

Newton Meadows HOA Fencing Regulations:

- All fencing has to get approved by the association
- Fencing is only allowed on the back yard up to the house
- Fencing must match the Association Approved fence type/model. Only one type of white vinyl fence is allowed and there are **NO** exceptions
- One home at the end of the street has the backyard fence and can be seen as an example

LIBER 35189 PG 769

OAKLAND COUNTY TREASURERS CERTIFICATE
I HEREBY CERTIFY that there are no TAX LIENS or TITLES
held by the state or any individual against the within description
and all TAXES on same are paid for five years previous to the
date of this instrument as appears by the records in the office
except as stated.

3-24-05 PATRICK M. DOHANY
3605K PATRICK M. DOHANY, County Treasurer
Sec. 135, Act 208, 1963 as amended

~~NOT~~ EXAMINED

010920

MASTER DEED FOR NEWTON MEADOWS VILLAGE II SITE CONDOMINIUMS
as required by the Michigan Condominium Act,
MCLA 559.101 et seq., MSA 26.50(101) et seq.

Oakland County Condominium Subdivision Plan No. 1726

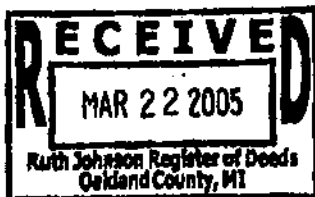
1. the master deed establishing Newton Meadows Village II Site Condominiums, a condominium project;
2. exhibit A to the master deed: Condominium Bylaws of Newton Meadows Village II Site Condominiums;
3. exhibit B to the master deed: Condominium Subdivision Plan for Newton Meadows Village II Site Condominiums;

No interest in real estate is being conveyed by this document. No revenue stamps are required.

Drafted by:
Caren M. Burdi
3200 E. 12 Mile Road, Suite 105
Warren, MI 48092

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Photo
49.00



O.K. KE

O.K. - RC

MASTER DEED FOR NEWTON MEADOWS VILLAGE II SITE CONDOMINIUMS

as required by the Michigan Condominium Act,
MCLA 559.101 et seq., MSA 26.50(101) et seq.

This master deed is made and signed on this 22nd day of March, 2005. The developer, Village Developers, LLC, a Michigan limited liability company whose principal office is situated at 45136 Cass Avenue, Utica, Michigan 48317.

The developer is constructing a residential condominium project to be known as Newton Meadows Village II Site Condominiums, pursuant to the architectural plans approved by the Village of Lake Orion, on a parcel of land described in Article II of this document. The developer desires, by recording this master deed together with the condominium bylaws and the condominium subdivision plan, both of which are incorporated by reference and made a part of this document, to establish this real property and the improvements and appurtenances now and in the future located on it as a condominium project under the provisions of the Michigan Condominium Act.

By recording this document, the developer establishes Newton Meadows Village II Site Condominiums as a condominium project under the act and declares that the project shall be held, conveyed, hypothecated, encumbered, leased, rented, occupied, improved, and used subject to the act and to the conditions stated in this master deed, all of which shall run with the land and burden and benefit the developer; its successors and assigns; any persons acquiring or owning an interest in the real property; and their grantees, successors, heirs, executors, administrators, and assigns.

**ARTICLE I
THE PROJECT**

The Condominium Project shall be known as Newton Meadows Village II Site Condominiums, Oakland County Subdivision Plan No. 1726. The Condominium Project is established in accordance with the Act. The building and Units contained in the Condominium, including the number, boundaries, dimensions, area and volume of each Unit therein, are set forth completely in the Condominium Subdivision Plan attached as Exhibit B hereto. Each Unit is capable of individual, residential, utilization on account of having its own entrance from and exit to a Limited Common Element of the Condominium Project. Each Co-owner in the Condominium Project shall have an exclusive right to his Unit and shall have undivided and inseparable rights to share with other Co-owners the Common Elements of the Condominium Project as are designated by the Master Deed.

ARTICLE II LEGAL DESCRIPTION

The land on which the project is situated and which is submitted for condominium ownership pursuant to the Michigan Condominium Act, is located in the Village of Lake Orion and is described as follows:

Part of Lots 3 through 17 of "John Winter's Addition" as recorded in Liber 33 on Page 27 Oakland County Records. Being a Part of the West 1/4 of the West 1/4 of the Northwest 1/4 of Section 12, Village of Orion, Oakland County Michigan. Being more particularly described as: Commencing at the Northeast corner of Lot 3 of said "John Winters Addition"; thence S 06°18'49" W, 211.40 feet along the west line of "Newton Drive" (50' wide) to the Point of Beginning; thence continuing along said west line, S 06°18'49" W, 60.00 feet to the northeast corner of Lot 9; thence along the north line of said Lot 9, N 83°41'38" W, 210.88 feet; thence S 05°47'48" W, 233.87 feet to the north line of Lot 14; thence S 35°30'28" W 57.00 feet, to the north line of Lot 15; thence along said north line N 83°42'37" W, 35.78 feet; thence S 05°46'27" W, 162.78 feet to the south line of Lot 17; thence along said south line, N 83°09'42" W, 143.30 feet to the west line of aforementioned "John Winter's Addition", said line also being the easterly line of the "Paint Creek Trail"; thence along said easterly line, N 22°14'31" W, 127.11 feet to the southeasterly corner of Oakland County Condominium Plan number 1535 know as "Atwater Commons"; thence along the east line of said "Atwater Commons", N 05°47'48" E, 604.83 feet to the north line of aforementioned "John Winter's Addition"; thence along said north line S 83°41'38" E, 282.47 feet; thence S 06°18'22" W, 110.82 feet to a point of non-tangency; thence 93.57 feet along a non-tangent curve to the right having a radius of 72.00 feet and a chord that bears S 46°25'57" E, 87.12 feet to a point of tangency; thence S 09°12'12" E, 37.08 feet to a point of tangency; thence 14.50 feet along a tangent curve to the left having a radius of 25.00 feet and a chord that bears S 25°48'52" E, 14.29 feet; thence S 83°41'38" E, 111.00 feet to the west line of aforementioned "Newton Drive" and the Point of Beginning. Containing 4.571 acres of land more or less.

Subject to all easements, covenants and restrictions of record, specifically including those for John Winter's Addition Subdivision, as recorded in Liber 33, Page 27, Oakland County Records, which the condominium project remains a part of and subject to. Excepting therefrom any portion taken, deeded or used for public road purposes, and subject to all easements and restrictions of record and all governmental limitation.

ARTICLE III DEFINITIONS

Certain terms are used not only in this master deed but also in other documents for the condominium, such as the articles of incorporation; the association bylaws; the rules and regulations of the Newton Meadows Village II Site Condominium Association; and deeds, mortgages, liens, land contracts, easements, and other documents affecting interests in the project. As used in such documents, the following definitions apply unless the context otherwise requires:

PT-09-12-151-038 pt lot 7+8
039 pt lot 7+8

PT-09-12-151-022-110+9
023-110+10
024-110+11
035-110+12+13
PT-09-12-151-027-110+14
028-110+15
036-110+16+17

1. *The Act* means the Michigan Condominium Act, being Act 59 of the Public Acts of 1978, as amended.
2. *The arbitration association* means the American Arbitration Association or its successor.
3. *The association of co-owners or the association* means the nonprofit corporation organized under Michigan law of which all co-owners must be members. This corporation shall administer and maintain the project. Any action required of or permitted to the association may be carried out by its board of directors unless it is specifically reserved to its members by the condominium documents or Michigan law.
4. *The association bylaws* means the corporate bylaws of the association organized to maintain and administer the project.
5. *Common elements*, if used without modification, means the part of the project other than the condominium units, including all general and limited common elements described in Article IV.
6. *Condominium bylaws* means exhibit A, which is the bylaws stating the substantive rights and obligations of the co-owners.
7. *Condominium documents* includes this master deed and all its exhibits recorded pursuant to the Michigan Condominium Act and any other documents referred to in this document that affect the rights and obligations of a co-owner in the condominium.
8. *The condominium subdivision plan* means exhibit B, which is the site drawing, the survey, and other drawings depicting the existing and proposed structures and improvements, including their locations on the land.
9. *Condominium unit or unit* means that part of the project designed and intended for separate ownership and use, as described in this master deed. Under the current and any future Village Zoning and other Ordinances, each Unit shall be treated and considered as a "lot" for purposes of determining compliance with lot area, lot width, open space (setbacks) and other regulations that refer to lots.
10. *Co-owner* means a person, a firm, a corporation, a partnership, an association, a trust, or another legal entity or any combination who owns a condominium unit in the project, including a vendee of a land contract of which the

purchase is not in default. Owner is synonymous with co-owner.

11. *The developer* means Village Developers LLC, a Michigan limited liability company, which has made and signed this master deed, as well as its successors and assigns.
12. *Village* means the Village of Lake Orion.
13. *General common elements* means those common elements of the project described in Article IV(1), which are for the use and enjoyment of all co-owners, subject to such charges as may be assessed to defray the operation costs.
14. *Limited common elements* means those common elements of the project described in Article IV(2), which are reserved for the exclusive use of the co-owners of a specified unit or units.
15. *The master deed* means this instrument as well as its exhibits and amendments, by which the project is submitted for condominium ownership.
16. *Percentage of value* means the percentage assigned to each unit by this master deed, which determines the value of a co-owner's vote at association meetings when voting by value or by number and value and the proportionate share of each co-owner in the common elements of the project.
17. *The project or the condominium* means Newton Meadows Village II Site Condominiums, a condominium development established in conformity with the Michigan Condominium Act.
18. *The transitional control date* means the date when a board of directors for the association takes office pursuant to an election in which the votes that may be cast by eligible co-owners unaffiliated with the developer exceed the votes that may be cast by the developer.

Whenever a reference is made in this document to the singular, a reference shall also be included to the plural if appropriate.

ARTICLE IV COMMON ELEMENTS

The common elements of the project as depicted in exhibit B and the responsibilities for their maintenance, decoration, repair, and replacement are as follows:

1. The general common elements are:

- a. Land. The land described in Article II and its landscaping, not identified herein as Limited Common Elements or Units, which would include any roadways that are not dedicated to and accepted by the appropriate governmental agency as public roads in the future.
 - b. Electrical. The electrical transmission mains throughout the project, up to the point of lateral connection for Unit service;
 - c. Telephone. The telephone system throughout the project up to the point of lateral connection for Unit service;
 - d. Gas. The gas mains throughout the project up to the point of lateral connection for Unit service;
 - e. Water and Sewer. The water mains and sanitary sewer mains serving the project up to the point of lateral connection for Unit service; and
 - f. Wood Privacy Fence. The wood privacy fence located along the entrance and the perimeter of Newton Meadows Village II Site Condominiums.
 - g. Street Lights. The street lights located along the entrance to and along the public road ways within Newton Meadows Village II Site Condominiums.
- (4) Roadside Drainage Swales. The drainage swales located along the public road ways within Newton Meadows Village II Site Condominiums. All drainage shall be designed and maintained so as not to discharge at a rate greater than a 100 year storm event. The association shall be responsible to maintain it's on site drainage system within the parameter.
- (5) Other. Such other elements of the project not herein designated as General or Limited Common Elements which are not enclosed within the boundaries of a Unit, and which are intended for common use or are necessary to the existence, upkeep and safety of the project.

Some or all of the utility and cable television lines, systems (including mains and service leads), and equipment may be owned by the local public authority or by a utility or cable television company that is providing the pertinent service. Accordingly, such lines, systems, and equipment shall be general common elements only to the extent of the

co-owners' interest in them, if any, and the developer makes no warranty of such an interest.

