

**PURCHASER  
INFORMATION  
BOOKLET  
FOR  
VILLAGEWOOD  
PLACE**

# PURCHASER INFORMATION BOOKLET

FOR

VILLAGEWOOD PLACE

TABLE OF CONTENTS

*PAGE NO.*

*(NOTE: Documents are separated by colored sheets; page numbers are internal to each document, not consecutive throughout the booklet.)*

Page

## MASTER DEED

		<u>Page</u>
	LEGAL DESCRIPTION . . . . .	1
ARTICLE I	DEFINITIONS . . . . .	2
Section 1.	Act . . . . .	2
Section 2.	Association . . . . .	2
Section 3.	Association By-Laws . . . . .	2
Section 4.	Common Elements . . . . .	2
Section 5.	Condominium By-Laws . . . . .	3
Section 6.	Condominium Documents . . . . .	3
Section 7.	Condominium . . . . .	3
Section 8.	Condominium Subdivision Plan . . . . .	3
Section 9.	Construction and Sales Period . . . . .	3
Section 10.	Co-owner . . . . .	3
Section 11.	Developer . . . . .	3
Section 12.	First Annual Meeting . . . . .	3
Section 13.	Mortgagee . . . . .	3
Section 14.	Transitional Control Date . . . . .	4
Section 15.	Unit . . . . .	4
ARTICLE II	TITLE OF CONDOMINIUM . . . . .	4
ARTICLE III	NATURE OF CONDOMINIUM . . . . .	4
ARTICLE IV	COMMON ELEMENTS . . . . .	5
Section 1.	General Common Elements . . . . .	5
Section 2.	Limited Common Elements . . . . .	6
Section 3.	Responsibilities . . . . .	6
ARTICLE V	UNIT DESCRIPTION AND PERCENTAGE OF VALUE . . . . .	8
Section 1.	Description of Unit . . . . .	8
Section 2.	Percentage of Value . . . . .	8
ARTICLE VI	RIGHTS OF MORTGAGEES . . . . .	8
ARTICLE VII	DAMAGE TO CONDOMINIUM . . . . .	10

		<u>Page</u>
ARTICLE VIII	EASEMENTS . . . . .	10
ARTICLE IX	AMENDMENT OR TERMINATION . . . . .	11
 <b>CONDOMINIUM BY-LAWS</b>		
ARTICLE I	ASSOCIATION OF CO-OWNERS . . . . .	1
Section	1. Administration . . . . .	1
Section	2. Membership and Voting . . . . .	1
Section	3. Records . . . . .	3
Section	4. Board of Directors . . . . .	3
Section	5. Association By-Laws . . . . .	6
Section	6. First Annual Meeting . . . . .	6
Section	7. Indemnification . . . . .	8
ARTICLE II	ASSESSMENTS . . . . .	8
Section	1. Personal Property Tax Assessment of Association Property . . . . .	8
Section	2. Expenses of Administration . . . . .	8
Section	3. Determination of Assessments . . . . .	9
Section	4. Apportionment of Assessments and Penalty for Default . . . . .	10
Section	5. Waiver of Use or Abandonment of Unit .	11
Section	6. Enforcement . . . . .	11
Section	7. Developer's Responsibility for Assessments . . . . .	14
Section	8. Special Assessments and Property Taxes	14
Section	9. Construction Liens . . . . .	15
Section	10. Lawsuit Defense Expenses . . . . .	15
ARTICLE III	ARBITRATION . . . . .	16
Section	1. Scope and Election . . . . .	16
Section	2. Judicial Relief . . . . .	16
Section	3. Election of Remedies . . . . .	16
Section	4. Mandatory Arbitration with Developer .	16
Section	5. Co-owner Authorization for Arbitration	16
ARTICLE IV	INSURANCE . . . . .	17
Section	1. Extent of Coverage . . . . .	17
Section	2. Authority of Association to Settle Insurance Claims . . . . .	18
Section	3. Indemnification . . . . .	19

