:________________________________________________
Address: ______________________________________

Owner Home Phone #: ___________________________
Owner Work Phone #: ______________________________________

Tenant Name: _______________________________________

Tenant Home Phone #: _______________________________________
Tenant Work Phone #: _______________________________________

Lease Inception Date: Term: ___________________________

Has Tenant reviewed and agreed to abide by Master Deed and By-laws: ___________

Thank you for taking the time to complete this mandatory form as set forth in your Condominium Documents.

Co-Owner Signature: ___________________________ Date________________

Co-Owner Signature: ___________________________ Date: ___________

Upon completion, please mail to the President of the Board of Directors.