2. Limited Common Elements shall be subject to the exclusive use and enjoyment of the Owner of the Unit to which the Limited Common Elements are appurtenant. The limited common elements are;

- a. Patios, balconies and decks. Each individual patio and/or balcony and/or deck, if any, in the Project is restricted in use to the Co-owner of the Unit which opens into such patio and/or balcony and/or deck as shown in Exhibit B hereto;
- b. Porches. Each individual porch in the project is restricted in use to the Co-owner(s) of the Unit(s) which opens into such porch as shown on Exhibit B hereto;
- c. Garages. Each garage shall be appurtenant as a Limited Common Element to the Unit to which such garage is assigned on Exhibit B hereto;
- d. Garage, Garage Doors and Openers. The garage door and electric garage door opener for each garage having the same, shall be limited in use to the Co-owner of the Unit to which such garage is appurtenant as a Limited Common Element.
- e. Air-Conditioner Compressors. Each air-conditioner compressor, if any, located outside any building shall be limited in use to the Co-owner of the Unit which such compressor services.
- f. Interior Surfaces. The interior surfaces of Unit perimeter walls, ceiling and floors contained within a Unit shall be subject to the exclusive use and enjoyment of the Co-owner of such Unit.
- g. Driveway. The driveway leading to the garage and the sidewalk leading to the stoop, which shall be appurtenant to the unit or units serviced by these elements;
- h. Windows and Doors. Windows and doors shall be appurtenant as Limited Common Elements to the units which they service.
- i. Construction. Foundations, supporting columns, Unit perimeter walls (excluding windows and doors therein) roofs, ceilings, floor construction between unit levels and chimneys.

If any of the limited common elements described in this provision have not been assigned in the condominium subdivision plan, the developer reserves the right to designate each such element as a limited common element appurtenant to a particular unit by subsequent amendments to this master deed. The co-owners and mortgagees of condominium units and all other parties interested in the project shall be deemed to have irrevocably and unanimously consented to such amendments and irrevocably appoint the developer or its successors as agent and attorney to make any such amendments to the master deed.

3. Responsibilities for cleaning, decorating, maintaining, repairing, and replacing the common elements are as follows:

b. Co-Owner Responsibilities.

- (i). Units. The responsibility for and the costs of maintenance, decoration, repair and replacement of each Unit shall be borne by the Co-Owner of such Unit; provided, however, that the exterior appearance of such Unit to the extent visible from any other Unit or Common Element of the Project, shall be subject at all times to the approval of the Association based on reasonable aesthetic and maintenance standards prescribed by the Association in duly adopted rules and regulations.
- (ii). Utility Services. All costs of water, sewer, electricity, natural gas, cable television, telephone and any other utility services shall be borne by the Co-Owner of the Unit to which such services are furnished. All utility laterals and leads shall be maintained, repaired and replaced at the expense of the Co-Owner whose Unit they service, except to the extent that such expenses are borne by a utility company or a public authority and the Association shall have no responsibility therefore.
- (iii). The Association shall not be responsible, in the first instance, for performing any maintenance, any repair or replacement with respect to residences and their appurtenances located within the Condominium Units. Nevertheless, in order

to provide for flexibility in administering the Condominium, the Association acting through its Board of Directors, may undertake such other regularly recurring, reasonable uniform, periodic exterior maintenance functions with respect to dwellings constructed within any Units boundaries and as it may deem necessary to maintain reasonable aesthetic and maintenance standards prescribed by the Association in duly adopted rules and regulations (including, without limitation, lawn mowing, snow removal, tree trimming and exterior painting). Nothing herein contained however, shall compel the Association to undertake such responsibilities. Any such responsibilities undertaken by the Association shall be charged to any affected Co-Owner on a reasonably uniform basis and collected in accordance with the assessment procedures established under Article V of the Bylaws. The Developer, in the initial maintenance budget for the Association, shall be entitled to determine the nature and extent of such services and reasonable rules and regulations may be promulgated in connection therewith. The Association shall maintain, repair and replace any fence constructed by the Developer, if any, along the boundary of the Project.

- a. Association Responsibilities. The Association (and the Developer during the development and sales period) shall have the authority and responsibility, at its expense, to operate, maintain, repair, manage and approve the General Common Elements on the Condominium Premises, including all roads and other improvements and facilities within the General Common Elements, and to preserve and maintain all drainage, detention and storm water drainage facilities and easements located within the Project as to insure that the same continue to function as intended. Additionally, if the Co-Owner of an individual Unit shall fail to maintain the street trees and sidewalks if any, located within the Co-Owner's Unit, and such failure continues for a period of thirty (30) days after written notice thereof by the Association, then the Association (and the Developer during the development and sales period) shall have the right, authority, and responsibility to preserve, maintain,

repair and replace all such sidewalks and street trees as necessary. In such an event, the Co-Owner of such Unit shall reimburse the Association, or, if applicable, the Developer, for all of the costs incurred in connection with such preservation, maintenance, repair, and/or replacement, and in the enforcement of the collection of such costs, including reasonable attorney fees and court costs. Additionally, the Association (and the Developer during the development and sales period) shall establish a regular and systematic program of maintenance for the General Common Elements, and the landscaping, storm water drainage and detention facilities, as described herein, to insure that the physical condition and the intended function of such areas and facilities shall be perpetually preserved and maintained.

4. Storm Drainage Areas Including But Not Limited To Swales, Detention/Retention Basins. Storm water and surface drainage from the Condominiums shall be permitted to discharge and flow over, upon, across, through and under the storm drainage areas described and depicted on Exhibit B. The Developer, the Association and the Co-Owners shall maintain the storm drainage areas, including but not limited to swales and detention/retention basins in accordance with the engineering plans approved by the Village with respect to rough and finished grade. All facilities and improvements within storm drainage areas, shall be maintained so at all times, they continue to function as intended. The Developer, Association, and Co-Owners, shall be prohibited from altering or placing anything in the storm drainage areas which shall obstruct or impede the flow of storm water or surface drainage of the Condominium. Developer, Association, and Co-Owners agree not to build or to convey to others permission to build any structures or improvements on, over, across, in, through, or under the storm drainage areas, or to develop or allow the development of those areas in any manner which obstructs the flow of the storm water drainage. In the event that the Developer, the Association or the Co-Owners fail to maintain the storm drainage areas in accordance with the approved engineering plans and/or maintain such areas or facilities in reasonable order or and condition, the Village shall have the right to enter upon the storm drainage areas to maintain, repair and replace the storm drainage facilities and improvements located therein in accordance with Article IV, Section III of the Master Deed.

5. Village Rights to Maintain. In the event that the Developer or Association shall at any time fail to carry out the responsibilities specified within this Master Deed regarding a common element or Village easement areas, the Village may serve written notice upon the Developer/Association setting forth the deficiencies in maintenance with a demand that the deficiencies be cured within a stated reasonable time period, and the date, time and place for a hearing before the Village Council for the purpose of allowing the Developer/Association an opportunity to be heard as to why the Village should not proceed with the correction of the deficiency or obligation which has not been undertaken or properly fulfilled. At any such hearing, the time for curing and the hearing itself may be extended and/or continued to a date certain. If, following such hearing, the Village Council shall determine that the obligation has not been fulfilled or failure to corrected within the time specified in the notice, as determined by the Village in its reasonable discretion, the Village shall thereupon have the power and authority, but not the obligation, to enter upon the Property, or cause its agents or contractors to enter the Property and perform such obligation or take such corrective measures as reasonably found by the Village to be appropriate or necessary. The cost and expense of making and financing such actions by the Village, including notices by the Village and reasonable legal fees incurred by the Village, plus an administrative fee in an amount equivalent to twenty-five (25%) percent of the total of all such costs and expenses incurred, shall be paid by Developer/Association within thirty (30) days of a billing to the Developer/Association. All unpaid amounts may be placed on the delinquent tax roll of the Village, pro rata, as to each unit, and shall accrue interest and penalties, and shall be collected as, and shall be deemed delinquent real property taxes, according to the laws make and provided for the collection of delinquent real property taxes. In the discretion of the Village, such costs and expenses may be collected by suit initiated against the Developer/Association, and, in such event, the Developer/Association shall pay all court costs and reasonable attorney fees incurred by the Village in connection with such suit. The Village acknowledges that the liability of the Developer shall be limited to breaches listed above that occur during the development and sales period only.

6. Utility Systems. Some or all of the utility lines, systems (including mains and service leads) and equipment and the telecommunications system, if and when constructed, described above may be owned by the local public authority

or by the company that is providing the pertinent service. Accordingly, such utility lines, systems, and equipment, and the telecommunications system, if and when constructed, shall be General Common Elements only to the extent of the Co-Owner's interest therein, if any, and Developer makes no warranty whatever with respect to the nature or extent of such interest, if any. The extent of the Developer's and Association's responsibility will be to see to it that water, sewer, telephone, electric and natural gas mains (but not cable television transmission lines) are installed within reasonable proximity to, but not within, the Units. Each Co-Owner will be entirely responsible for arranging for and paying all costs in connection with extension of such utilities by laterals from the mains to any structures and fixtures located within the Units.

7. Use of Units and Common Areas. Except as stated in this master deed, condominium units shall not be separable from the common elements appurtenant to them and shall not be used in any manner inconsistent with the purposes of the project or in any other way that would interfere with or impair the rights of any co-owner to use and enjoy the co-owner's unit or the common elements appurtenant to it.

ARTICLE V

DESCRIPTIONS AND PERCENTAGES OF VALUE OF CONDOMINIUM UNITS

1. Each Unit in the Condominium Project is described in this paragraph with reference to the Condominium Subdivision Plan of Newton Meadows Village II Site Condominiums as prepared by Professional Engineering Associates, and attached hereto as Exhibit B. Each Unit shall consist of the land located within Unit boundaries as shown on Exhibit B hereto and delineated with heavy outlines together with all appurtenances thereto.
2. The percentage of value assigned to each unit is equal. The percentages of value were computed on the basis of comparative characteristics of the Units insofar as the allocation of the Percentages of Value is concerned. The total value of the Project is precisely 100%. The percentage of value assigned to each Unit shall be determinative of each Co-owner's respective share of the Common Elements of the Condominium Project, the proportionate share of each respective Co-owner in the proceeds and expenses of the administration and the value of such Co-owner's vote at meetings of the Association of Co-owners.

**ARTICLE VI
CONVERTIBLE AREAS**

1. Designation of Convertible Areas. Each Unit in the Project and all General and Limited Common Areas within which the individual Units may be expanded and/or reduced in size and within which the Limited Common Elements appurtenant to such Units may be constructed and/or relocated.
2. Developer's Rights. Developer reserves the right, in its sole discretion, during a period ending no later than 6 years from the date of recording this Master Deed, to expand and/or reduce the size of individual Units, and to construct and/or relocate Limited Common Elements within the Convertible Areas. Any such expansion or reduction in the size of the individual units, whether made by the Developer, Condominium Association or Unit Owner is subject to Village approval and must comply with all applicable Village ordinances.

**ARTICLE VII
EASEMENTS**

1. Every part of a condominium unit that contributes to the structural support of a building shall be burdened with an easement of structural support for the benefit of the common elements. If any part of a unit or common element encroaches on another unit or common element due to the shifting, settling, or moving of a building or due to survey errors or construction deviations, reciprocal easements shall exist for the maintenance of such encroachments for as long as they exist and for the maintenance of the encroachments after rebuilding in the event of destruction. There shall also be permanent easements in favor of the association for the maintenance and repair of common elements for which the association is responsible. There shall be easements to, through, and over those parts of the land, structures, buildings, improvements, and walls (including interior unit walls) as is reasonable for the installation, maintenance, and repair of all utility services furnished to the project. Public utilities shall have access to the common elements and to the units at reasonable times for the installation, repair, or maintenance of such services. Any costs incurred in opening and repairing any wall of the project to install, repair, or maintain such services shall be an administration expense assessed against all co-owners in accordance with the condominium bylaws.