		<u>Page</u>
ARTICLE V	RECONSTRUCTION OR REPAIR . . . . .	19
Section 1.	Determination for Reconstruction or Termination . . . . .	19
Section 2.	Repair in Accordance with Master Deed . . . . .	19
Section 3.	Responsibility for Repair . . . . .	20
Section 4.	Co-Owner Responsibility . . . . .	20
Section 5.	Timely Reconstruction and Repair . . . . .	20
Section 6.	Association Consent . . . . .	21
Section 7.	Access to Units . . . . .	21
Section 8.	Association Responsibility . . . . .	21
Section 9.	Eminent Domain . . . . .	21
Section 10.	Settlement for Taking of Common Elements . . . . .	23
ARTICLE VI	RESTRICTIONS . . . . .	23
Section 1.	Residential Use . . . . .	23
Section 2.	Leasing and Rental . . . . .	24
Section 3.	Changes in Common Elements . . . . .	25
Section 4.	Activities . . . . .	25
Section 5.	Pets . . . . .	25
Section 6.	Aesthetics . . . . .	27
Section 7.	Open Space . . . . .	27
Section 8.	Vehicles . . . . .	27
Section 9.	No Weapons on Premises . . . . .	27
Section 10.	Advertising . . . . .	27
Section 11.	Rules and Regulations . . . . .	28
Section 12.	Right of Access of Association . . . . .	28
Section 13.	Landscaping . . . . .	28
Section 14.	Use of Motorized Vehicles . . . . .	28
Section 15.	Unsightly Conditions . . . . .	28
Section 16.	Co-owner Maintenance . . . . .	29
Section 17.	Commercial Activities of Developer . . . . .	29
Section 18.	Enforcement By Developer . . . . .	29
Section 19.	Maintenance of Minimum Interior Temperature . . . . .	30
ARTICLE VII	MORTGAGES . . . . .	30
Section 1.	Notice to Association . . . . .	30
Section 2.	Notice of Insurance Carrier . . . . .	30
Section 3.	Notice of Material Change . . . . .	30
Section 4.	Exemption From Sale or Lease Restrictions . . . . .	30
Section 5.	Approval to Material Changes . . . . .	30
Section 6.	Failure to Respond . . . . .	31
Section 7.	Notification of Meetings . . . . .	31
Section 8.	Mortgagee in Possession . . . . .	31
Section 9.	Notification of FNMA and FHLMC . . . . .	31
Section 10.	Priority of Mortgagee Interests . . . . .	32

		<u>Page</u>
ARTICLE VIII	AMENDMENTS . . . . .	32
Section	1. Proposal . . . . .	32
Section	2. Voting by Board of Directors . . . . .	32
Section	3. Voting by Co-Owners . . . . .	32
Section	4. By Developer . . . . .	32
Section	5. Record With Register of Deeds and Copy to Co-Owners . . . . .	32
Section	6. Notice to Mortgagees . . . . .	33
Section	7. When Effective . . . . .	33
ARTICLE IX	COMPLIANCE . . . . .	33
ARTICLE X	DEFINITIONS . . . . .	33
ARTICLE XI	REMEDIES FOR DEFAULT . . . . .	34
Section	1.a. Legal Action . . . . .	34
b.	Recovery of Costs . . . . .	34
c.	Removal and Abatement . . . . .	34
d.	Assessment of Fines . . . . .	34
e.	Enforcement of Provisions of Condominium Documents . . . . .	35
f.	Non-Waiver of Right . . . . .	35
g.	Cumulative Rights, Remedies and Privileges . . . . .	35
ARTICLE XII	RIGHTS RESERVED TO DEVELOPER . . . . .	35
ARTICLE XIII	SEVERABILITY . . . . .	36

#### CONDOMINIUM SUBDIVISION PLAN

#### VILLAGEWOOD PLACE CONDOMINIUM ASSOCIATION ARTICLES OF INCORPORATION

ARTICLE I	NAME . . . . .	1
ARTICLE II	PURPOSES . . . . .	1
ARTICLE III	BASIS OF ORGANIZATION AND ASSETS . . . . .	2
ARTICLE IV	RESIDENT AGENT . . . . .	2
ARTICLE V	INCORPORATOR . . . . .	3
ARTICLE VI	ACTION BY CONSENT . . . . .	3
ARTICLE VII	MEMBERSHIP AND VOTING . . . . .	3

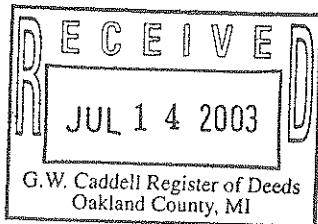
		<u>Page</u>
ARTICLE VIII	LIMITED LIABILITY OF DIRECTORS . . . . .	3
ARTICLE IX	INDEMNIFICATION OF NONDIRECTOR VOLUNTEERS .	4
ARTICLE X	AMENDMENT . . . . .	4