2. Until final completion of the project as described in Article I of this master deed, the developer reserves nonexclusive easements for the benefit of itself and its successors and assigns to use, at any time without charges other than the reasonable cost of work performed, utilities consumed, or maintenance required as a direct result of such use, (1) for the unrestricted use of all roads, driveways, and walkways in the condominium for the purpose of ingress and egress to and from any part of the land described in Article II and (2) to use, tap into, tie into, extend, or enlarge all utility lines and mains, public and private, located on the land described in Article II.
3. As long as the developer owns at least one unit in the project, it shall be subject to the provisions of this master deed.
4. Developer hereby grants to the Village of Lake Orion, a non-exclusive, perpetual easement for water main, sanitary sewer, and storm sewer, over, upon, across, in, through, and under the Project as described and depicted in Exhibit B, and to enter upon sufficient land adjacent to said easements for the purpose of exercising the rights and privileges granted herein. This easement shall be referred to as the "Village Easement Area".
5. The Village of Lake Orion may install, repair, replace, improve, modify and maintain water main, sanitary sewer and/or storm sewer lines, and all necessary appurtenances thereto, within the easement herein granted.
6. Developer, Association and Co-Owners shall not build or convey to others permission to build any permanent structures on, over, across, in, through, or under the above-described easements, except that subject to the approval by the Village as part of an approved site plan, the Developer may construct and/or install surface improvements to the property, including paved driveways, and/or walkways, landscaping, utilities and/or similar improvements, which improvements do not interfere with use, operation, maintenance, repair, and replacement of the water main, sanitary sewer and/or storm sewer improvements in the easement areas shown on the attached and incorporated Exhibit B.

**ARTICLE VIII
AMENDMENTS AND TERMINATION**

1. If there is no co-owner other than the developer, the developer may unilaterally amend the condominium documents

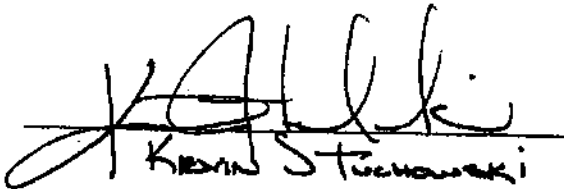
or, with the consent of any interested mortgagee, unilaterally terminate the project. All documents reflecting such amendment or termination shall be recorded in the public records of Oakland County, Michigan.

2. If there is a co-owner other than the developer, the condominium documents may be amended for a proper purpose only as follows:
 - a. An amendment may be made without the consent of any co-owners or mortgagees if the amendment does not materially alter the rights of any co-owners or mortgagees of units in the project, including amendments to modify the types and sizes of unsold condominium units and their appurtenant limited common elements; amendments to facilitate conventional mortgage loan financing for existing or prospective co-owners; and amendments enabling the purchase of such mortgage loans by the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association, or any other agency of the federal government or the State of Michigan.
 - b. Even if an amendment would materially alter the rights of any co-owners or mortgagees, it can be made if at least two-thirds of the co-owners and mortgagees consent. However, dimensions or limited common elements of a co-owner's unit may not be modified without the co-owner's consent, nor may the formula used to determine percentages of value for the project or provisions relating to the ability or terms under which a unit may be rented be modified without the consent of the developer and each affected co-owner and mortgagee. Rights reserved by the developer in this master deed, including rights to amend the master deed for purposes of expansion, contraction, or modification of units in the course of construction, shall not be amended without written consent from the developer as long as the developer or its successors continue to own or to offer for sale any unit in the project. For the purpose of this provision, a mortgagee shall have one vote for each mortgage held.
 - c. The developer may also make a material amendment unilaterally without the consent of any co-owner or mortgagee for the specific purposes reserved by the developer in this master deed. Until the completion and sale of all units as described in Article I, such rights reserved by the developer may not be further amended except with written consent from the developer or its successors or assigns.

- d. A person causing or requesting an amendment to the condominium documents shall be responsible for the costs and expenses of the amendment, except for amendments based on a vote of the prescribed majority of co-owners and mortgagees or based on the advisory committee's decision, the costs of which are administration expenses. The co-owners and mortgagees of record shall be notified of proposed amendments under this provision at least 10 days before the amendment is recorded.
- e. If there is a co-owner other than the developer, the project may only be terminated with the consent of the developer and at least 80 percent of the co-owners and mortgagees, as follows:
 - (1) The agreement of the required number of co-owners and mortgagees to terminate the project shall be evidenced by their signing of the termination agreement or ratification of it. The termination shall become effective only when this evidence of the agreement is recorded.
 - (2) On recording an instrument terminating the project, the property constituting the condominium shall be owned by the co-owners as tenants in common in proportion to their undivided interests in the common elements immediately before recordation. As long as the tenancy in common lasts, each co-owner or the heirs, successors, or assigns shall have an exclusive right of occupancy of that portion of the property that formerly constituted the condominium unit.
 - (3) On recording an instrument terminating the project, any rights the co-owners may have to the assets of the association shall be in proportion to their undivided interests in the common elements immediately before recordation, except that common profits shall be distributed in accordance with the condominium documents and the Michigan Condominium Act.
 - (4) Notification of termination by first-class mail shall be made to all parties interested in the project, including escrow agents, land contract vendors, creditors, lienholders, and prospective purchasers who have deposited funds. Proof of dissolution must be submitted to the administrator.

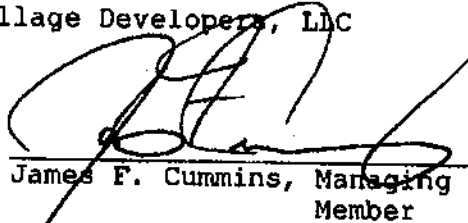
3. The prior written approval of the Village Council shall be required for termination of the project and for any amendment affecting the size or number of Units and any provision that refers to the Village or Village ordinances, easements, permits, approvals or rights.

Witnesses


Kevin S. Tuchowski

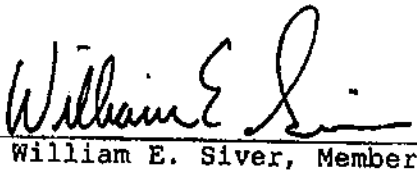
Village Developers, LLC

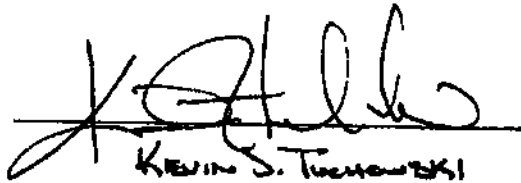
By


James F. Cummins, Managing
Member


Kevin S. Tuchowski

By


William E. Siver, Member


Kevin S. Tuchowski

By


Leo T. Daigle, Member

STATE OF MICHIGAN)
OAKLAND COUNTY)

*MANAGING

Acknowledged before me in Oakland County, Michigan, on this 22nd day of March, 2005, by James F. Cummins, *Member; William E. Siver, Member; and Leo T. Daigle, Member of Village Developers, LLC.


Donna M. Bernardo

DONNA M. BERNARDO
Notary Public, Macomb County, MI
My Commission Expires Jul. 28, 2008

Notary Public
Acting in Oakland County.
Oakland County, Michigan
My commission expires July 29th, 2008.

LIBER 35189 PG 786

Drafted by and when recorded return to:

Caren M. Burdi, Attorney at Law
3200 E. 12 Mile Road, Suite 105
Warren, MI 48092

EXHIBIT A

CONDOMINIUM BYLAWS OF NEWTON MEADOWS VILLAGE II SITE CONDOMINIUMS

**ARTICLE I
THE CONDOMINIUM PROJECT**

1. Organization. Newton Meadows Village II Site Condominiums, a residential condominium project located in the Village of Lake Orion, is being constructed in a single phase to comprise a total of eighteen living units. Once the master deed is recorded, the management, maintenance, operation, and administration of the project shall be vested in an association of co-owners organized as a nonprofit corporation under Michigan law.
2. Compliance. All present and future co-owners, mortgagees, lessees, or other persons who may use the facilities of the condominium in any manner shall be subject to and comply with the Michigan Condominium Act, MCLA 559.101 et seq., MSA 26.50(101) et seq., the master deed and its amendments, the articles of incorporation, the association bylaws, and other condominium documents that pertain to the use and operation of the condominium property. The association shall keep current copies of these documents and make them available for inspection at reasonable hours to co-owners, prospective purchasers, and prospective mortgagees of units in the project. If the Michigan Condominium Act conflicts with any condominium documents referred to in these bylaws, the act shall govern. A party's acceptance of a deed of conveyance or of a lease or occupancy of a condominium unit in the project shall constitute an acceptance of the provisions of these documents and an agreement to comply with them.

**ARTICLE II
MEMBERSHIP AND VOTING**

1. Membership. Each present and future co-owner of a unit in the project shall be a member of the association, and no other person or entity shall be entitled to membership. The share of a member in the funds and assets of the association may be assigned, pledged, or transferred only as an appurtenance to the condominium unit.
2. Voting rights. Except as limited in the master deed and in these bylaws, each co-owner shall be entitled to one vote for each unit owned when voting by number and one vote, the value of which shall equal the total of the percentages assigned to the units owned by the co-owner as stated in the master deed, when voting by value. Voting shall be by number, except when voting is specifically required to be both by value and by number, and no cumulation of votes shall be permitted.
3. Members entitled to vote. No co-owner, other than the developer, may vote at a meeting of the association until the co-owner presents written evidence of the ownership of a condominium unit in the project, nor may a co-owner vote

before the initial meeting of members (except for elections held pursuant to Article III, provision 4). The developer may vote only for those units to which it still holds title and for which it is paying the full monthly assessment in effect when the vote is cast.

The person entitled to cast the vote for the unit and to receive all notices and other communications from the association may be designated by a certificate signed by all the record owners of the unit and filed with the secretary of the association. Such a certificate shall state the name and address of the designated individual, the number of units owned, and the name and address of the party who is the legal co-owner. All certificates shall be valid until revoked, until superseded by a subsequent certificate, or until the ownership of the unit concerned changes.

4. Proxies. Votes may be cast in person or by proxy. Proxies may be made by any person entitled to vote. They shall be valid only for the particular meeting designated and for any adjournment of that meeting and must be filed with the association before the appointed time of the meeting.
5. Majority. At any meeting of members at which a quorum is present, more than 50 percent of the co-owners entitled to vote and present in person or by proxy, in accordance with the percentages allocated to each condominium unit in the master deed for the project, shall constitute a majority for the approval of the matters presented to the meeting, except as otherwise required in these bylaws, in the master deed, or by law.

ARTICLE III MEETINGS AND QUORUM

1. Initial meeting of members. The initial meeting of the members of the association shall be convened within 120 days after the conveyance of legal or equitable title to nondeveloper co-owners of 25 percent of the units that may be created or within 54 months after the first conveyance of legal or equitable title to a nondeveloper co-owner of a unit in the project, whichever occurs first. At the initial meeting, the eligible co-owners may vote for the election of directors of the association. The developer may call meetings of members of the association for informational or other appropriate purposes before the initial meeting, but no such informational meeting shall be construed as the initial meeting of members.
2. Annual meeting of members. After the initial meeting, an annual meeting of the members shall be held in each year at the time and place specified in the association bylaws. At least 10 days before an annual meeting, written notice of the time, place, and purpose of the meeting shall be mailed to each member entitled to vote at the meeting. At least 20 days' written notice shall be provided to each member of any proposed amendment to these bylaws or to other condominium documents.
3. Advisory committee. Not later than 120 days after the

conveyance of legal or equitable title to nondeveloper co-owners of one-third of the units that may be created or one year after the initial conveyance of legal or equitable title to a nondeveloper co-owner of a unit in the project, whichever occurs first, the developer shall select three nondeveloper co-owners to serve as an advisory committee to the board of directors. The purpose of the advisory committee shall be to facilitate communication between the board of directors and the nondeveloper co-owners and to aid in the ultimate transfer of control to the association. The members of the advisory committee shall serve for one year or until their successors are selected, and the advisory committee shall automatically cease to exist on the transitional control date. The board of directors and the advisory committee shall meet with each other when the advisory committee requests. However, there shall not be more than two such meetings each year unless both parties agree.

4. Composition of the board. Not later than 120 days after the conveyance of legal or equitable title to nondeveloper co-owners of 25 percent of the units that may be created, at least one director and at least one-fourth of the board of directors of the association shall be elected by nondeveloper co-owners. Not later than 120 days after the conveyance of legal or equitable title to nondeveloper co-owners of 50 percent of the units that may be created, at least one-third of the board of directors shall be elected by nondeveloper co-owners. Not later than 120 days after the conveyance of legal or equitable title to nondeveloper co-owners of 75 percent of the units, the nondeveloper co-owners shall elect all directors on the board except that the developer may designate at least one director as long as the developer owns or offers for sale at least 10 percent of the units in the project or as long as 10 percent of the units that may be created remain unbuilt.

Notwithstanding the formula provided above, 54 months after the first conveyance of legal or equitable title to a nondeveloper co-owner of a unit in the project, if title to at least 75 percent of the units that may be created has not been conveyed, the nondeveloper co-owners may elect the number of members of the board of directors of the association equal to the percentage of units they hold, and the developer may elect the number of members of the board equal to the percentage of units that it owns and pays assessments for. This election may increase but not reduce the minimum election and designation rights otherwise established in these bylaws. The application of this provision does not require a change in the size of the board as stated in the corporate bylaws.

If the calculation of the percentage of members of the board that the nondeveloper co-owners may elect or if the product of the number of members of the board multiplied by the percentage of units held by the nondeveloper co-owners results in a right of nondeveloper co-owners to elect a fractional number of members of the board, a fractional election right of 0.5 or more shall be rounded up to the

nearest whole number, which shall be the number of members of the board that the nondeveloper co-owners may elect. After applying this formula, the developer may elect the remaining members of the board. The application of this provision shall not eliminate the right of the developer to designate at least one member, as provided in these bylaws.

5. Quorum of members. The presence in person or by proxy of 35 percent of the co-owners entitled to vote shall constitute a quorum of members. The written vote of any person furnished at or before any meeting at which the person is not otherwise present in person or by proxy shall be counted in determining the presence of a quorum with respect to the question on which the vote is cast.
6. Delayed annual meeting of members. If, for any reason, the annual meeting is not held on the designated day, the meeting may be called and held as a special meeting with the same proceedings as at an annual meeting.
7. Special meetings of members. The president, a majority of the directors of the board, or a group of co-owners with at least 20 percent of the votes entitled to notice of the meeting may call special meetings of the members. Notice of special meetings shall be provided in the same manner as for annual meetings.
8. Organizational meetings of the board. At the same place and immediately following the annual meeting of members, the board as constituted on the final adjournment of that annual meeting shall convene to elect officers and transact any other business properly proposed. If a majority of the directors consent, the organizational meeting may be held at a different time and place.
9. Regular meetings of the board. In addition to its organizational meeting, the board may hold regular meetings at other times and places that it designates. Notice of regular meetings shall be given to each director personally or by mail, telephone, or telegraph at least five days before the meeting.
10. Special meetings of the board. The president or any two directors may call special meetings of the board by giving written notice to each director of the time, place, and purpose of the meeting at least three days before the meeting.
11. Notice and mailing. All written notices required by these bylaws shall state the authority under which they are issued (e.g., "by the order of the president" or "by the order of the board of directors") and shall bear the written, printed, or typed name and signature of the secretary. Each such notice shall be deemed served when it has been deposited in the U.S. mail, with postage fully prepaid, plainly addressed to the addressee at the last address appearing in the membership records of the corporation.
12. Waiver of notice. Notice of the time, place, or purpose of any meeting of the members or of the board may be waived by telegram, cablegram, or other writing, either before or after the meeting has been held. Attendance at any meeting of the board constitutes a waiver of notice, unless a director

- attends for the purpose of objecting to the transaction of any business because the meeting has not been lawfully convened.
13. Quorum of the Board and Committees. The majority of the directors in office or of the members of any committee shall constitute a quorum for the transaction of business. Members or directors present or represented at any such meeting may continue to do business until adjournment, notwithstanding the withdrawal of enough persons to leave less than a quorum, and may adjourn the meeting for no more than 30 days, without notice other than an announcement at the meeting, until a quorum is present or represented.

ARTICLE IV ADMINISTRATION

1. Board of directors. The business, property, and affairs of the association shall be managed and administered by a board of directors to be elected in the manner stated in the association bylaws. The directors designated in the articles of incorporation shall serve until their successors have been elected and qualified at the initial meeting of members. All actions of the first board of directors of the association named in its articles of incorporation or any successors elected by the developer before the initial meeting of members shall be binding on the association as though the actions had been authorized by a board of directors elected by the members of the association at the initial meeting or at any subsequent meeting, as long as the actions are within the scope of the powers and duties that may be exercised by a board of directors as provided in the condominium documents. The board of directors may void any service contract or management contract between the association and the developer or affiliates of the developer on the transitional control date, within 90 days after the transitional control date, or on 30 days' notice at any time after that for cause.
2. Designation and terms. The board shall elect a president, a secretary, and a treasurer and may also elect one or more vice presidents, assistant secretaries, and assistant treasurers as the needs of business require. Each officer shall hold office for one year and until a successor is elected and qualified. No officer shall receive any compensation from the corporation for acting as an officer.
3. The president. The president shall be the chief executive officer of the corporation. The president shall preside over all meetings of the members and of the board and shall be an ex officio member of all standing committees.
4. The secretary. The secretary shall attend all meetings of the members, of the board, and of the executive committee and shall preserve, in records of the corporation, true minutes of the proceedings of all such meetings. The secretary shall safely keep the seal of the corporation and shall have the authority to affix the seal to all documents on which its use is required. The secretary shall give all notices required by

statute, these bylaws, or resolutions and shall perform other duties that the board or the executive committee delegates to the secretary.

5. The treasurer. The treasurer shall have custody of all corporate funds and securities and shall keep, in records of the corporation, full and accurate accounts of all receipts and disbursements. The treasurer shall deposit all monies, securities, and other valuable property of the corporation in such depositories the board designates. The treasurer shall disburse the funds of the corporation as the board orders, taking proper vouchers for such disbursements, and shall render to the president and directors at regular meetings of the board and whenever they request an account of all the treasurer's transactions and of the financial condition of the corporation.
6. Vacancies. Vacancies in any office may be filled by the affirmative vote of a majority of the remaining members of the board at any regular or special meeting. Each person appointed to fill a vacancy shall remain an officer for a term equal to that remaining for the officer whose death or resignation creates the vacancy and until a successor is elected and qualified.
7. Resignation and removal. An officer may resign at any time, and such a resignation shall take effect when the association receives written notice or at a later time as stated in the notice of resignation. Any or all of the officers may be removed, with or without cause, by the vote of a majority of the board of directors.
8. Powers and duties. The board shall have all powers and duties necessary to administer the affairs of the association. The powers and duties to be exercised by the board shall include the following:
 - a. maintaining the common elements
 - b. developing an annual budget and determining, assessing, and collecting amounts required for the operation and other affairs of the condominium
 - c. employing and dismissing persons, firms, corporations or other agents as necessary for the efficient management and operation of the condominium property
 - d. adopting and amending rules and regulations for the use of condominium property
 - e. opening bank accounts, borrowing money, and issuing evidences of indebtedness to further the purposes of the condominium and designating required signatories therefor
 - f. obtaining insurance for condominium property, the premiums of which shall be an administration expense
 - g. leasing or purchasing premises suitable for use by a managing agent or custodial personnel, on terms approved by the board
 - h. granting concessions and licenses for the use of parts of the common elements for purposes not inconsistent with the Michigan Condominium Act or the condominium documents
 - i. authorizing the signing of contracts, deeds of conveyance, easements, and rights-of-way affecting any

- real or personal property of the condominium on behalf of the co-owners
- j. making repairs, additions, improvements, and alterations to the condominium property and repairing and restoring the property in accordance with the other provisions of these bylaws after damage or destruction by fire or other casualties or condemnation or eminent domain proceedings
 - k. asserting, defending, or settling claims on behalf of all co-owners in connection with the common elements of the project and, on written notice to all co-owners, instituting actions on behalf of and against the co-owners in the name of the association
 - l. other duties as imposed by resolutions of the members of the association or as stated in the condominium documents
9. Accounting records. The association shall keep detailed records of the expenditures and receipts affecting the administration of the condominium. These records shall specify the maintenance and repair expenses of the common elements and any other expenses incurred by or on behalf of the association and its co-owners. These records shall be open for inspection by the co-owners during reasonable working hours at a place to be designated by the association. The association shall prepare a financial statement from these records and distribute it to all co-owners at least once a year. The association shall define the contents of the annual financial statement. Qualified independent auditors (who need not be certified public accountants) shall review the records annually and audit them every fifth year. The cost of these reviews and audits shall be an administration expense. Audits need not be certified.
10. Maintenance and repair.
- a. Co-owners must maintain, repair and replace their condominium units and any structures and improvements constructed in or on any Unit and any Limited Common Elements appurtenant to such unit. Any co-owner who desires to repair a unit in which the exterior of the unit will be altered from its original color scheme or structurally modify a unit must first obtain written consent from the association and shall be responsible for all damages to any other units or to the common elements resulting from such repairs or from the co-owner's failure to effect such maintenance and repairs.
 - b. The association shall maintain and repair the general common elements and shall charge the costs to all the co-owners as a common expense unless the repair is necessitated by the negligence, misuse, or neglect of a co-owner, in which case the expense shall be charged to the co-owner.
11. Reserve fund. The association shall maintain a reserve fund, to be used only for major repairs and replacement of the common elements, as required by MCLA 559.205, MSA 26.50(205). The fund shall be established in the minimum amount stated in these bylaws on or before the transitional control date and shall, to the extent possible, be maintained at a level that

is equal to or greater than 10 percent of the current annual budget of the association. The minimum reserve standard required by this provision may prove to be inadequate, and the board shall carefully analyze the project from time to time to determine whether a greater amount should be set aside or if additional reserve funds shall be established for other purposes.

12. Mechanics liens. A mechanics lien for work performed on a condominium unit or a limited common element shall attach only to the unit or element on which the work was performed. A lien for work authorized by the developer or the principal contractor shall attach only to condominium units owned by the developer when the statement of account and lien are recorded. A mechanics lien for work authorized by the association shall attach to each unit in proportion to the extent to which the co-owner must contribute to the administration expenses. No mechanics lien shall arise or attach to a condominium unit for work performed on the general common elements that is not contracted by the association or the developer.
13. Managing agent. The board may employ for the association a management company or managing agent at a compensation rate established by the board to perform duties and services authorized by the board, including the powers and duties listed in provision 2 of this article. The developer or any person or entity related to it may serve as managing agent if the board appoints the party.
14. Indemnification. The corporation shall indemnify to the fullest extent authorized or permitted by the Michigan Nonprofit Corporation Act any person, estate, or personal representative who is made or threatened to be made a party to an action, suit, or proceeding (civil, criminal, administrative, or investigative) because the party is or was a director or an officer of the corporation or serves or served in any other enterprise at the request of the corporation. Parties who are not directors or officers of the corporation may be similarly indemnified for services rendered to the corporation or at the request of the corporation to the extent authorized at any time by the board of directors of the corporation. The provisions of this article shall apply to directors and officers who have ceased to render such service and shall benefit their heirs, personal representatives, executors, and administrators. The right of indemnification provided in this article shall not be exclusive, and the corporation may indemnify any person, by agreement or otherwise, on whatever conditions the board of directors of the corporation approves. Any agreement for the indemnification of a director, an officer, an employee, or another party may provide indemnification rights that are broader or otherwise different than those stated in the Michigan Nonprofit Corporation Act, unless such rights are otherwise prohibited by law.
15. Authorization of indemnification. Any indemnification under this article (unless ordered by a court) shall be made by the corporation only after 10 'days' written notice to all co-

- owners of the facts surrounding the request for indemnification, when authorized in the specific case on a determination that the indemnification of the director, officer, employee, or agent is proper in the circumstances because the party has met the applicable standard of conduct stated in this article. Such a determination shall be made (a) by the board of directors by a majority vote of a quorum consisting of directors who were not parties to the action, suit, or proceeding; (b) if such a quorum is not obtainable or, even if it is obtainable, if a quorum of disinterested directors so directs, by independent legal counsel (who may be the regular counsel of the corporation) in a written opinion; or (c) by the members.
16. Advancing expenses. Expenses incurred in defending a civil or criminal action, suit, or proceeding described in provision 1 of this article may be paid by the corporation in advance of the final disposition of the action, suit, or proceeding as authorized by the board of directors on receipt of an undertaking by or on behalf of the director, an officer, an employee, or an agent to repay the amount unless it is ultimately determined that the party is entitled to be indemnified by the corporation as authorized in this article.
 17. Insurance. The corporation may purchase and maintain insurance on behalf of any party who is or was a director, an officer, an employee, or an agent of the corporation or who is or was serving at the request of the corporation as a director, an officer, an employee, or an agent of another corporation, partnership, joint venture, trust, or other enterprise against any liability asserted against the party and incurred by the party in such a capacity or arising out of the party's status as such, whether or not the corporation would have the power to indemnify the party against such liability under the provisions of this article.
 18. Mergers. For the purpose of this article, references to the corporation include all constituent corporations absorbed in a consolidation or merger, as well as the resulting or surviving corporation, so that any person who is or was a director, an officer, an employee, or an agent of such a constituent corporation or who is or was serving at the request of such a constituent corporation as a director, an officer, an employee, or an agent of another corporation, partnership, joint venture, trust, or other enterprise shall stand in the same position under the provisions of this article with respect to the resulting or surviving corporation as that party would if the party had served the resulting or surviving corporation in the same capacity.

ARTICLE V ASSESSMENTS

1. Administration expenses. The association shall be assessed as the entity in possession of any tangible personal property of the condominium owned or possessed in common by the co-owners.

Personal property taxes based on such assessments shall be treated as administration expenses. All costs incurred by the association for any liability connected with the common elements or the administration of the project shall be administration expenses. All sums received pursuant to any policy of insurance securing the interests of the co-owners against liabilities or losses connected with the common elements or the administration of the project shall be administration receipts.

2. Determination of assessments. From time to time and at least annually, the board shall adopt a budget for the condominium that shall include the estimated funds required to defray common expenses for which the association is responsible for the next year, including a reasonable allowance for contingencies and reserves and shall allocate and assess these common charges against all co-owners according to their respective common interests on a monthly basis. In the absence of co-owner approval as provided in these bylaws, such assessments shall be increased only if one of the following conditions is met:

- a. The board finds the budget as originally adopted is insufficient to pay the costs of operating and maintaining the common elements.
- b. It is necessary to provide for the repair or replacement of existing common elements.
- c. The board decides to purchase additions to the common elements, the costs of which may not exceed \$1,600 or \$50 per unit annually, whichever is less.
- d. An emergency or unforeseen development necessitates the increase.

Any increase in assessments other than under these conditions, including assessments to purchase or lease a unit for the use of a resident manager, shall be considered a special assessment requiring approval by a vote of 60 percent or more of the co-owners, in number, and in value.

3. Levy of assessments. All assessments levied against the units to cover administration expenses shall be apportioned among and paid by the co-owners equally, in advance and without any increase or decrease in any rights to use limited common elements. The common expenses shall include expenses the board deems proper to operate and maintain the condominium property under the powers and duties delegated to it under these bylaws and may include amounts to be set aside for working capital for the condominium, for a general operating reserve, and for a reserve to replace any deficit in the common expenses for any prior year. Any reserves established by the board before the initial meeting of members shall be subject to approval by the members at the initial meeting. The board shall advise each co-owner in writing of the amount of common charges payable by the co-owner and shall furnish copies of each budget on which such common charges are based to all co-owners.

4. Collection of assessments. Each co-owner shall be obligated to pay all assessments levied on the co-owner's unit while the

co-owner owns the unit. No co-owner may be exempted from liability for the co-owner's contribution toward the administration expenses by a waiver of the use or enjoyment of any of the common elements or by the abandonment of the co-owner's unit. If any co-owner defaults in paying the assessed charges, the board may impose reasonable fines or charge interest at the legal rate on the assessment from the date it is due. Unpaid assessments shall constitute a lien on the unit that has priority over all other liens except state or federal tax liens and sums unpaid on a first mortgage of record recorded before any notice of lien by the association. The association may enforce the collection of a lien by a suit at law for a money judgment or by foreclosure of the liens, securing payment as provided in MCLA 559.208, MSA 26.50(208). In a foreclosure action, a receiver may be appointed and reasonable rent for the unit may be collected from the co-owner or anyone claiming possession under the co-owner. All expenses incurred in collection, including interest, costs, and actual attorney fees, and any advances for taxes or other liens paid by the association to protect its lien shall be chargeable to the co-owner in default.

On the sale or conveyance of a condominium unit, all unpaid assessments against the unit shall be paid out of the sale price by the purchaser in preference over any other assessments or charges except as otherwise provided by the condominium documents or by the Michigan Condominium Act. A purchaser or grantee shall be entitled to a written statement from the association stating the amount of unpaid assessments against the seller or grantor. Such a purchaser or grantee shall not be liable for liens for any unpaid assessments against the seller or grantor in excess of the amount in the written statement; neither shall the unit conveyed or granted be subject to any such liens. Unless the purchaser or grantee requests a written statement from the association at least five days before a sale, as provided in the Michigan Condominium Act, the purchaser or grantee shall be liable for any unpaid assessments against the unit, together with interest, costs, and attorney fees incurred in the collection of unpaid assessments.

The association may also enter the common elements, limited or general, to remove or abate any condition or may discontinue the furnishing of any services to a co-owner in default under any of the condominium documents on seven days' written notice to the co-owner. A co-owner in default may not vote at any meeting of the association as long as the default continues.

5. Obligations of the developer.

- a. Until the regular monthly assessments paid by co-owners other than the developer are sufficient to support the total costs of administration (excluding reserves), the developer shall pay the balance of such administration costs on account of the units owned by it, whether or not they are constructed.
- b. Once the regular monthly assessments paid by co-owners

other than the developer are sufficient to support the total costs of administration (excluding reserves), the developer shall be assessed by the association for actual costs, if any, incurred by the association that are directly attributable to the units being constructed by the developer, together with a reasonable share of the costs of administration that indirectly benefit the developer (other than costs attributable to the maintenance of dwellings), such as legal fees, accounting fees, and maintenance of the landscaping, drives, and walks. If a unit owned by the developer is leased or otherwise permanently occupied by a person holding under or through the developer, the developer shall pay all regular monthly assessments for the unit. In no event shall the developer be responsible for the cost of capital improvements or additions, by special assessment or otherwise, except for occupied units owned by it.

ARTICLE VI TAXES, INSURANCE, AND REPAIRS

1. Taxes. Unless otherwise provided by the laws of the State of Michigan or governmental decisions or interpretations made in administering and enforcing these laws, after the year when the construction of the building containing a unit is completed, all special assessments and property taxes shall be assessed against the individual units and not against the total property of the project or any part of it. In the initial year in which the building containing a unit is completed, the taxes and special assessments that become a lien against the property of the condominium shall be administration expenses and shall be assessed against the units according to their percentages of value. Special assessments and property taxes in any year when the property existed as an established project on the tax day shall be assessed against the individual units, notwithstanding any subsequent vacation of the project.

Assessments for subsequent real property improvements to a specific unit shall be assessed to that unit only. Each unit shall be treated as a separate, single unit of real property for the purpose of property taxes and special assessments and shall not be combined with any other units. No assessment of a fraction of any unit or a combination of any unit with other units or fractions of units shall be made, nor shall any division or split of an assessment or tax on a single unit be made, notwithstanding separate or common ownership of the unit.

2. Insurance. The association shall be appointed as attorney-in-fact for each co-owner to act in connection with insurance matters and shall be required to obtain and maintain, to the extent available and applicable, fire insurance with extended coverage; vandalism and malicious mischief endorsements; and liability insurance and worker compensation insurance

pertinent to the ownership, use, and maintenance of the common elements to the project. Each co-owner shall be responsible for obtaining insurance coverage at the co-owner's expense for the exterior and interior of the co-owner's unit and any limited common elements attached or adjacent thereto. Each co-owner is responsible for obtaining insurance for the personal property located within the co-owner's unit or elsewhere in the condominium, for personal liability for occurrences within the co-owner's unit or on limited common elements appurtenant to the unit, and for expenses to cover alternate living arrangements if a casualty causes temporary loss of the unit. The association shall have no responsibility for obtaining such insurance. The association and all co-owners shall use their best efforts to see that all property and liability insurance carried by the association or any co-owner shall contain appropriate provisions for the insurer to waive its right of subrogation regarding any claims against any co-owner or the association.

3. Reconstruction and repairs. If the condominium project or any of its common elements are destroyed or damaged, in whole or in part, and the proceeds of any policy insuring the project or common elements and payable because of the destruction or damage are sufficient to reconstruct the project, then the proceeds shall be applied to reconstruction. As used in this provision, reconstruction means restoration of the project to substantially the same condition that it was in before the disaster, with each unit and the common elements having the same vertical and horizontal boundaries as before.
 - a. If the property is not insured against the peril causing the loss or the proceeds of the policies insuring the project and payable because of the loss are insufficient to reconstruct the project, provisions for reconstruction may be made by the affirmative vote of at least 75 percent of the co-owners voting at a meeting called for that purpose. Any such meeting shall be held within 30 days after the final adjustment of insurance claims, if any, or within 90 days after the disaster, whichever occurs first. At any such meeting, the board or its representative shall present to the co-owners present an estimate of the cost of the reconstruction and the estimated amount of necessary special assessments against each unit to pay for it. If the property is reconstructed, any insurance proceeds shall be applied to the reconstruction, and special assessments may be made against the units to pay the balance.
 - b. If the property is not insured against the peril causing the loss or the proceeds of the policies insuring the project and payable because of the loss are insufficient to reconstruct the project and provisions for reconstruction are not made pursuant to the preceding paragraph, provisions for the withdrawal of any part of the property from the provisions of the Michigan Condominium Act and the project may be made by the affirmative vote of at least 75 percent of the co-owners

voting at a meeting called for that purpose. Any such meeting shall be held within 30 days after the final adjustment of insurance claims, if any, or within 90 days after the disaster, whichever occurs first. When a unit or part of a unit is withdrawn, the percentage of ownership in the common elements appurtenant to that unit shall be reallocated among the remaining units based on the relative percentages of ownership in the common elements appurtenant to each remaining unit. If only part of a unit is withdrawn, the percentage of ownership in the common elements appurtenant to that unit shall be reduced accordingly, based on the diminution in the market value of the unit, as determined by the board. Any insurance proceeds shall be allocated, on the basis of square footage withdrawn or some other equitable basis determined by the board, among the units, parts of units, and parts of the common elements withdrawn. As compensation for such withdrawals,

- (1) any insurance proceeds allocated to withdrawn units or parts of units shall be paid to the owners in proportion to their percentages of ownership in the common elements appurtenant to the withdrawn units or parts of units;
- (2) any insurance proceeds allocated to withdrawn parts of the limited common elements shall be paid to the unit owners entitled to their use in proportion to their percentages of ownership in the common elements appurtenant to the units served by the withdrawn limited common elements; and
- (3) any insurance proceeds allocated to withdrawn parts of the general common elements shall be paid to all unit owners in proportion to their percentages of ownership in the common elements.

On the withdrawal of any unit or part of a unit, the owner shall be relieved of any further responsibility or liability for the payment of any assessments for the unit, if the entire unit is withdrawn or for the payment of the part of assessments proportional to the diminution in square footage of the unit if only part of the unit is withdrawn.

- c. If the property is not insured against the peril causing the loss or the proceeds of the policies insuring the project and payable because of the loss are insufficient to reconstruct the project and no provisions for either reconstruction or withdrawal are made pursuant to the preceding paragraphs, the provisions of the Michigan Condominium Act shall apply.

Prompt written notice of all material damage or destruction to a unit or any part of the common elements shall be given to the holders of first mortgage liens on any affected units.

4. Eminent domain. The following provisions shall pertain on any taking by eminent domain:

- a. If any part of the common elements is taken by eminent domain, the award shall be allocated to the co-owners in

proportion to their undivided interests in the common elements. The association, through its board of directors, may negotiate on behalf of all co-owners for any taking of common elements, and any negotiated settlement approved by more than two-thirds of the co-owners based on assigned voting rights shall bind all co-owners.

- b. If a unit is taken by eminent domain, that unit's undivided interest in the common elements shall be reallocated to the remaining units in proportion to their undivided interests in the common elements. The court shall enter a decree reflecting the reallocation of undivided interests and the award shall include just compensation to the co-owner of the unit taken for the co-owner's undivided interest in the common elements, as well as for the unit.
- c. If part of a unit is taken by eminent domain, the court shall determine the fair market value of the part of the unit not taken. The undivided interest for the unit in the common elements shall be reduced in proportion to the diminution in the fair market value of the unit resulting from the taking. The part of the undivided interest in the common elements thus divested from the co-owner of a unit shall be reallocated among the other units in the project in proportion to their undivided interests in the common elements. A unit that is partially taken shall receive the reallocation in proportion to its undivided interest as reduced by the court order under this provision. The court shall enter a decree reflecting the reallocation of undivided interests, and the award shall include just compensation to the co-owner of the unit partially taken for that part of the undivided interest in the common elements divested from the co-owner and not revested in the co-owner pursuant to provision d, as well as for the part of the unit taken by eminent domain.
- d. If the taking of part of a unit makes it impractical to use the remaining part of that unit for a lawful purpose permitted by the condominium documents, the entire undivided interest in the common elements appertaining to that unit shall be reallocated to the remaining units in the project in proportion to their undivided interests in the common elements. The remaining part of the unit shall then be a common element. The court shall enter an order reflecting the reallocation of undivided interests, and the award shall include just compensation to the co-owner of the unit for the co-owner's entire undivided interest in the common elements and for the entire condominium unit.
- e. Votes in the association and liability for future administration expenses pertaining to a unit that is taken or partially taken by eminent domain shall be reallocated to the remaining units in proportion to their voting strength in the association. The voting strength in the association of a unit that is partially taken

shall be reduced in proportion to the reduction in its undivided interest in the common elements.

ARTICLE VII USE AND OCCUPANCY RESTRICTIONS

1. Residential use. Condominium units shall be used exclusively for residential occupancy and in compliance with the Village Zoning Ordinance. No unit or common element shall be used for any purpose other than as a single-family residence or for other purposes customarily incidental to that use, except that professional and quasi-professional co-owners may use their residences as ancillary facilities to their offices established elsewhere, as long as such use qualifies as a Home Occupation as defined and permitted under the Village Zoning Ordinance and does not generate unreasonable traffic by members of the general public. However, these restrictions on use shall not be construed to prohibit a co-owner from (a) maintaining a personal professional library, (b) keeping personal business or professional records or accounts, or (c) handling personal business or professional telephone calls or correspondence. Such uses are customarily incidental to principal residential use and not in violation of these restrictions.
2. Common areas. Only co-owners of units in the condominium and their agents, tenants, family members, invitees, and licensees may use the common elements for access to and from the units and for other purposes incidental to the use of the units. Any recreational facilities, storage areas, and other common areas designed for a specific use shall be used only for the purposes approved by the board. The use, maintenance, and operation of the common elements shall not be obstructed or unreasonably interfered with by any co-owner and shall be subject to any leases, concessions, or easements now or later entered into by the board.
3. Specific prohibitions. Without limiting the generality of the preceding provisions in this article, the use of the project and all common elements by any co-owner shall be subject to the following restrictions:
 - a. Leases. No part of a unit may be rented and no transient tenants may be accommodated in a unit. However, this restriction shall not prevent the rental or sublease of an entire unit for residential purposes or of a limited common element appurtenant to a unit as provided in Article IX.
 - b. Alterations and Modifications. No co-owner shall make any alterations, additions, or improvements to any general common element or make changes to the exterior or structure of a unit or limited common elements without written approval from the association. The association shall not approve any alterations or structural

modifications that would jeopardize or impair the soundness, safety, or appearance of the project. An owner may make alterations, additions, or improvements within a unit without written approval from the board, but the owner shall be responsible for any damage to other units, the common elements, the property, or any part of them that results from such alterations, additions, or improvements.

- c. Nuisances. No nuisances shall be permitted on the condominium property, nor shall any use or practice that is a source of annoyance to the residents or that interferes with the peaceful possession or proper use of the project by its residents be permitted.
- d. Activities. No immoral, improper, offensive, or unlawful use shall be made of the condominium property or any part of it, and nothing shall be done or kept in any unit or on the common elements that would increase the insurance premiums for the project without written consent from the board. No co-owner shall permit anything to be done or kept in a unit or on the common elements that would result in the cancellation of insurance on any unit or on any part of the common elements or that would violate any law.
- e. Advertising. No signs, banners, or advertising devices shall be displayed that are visible from the exterior of any unit or on the common elements, excluding "for sale" signs, without written permission from the association or the managing agent.
- f. Aesthetics of Condominium Units. No co-owner shall display, hang, or store any clothing, sheets, blankets, laundry, or other articles outside a unit or inside the unit in a way that is visible from the outside of the unit, except for draperies, curtains, blinds, or shades of a customary type and appearance. Neither shall any co-owner paint or decorate the outside of a unit or install any radio or television antenna, or other equipment, fixtures, or items without written permission from the board or the managing agent. These restrictions shall not be construed to prohibit a co-owner from placing and maintaining outdoor furniture and decorative foliage of a customary type and appearance on a deck, patio, or stoop that may be a limited common element appurtenant to a unit. However, no indoor furniture shall be stored or placed on any open deck, patio, or stoop.
- g. Firearms/Fireworks and like. No co-owner shall use or permit any occupant, agent, tenant, invitee, guest, or family member to use any firearms, air rifles, pellet guns, BB guns, bows and arrows, fireworks, or other dangerous weapons, projectiles, or devices anywhere on or around the condominium premises.
- h. Pets. The association may charge any co-owner maintaining animals a reasonable additional assessment to be collected as provided in these bylaws if the association determines such assessment to be necessary to defray the

maintenance costs to the association of accommodating animals within the condominium.

- i. Maintenance of vehicles and recreational equipment. No maintenance or repair shall be performed on any boat, recreational equipment or vehicle except within a garage or unit where it is totally isolated from public view.
- j. Commercial Vehicles. No commercial vehicles or trucks shall be parked on the condominium property except to make deliveries or pickups in the normal course of business.
- k. Aesthetics of Common and Limited Common Elements. The common elements and limited common elements shall not be used to store supplies or personal property (except garages and other areas specifically designated for this purpose).
- l. Architectural Control. No building, structure or other improvement shall be constructed or landscaping installed within a Condominium Unit or elsewhere within the condominium Project, nor shall any exterior modification be made to any existing building, structure or improvement, unless plans and specifications therefor, containing such detail as the Developer may reasonably request, have first been approved in writing by the Developer. Construction of any building or other improvement must also receive any necessary approvals from the local public authority. Developer shall have the right to refuse to approve any such construction plans or specification, or grading or landscaping plans, which are not suitable or desirable in its opinion for aesthetic or other reasons; and in passing upon such plans and specifications it shall have the right to take into consideration the suitability of the proposed structure, improvement, modification or landscaping, the site upon which it is proposed to be constructed and the degree of harmony thereof with the Condominium as a whole. Developer may also, in its discretion, require as a condition of approval of any plans, an agreement for special assessment of increased maintenance charges from any Co-owner whose proposed building, appurtenances and related improvements will cause the Association abnormal expenses in carrying out its responsibilities under the Master Deed. The purpose of this Section is to assure a beautiful and harmonious residential condominium development as well as the continued maintenance of the same, and shall be binding upon the Association and all Co-owners. Developer's rights under this Article VII, Section 3 may, in Developer's discretion, be assigned to the Association or other successor to Developer. Developer may construct any improvements or effect any landscaping upon the Condominium Premises that it may, in its sole discretion, elect to make without the necessity of prior consent from the Association or any other person or entity, subject only to the express limitations contained the Condominium Documents.

i. Standard for Developer's Approvals; Exculpation from Liability. In reviewing and passing upon the plans, drawings, specifications, submissions and other matters to be approved or waived by the Developer under this Section, the Developer intends to ensure that the dwellings and other features embodied or reflected therein meet the requirements set forth in this Section; however, the Developer reserves the right to waive or modify such restrictions or requirements pursuant to paragraph ii. of this Section. In addition to ensuring that all dwellings comply with the requirements and restrictions of this Section 3, the Developer (or the Association, to the extent approval powers are assigned to it by the Developer) shall have the right to base its approval or disapproval of any plans, designs, specifications, submissions or other matters on such other factors, including completely aesthetic considerations, as the Developer (or the Association) in its sole discretion may determine appropriate or pertinent. The Developer currently intends to take into account the preservation of trees and of the natural setting of the Condominium in passing upon plans, designs, drawings, specifications and other submissions. Except as otherwise expressly provided herein, the Developer or the Association, as the case may be, shall be deemed to have the broadest discretion in determining what dwellings, fences, walls, hedges, or other structures will enhance the aesthetic beauty and desirability of the Condominium, or otherwise further or be consistent with the purposes for any restrictions. In no event shall either the Developer (or the agents, officers, employees or consultants thereof), or the Association have any liability whatsoever to anyone for any act or omission contemplated herein, including without limitation the approval or disapproval of plans, drawings, specifications, elevations of the dwellings or other structures subject hereto, whether such alleged liability is based on negligence, tort, express or implied contract, fiduciary duty or otherwise. By way of example, neither the Developer nor member of the Association shall have liability to anyone for approval or plans, specifications, structures or the like which are not in conformity with the provisions of this Section 3 or any other provision contained in the Condominium Documents, or for disapproving plans, specifications, structures or the like which arguably are in conformity with the provisions hereof. In no event shall any party have the right to impose liability on, or otherwise contest judicially, the Developer

or any other person for any decision of the Developer (or alleged failure of the Developer to make a decision) relative to the approval or disapproval of a structure or any aspect or other matter as to which the Developer reserves the right to approve or waive under this Master Deed. The approval of the Developer (or the Association, as the case may be) of a building, structure, improvement or other matter shall not be construed as a representative or warranty that the structure or matter is properly designed or that it is in conformity with the ordinances or other requirements of the Village of Lake Orion or any other governmental authority. Any obligation or duty to ascertain any such non-conformities, or to advise the Owner or any other person of the same (even if known), is hereby disclaimed.

ii. Developer's Right to Waive or Amend Restrictions. Notwithstanding anything herein to the contrary, the Developer reserves the right to approve any structure or activities otherwise prescribed or prohibited hereunder, or to waive any restrictions or requirement provided for in this Section 3, if in the Developer's sole discretion such is appropriate in order to maintain the atmosphere, architectural harmony, appearance and value of the Condominium and the Units therein, or to relieve the Owner of a Unit or a contractor from any undue hardship or expense. In no event, however, shall the Developer be deemed to have waived or be stopped from asserting its right to require strict and full compliance with all the restrictions set forth herein, unless the Developer indicated its intent and agreement to do so in writing and, in the case of an approval of nonconforming structures, the requirements of paragraph (1.) of this Section are met.

m. Dispute. In the absence of an election to arbitrate pursuant to Article X of these bylaws, a dispute or question whether a violation of any specific regulation or restriction in this article has occurred shall be submitted to the board of directors of the association, which shall conduct a hearing and render a written decision. The board's decision shall bind all owners and other parties that have an interest in the condominium project.

4. Rules of conduct. The board may promulgate and amend reasonable rules and regulations concerning the use of condominium units and limited and general common elements. The board shall furnish copies of such rules and regulations to each co-owner at least 10 days before they become effective. Such rules and regulations may be revoked at any time by the affirmative vote of more than 35 percent of all co-owners, in

- number and in value.
5. Remedies on breach. A default by a co-owner shall entitle the association to the following relief:
- Failure to comply with any restriction on use and occupancy in these bylaws or with any other provisions of the condominium documents shall be grounds for relief, which may include an action to recover sums due for damages, injunctive relief, the foreclosure of a lien, or any other remedy that the board of directors determines is appropriate as may be stated in the condominium documents, including the discontinuance of services on seven days' notice, the levying of fines against co-owners after notice and hearing, and the imposition of late charges for the nonpayment of assessments. All such remedies shall be cumulative and shall not preclude any other remedies.
 - In a proceeding arising because of an alleged default by a co-owner, if the association is successful, it may recover the cost of the proceeding and actual attorney fees as the court may determine.
 - The failure of the association to enforce any provision of the condominium documents shall not constitute a waiver of the right of the association to enforce the provision in the future.

An aggrieved co-owner may compel the enforcement of the condominium documents by an action for injunctive relief or damages against the association, its officers, or another co-owner in the project.

6. Use by the developer. While a unit is for sale by the developer, the developer and its agents, employees, contractors, subcontractors, and their agents and employees may access any part of the project as is reasonably required for the purpose of the sale. Until all the units in the project have been sold by the developer and each unit is occupied by the purchaser, the developer may maintain a sales office, model dwellings, a business office, a construction office, trucks, other construction equipment, storage areas, and customary signs to enable the development and sale of the entire project. The developer shall restore all areas and equipment to habitable status when it is finished with this use.
7. Village Ordinances, Permits and Approvals. The provisions in this Article are separate from Village Ordinances, permit and approval requirements and compliance with this Article does not satisfy any such Village requirements that may also apply to a particular use, construction or activity.

ARTICLE VIII MORTGAGES

1. Mortgage of condominium units. Any co-owner who mortgages a condominium unit shall notify the association of the name and address of the mortgagee, and the association shall maintain such information in a book entitled "Mortgagees of units." At

the written request of a mortgagee of any unit, the mortgagee may (a) inspect the records of the project during normal business hours, on reasonable notice; (b) receive a copy of the annual financial statement of the association, which is prepared for the association and distributed to the owners; and (c) receive written notice of all meetings of the association and designate a representative to attend all such meetings. However, the association's failure to fulfill any such request shall not affect the validity of any action or decision.

2. Notice of insurance. The association shall notify each mortgagee appearing in the book of mortgagees of the name of each company insuring the condominium against fire, perils covered by extended coverage, and vandalism and malicious mischief and of the amounts of such coverage.
3. Rights of mortgagees. Notwithstanding any other provision of the condominium documents, except as required by law, any first mortgage of record of a condominium unit is subject to the following provisions:
 - a. The holder of the mortgage is entitled, on written request, to notification from the association of any default by the mortgagor in the performance of the mortgagor's obligations under the condominium documents that is not cured within 30 days.
 - b. The holder of any first mortgage that comes into possession of a condominium unit pursuant to the remedies provided in the mortgage, deed, or assignment in lieu of foreclosure shall be exempt from any option, right of first refusal, or other restriction on the sale or rental of the mortgaged unit, including restrictions on the posting of signs pertaining to the sale or rental of the unit.
 - c. The holder of any first mortgage that comes into possession of a condominium unit pursuant to the remedies provided in the mortgage, deed, or assignment in lieu of foreclosure shall receive the property free of any claims for unpaid assessments or charges against the mortgaged unit that have accrued before the holder comes into possession of the unit (except for claims for a pro rata share of assessments or charges resulting from a pro rata reallocation of assessments charged to all units, including the mortgaged unit).
4. Additional notification. When notice is to be given to a mortgagee, the board of directors shall also notify 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, or 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 received notice of the entity's participation.

ARTICLE IX LEASES

1. Notice of leases. Any co-owner, including the developer, who desires to rent or lease a condominium unit for more than 30 consecutive days shall inform the association in writing at least 10 days before presenting a lease form to a prospective tenant and, at the same time, shall give the association a copy of the exact lease form for its review for compliance with the condominium documents. No unit shall be rented or leased for less than 60 days without written consent from the association. If the developer proposes to rent condominium units before the transitional control date, it shall notify either the advisory committee or each co-owner in writing.
2. Terms of leases. Tenants and non-co-owner occupants shall comply with the provisions of the condominium documents of the project, and all lease and rental agreements shall state this condition.
3. Remedies. If the association determines that any tenant or non-co-owner occupant has failed to comply with the provisions of the condominium documents, the association may take the following actions:
 - a. The association shall notify the co-owner by certified mail addressed to the co-owner at the co-owner's last known residence of the alleged violation by the tenant.
 - b. The co-owner shall have 15 days after receiving the notice to investigate and correct the alleged breach by the tenant or to advise the association that a violation has not occurred.
 - c. If, after 15 days, the association believes that the alleged breach has not been cured or might be repeated, it may institute an action for eviction against the tenant or non-co-owner occupant and a simultaneous action for money damages (in the same or another action) against the co-owner and the tenant or non-co-owner occupant for breach of the provisions of the condominium documents. The relief stated in this provision may be by summary proceeding. The association may hold both the tenant and the co-owner liable for any damages to the general common elements caused by the co-owner or the tenant.
4. Assessments. When a co-owner is in arrears to the association for assessments, the association may notify any tenant occupying a co-owner's unit under a lease or rental agreement of the arrearage in writing. After receiving such a notice, the tenant shall deduct from rental payments due to the co-owner the full arrearage and future assessments as they fall due and shall pay them to the association. Such deductions shall not be a breach of the rental agreement or lease.

ARTICLE X

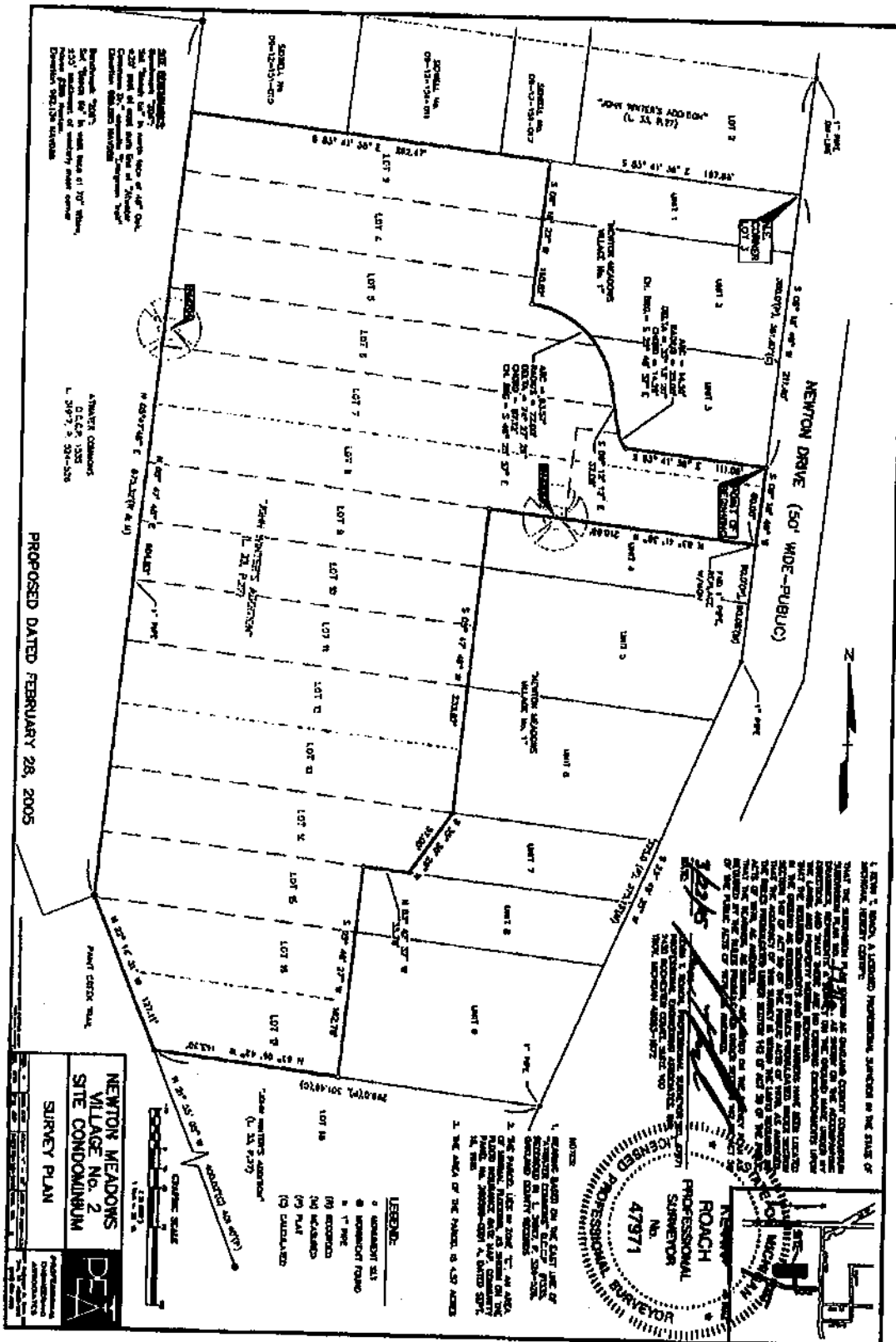
ARBITRATION

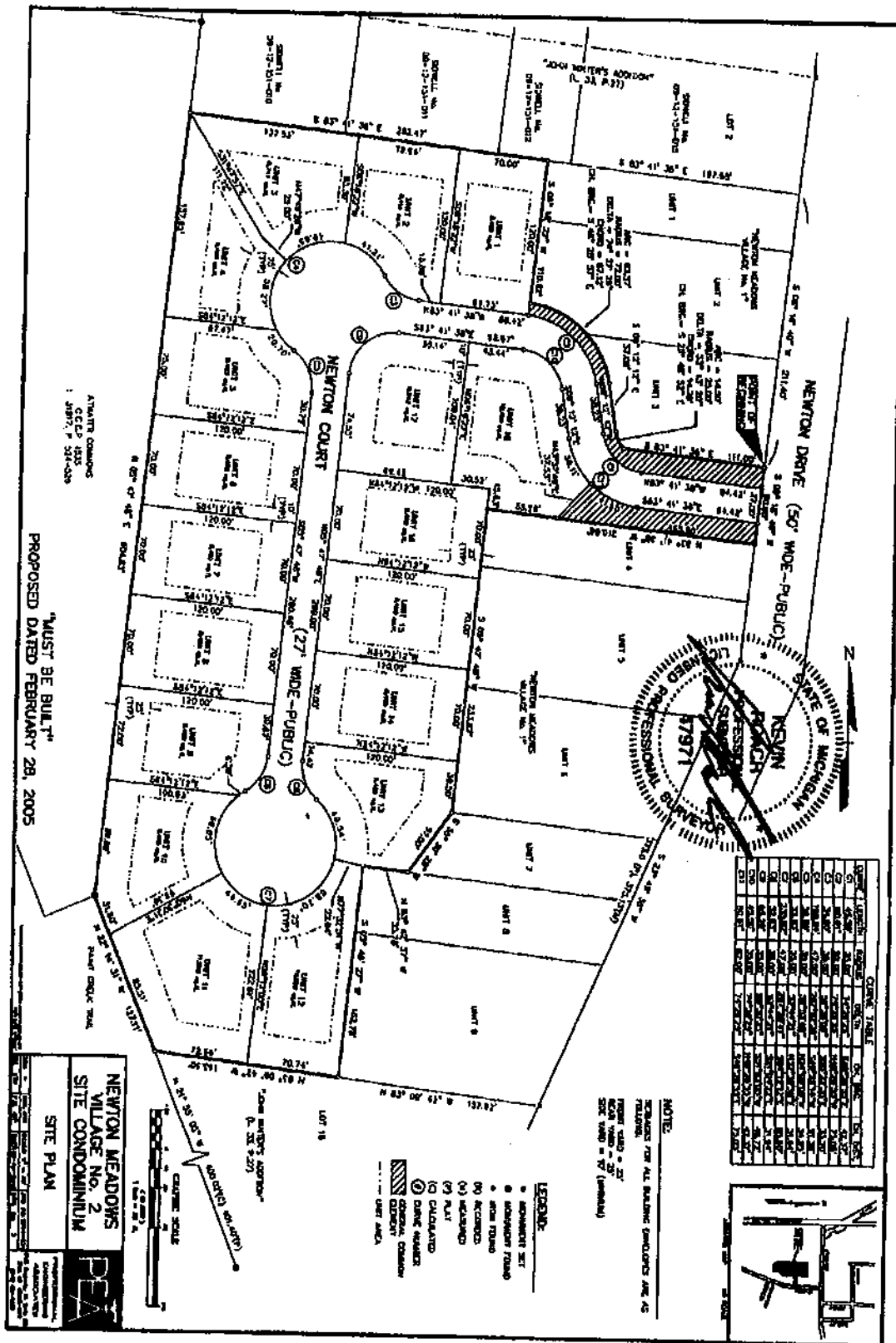
1. Submission to arbitration. Any dispute, claim, or grievance relating to the interpretation or application of the master deed, bylaws, or other condominium documents among co-owners or between owners and the association may, on the election and written consent of the parties to the dispute, claim, or grievance and written notice to the association, be submitted to arbitration by the arbitration association. The parties shall accept the arbitrator's award as final and binding. All arbitration under these bylaws shall proceed in accordance with MCLA 600.5001 et seq., MSA 27A.5001 et seq. and applicable rules of the arbitration association.
2. Disputes involving the developer. A contract to settle by arbitration may also be signed by the developer and any claimant with a claim against the developer that may be the subject of a civil action, subject to the following conditions:
 - a. At the exclusive option of a purchaser, co-owner, or person occupying a restricted unit in the project, the developer shall sign a contract to settle by arbitration a claim that may be the subject of a civil action against the developer that involves less than \$2,500 and relates to a purchase agreement, condominium unit, or the project.
 - b. At the exclusive option of the association of co-owners, the developer shall sign a contract to settle by arbitration a claim that may be the subject of a civil action against the developer that relates to the common elements of the project and involves less than \$10,000.
3. Preservation of rights. The election of a co-owner or the association to submit a dispute, claim, or grievance to arbitration shall preclude that party from litigating the dispute, claim, or grievance in the courts. However, except as otherwise stated in this article, no interested party shall be precluded from petitioning the courts to resolve a dispute, claim, or grievance in the absence of an election to arbitrate.

**ARTICLE XI
MISCELLANEOUS PROVISIONS**

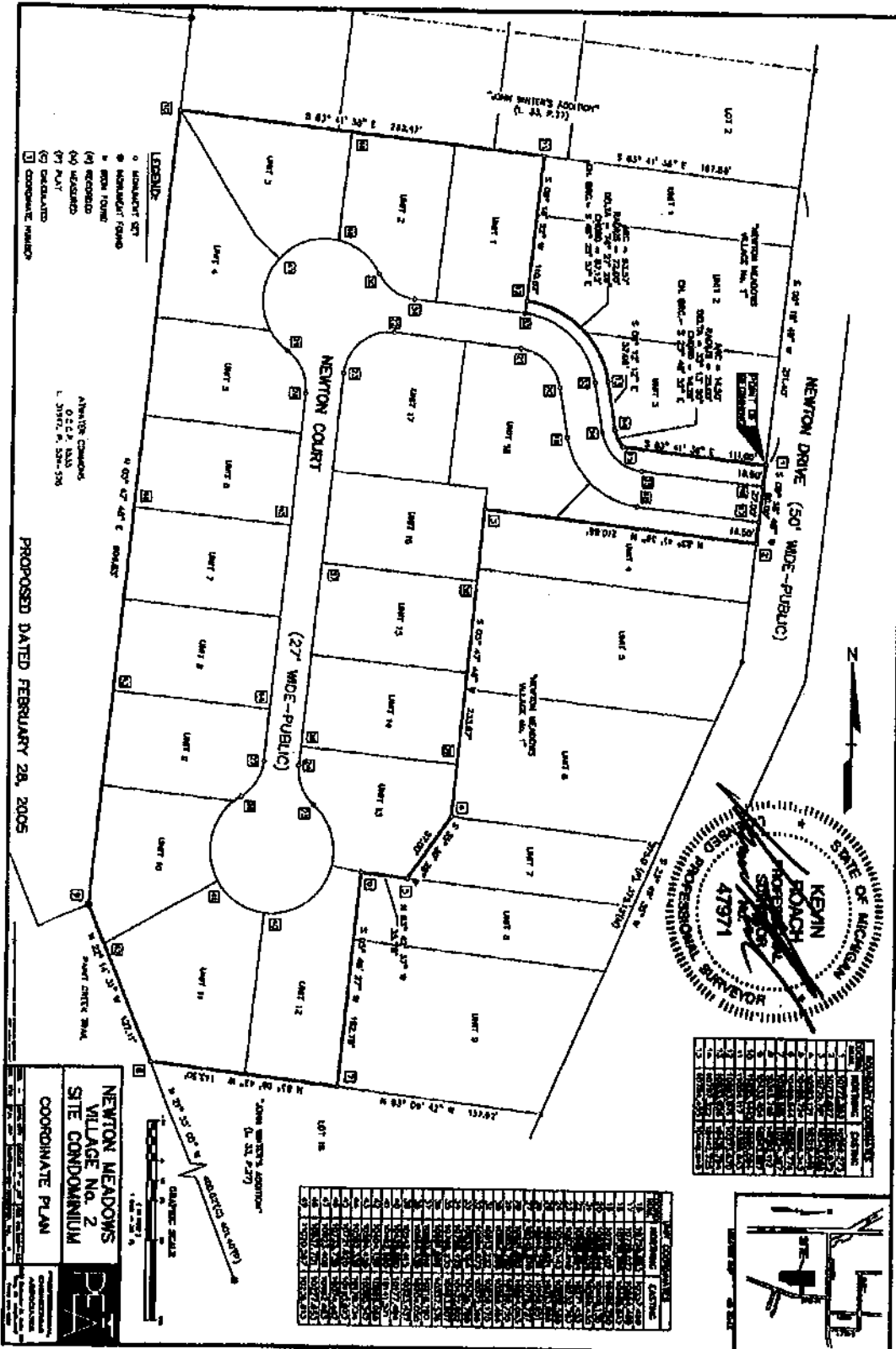
1. Liability of members. The association and the board shall have the power to raise and the responsibility for raising, by special assessment or otherwise, any sums required to discharge its obligations under these bylaws. However, the liability of any co-owner arising out of any contract made by the directors; for other acts of the directors, officers, or committees; or out of the indemnity provisions of Article V shall be limited to the proportion of the total liability equal to the percentage of value of the co-owner's unit. Every agreement made by the directors, officers, committees, or managing agent on behalf of the co-owners shall provide that the persons signing the agreement are acting only as agents

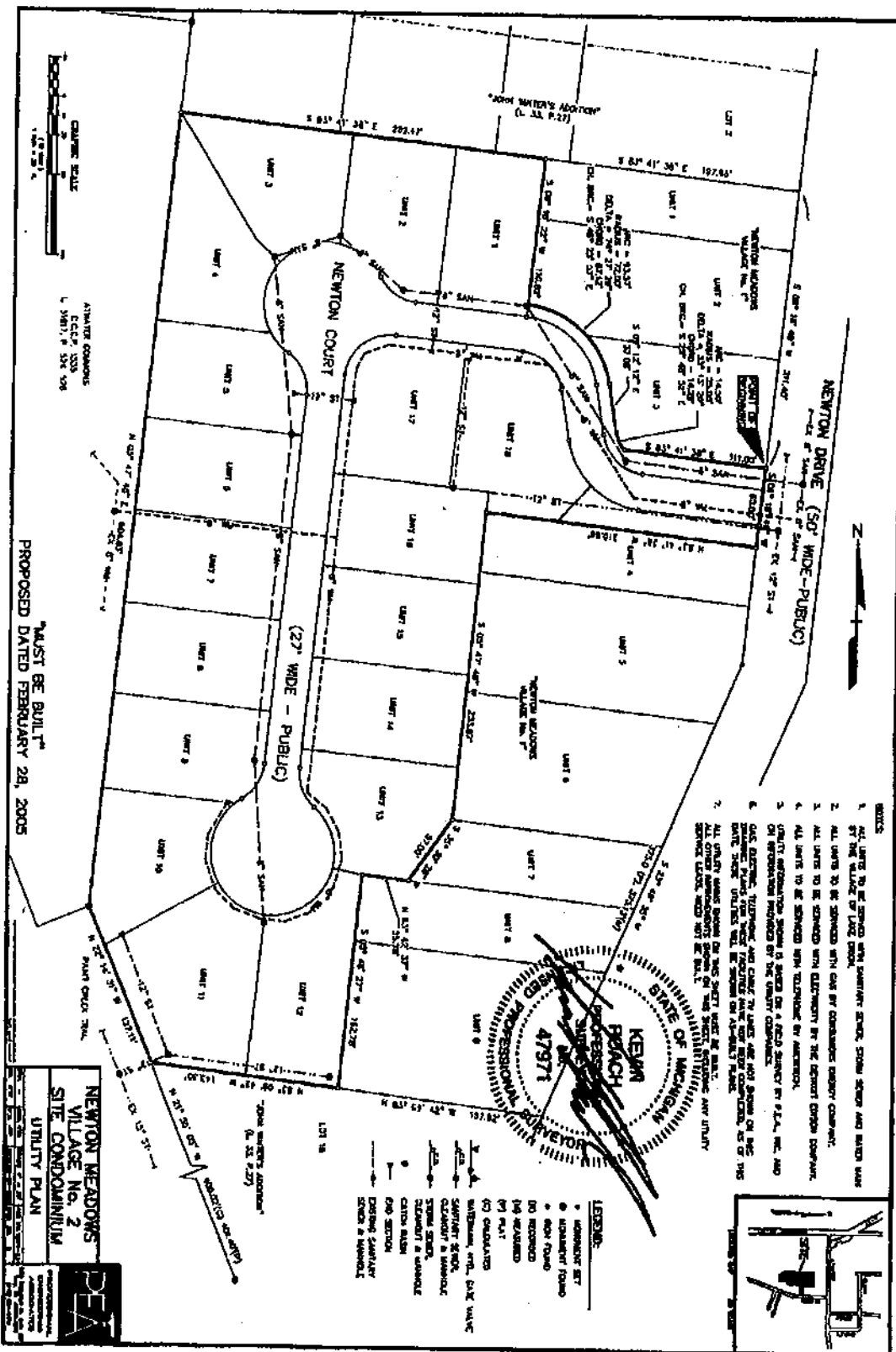
- for the co-owners and shall have no personal liability under the agreement (except as co-owners) and that each co-owner's liability under the agreement shall be limited to the proportion of the total liability incurred equal to the percentage of value of the co-owner's unit.
2. The signing of documents. All checks, drafts, and orders for the payment of money shall be signed in the name of the corporation by whatever officers or agents the board designates. If the signing of any contract, conveyance, or other document of title has been authorized without the specification of the signing officers, the president or a vice president may sign in the name of the corporation without attestation, acknowledgment, or seal.
 3. Fidelity bonds. The association may require that all officers, employees, and others who are responsible for handling funds obtain adequate fidelity coverage to protect against dishonest acts, the cost of which shall be an administration expense.
 4. The seal. The Association may (but need not) have a seal. If the Board determines that the Association shall have a seal, then it shall include the name of the Association and the words "Corporate Seal" and "Michigan." The seal may be used by causing it or a facsimile to be impressed, affixed, or reproduced.
 5. Fiscal year. The fiscal year of the corporation shall be fixed by a resolution of the board.
 6. Severability. If any of the provisions of these bylaws or any condominium document are held to be partially or wholly invalid or unenforceable for any reason, that holding shall not affect, alter, or impair any of the other provisions of these documents or the remaining part of any provision that is held to be partially invalid or unenforceable. In such an event, the documents shall be construed as if the invalid or unenforceable provisions were omitted.
 7. Amendments. These bylaws may be amended or repealed only in the manner stated in Article VII of the master deed.





LIBER 35189 PG 815





LIBER 35189 PG 817