**CERTIFICATE OF AMENDMENT TO ARTICLES OF INCORPORATION**

**VILLAGEWOOD PLACE CONDOMINIUM ASSOCIATION BY-LAWS**

ARTICLE I	ADOPTION OF CONDOMINIUM BY-LAWS . . . . .	1
ARTICLE II	MEETINGS . . . . .	1
ARTICLE III	BOARD OF DIRECTORS . . . . .	3
ARTICLE IV	OFFICERS . . . . .	8
ARTICLE V	OBLIGATIONS OF THE CO-OWNERS . . . . .	9
ARTICLE VI	SEAL . . . . .	9
ARTICLE VII	FINANCE . . . . .	10
ARTICLE VIII	INDEMNIFICATION OF DIRECTORS, OFFICERS, COMMITTEE MEMBERS, EMPLOYEES, AND AGENTS	10
ARTICLE IX	COLLECTION OF ASSESSMENTS AND CHARGES . . .	11
ARTICLE X	AMENDMENTS . . . . .	11
ARTICLE XI	VIOLATION PROCEDURE . . . . .	12
ARTICLE XII	COMPLIANCE . . . . .	12

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OAKLAND COUNTY TREASURERS CERTIFICATE  
I HEREBY CERTIFY that there are no TAX LIENS or TITLES  
of any kind, real or any individual against the above description  
of property. TAXES on same are paid for five years previous to the  
date of instrument as appears by the records in the office  
of the County Clerk.

PATRICK M. DONAHY 4.80  
7-14-03 PATRICK M. DONAHY, County Treasurer

4.80  
SAC 122, XI-122, 1220 as amended

356327  
LIBER 29923 PAGE 820  
\$178.00 DEED - COMBINED  
\$4.00 REMUNERATION  
07/14/2003 10:46:38 A.M. RECEIPT# 611  
PAID RECORDED - OAKLAND COUNTY  
G.WILLIAM CADDELL, CLERK/REGISTER OF D

015718

MASTER DEED

VILLAGEWOOD PLACE CONDOMINIUM

(Act 59, Public Acts of 1918, As Amended)

THIS MASTER DEED is made and executed on this 7<sup>th</sup> day of July, 2003, by Village Wood Properties, L.L.C., a Michigan limited liability company, hereinafter referred to as the "Developer", whose office is situated at 23965 Novi Road, Suite 120, Novi, Michigan 48375, in pursuance of the provisions of the Michigan Condominium Act as amended (being Act 59 of the Public Acts of 1978, as amended), hereinafter referred to as the "Act".

WITNESSETH:

WHEREAS, the Developer is the owner of certain real property located in the City of Novi, County of Oakland, Michigan, and more particularly described as follows:

A part of the Southeast 1/4 of Section 25, TIN, R8E, City of Novi, Oakland County, Michigan; more particularly described as commencing at the East 1/4 corner of said Section 25; thence SOO°29'17"E as measured (platted as Due South), 383.30 feet platted and measured, along the East line of said Section 25 and the centerline of Haggerty Road; thence S89°07'01"W as measured (platted as Due West), 60.00 feet platted and measured to a point on the Westerly right-of-way of said Haggerty Road and the Point of Beginning; thence S89°07'01"W as measured (platted as Due West), 622.30 feet platted and measured; thence NOO°21'43"W as measured (platted as N00°08'00"E), 191.30 feet platted and measured; thence N89°07'01"E as measured (platted as Due East), 621.88 feet as measured (621.54 feet as platted), to the West right-of-way of said Haggerty Road; thence SOO°29'17"E as measured (platted as Due South), 191.30 feet platted and measured along the West right-of-way of said Haggerty Road to the Point of Beginning. Containing 2.73 acres of land more or less. Together with and subject to easements and restrictions of record, if any;

WHEREAS, the Developer desires, by recording this Master Deed, together with the Condominium By-Laws attached hereto as Exhibit "A" and

Tax Code #: 50-22-25-426-070

O.K. - MH

O.K. - RC

together with the Condominium Subdivision Plan attached hereto as Exhibit "B" (both of which are hereby incorporated by reference and made a part hereof), to establish the real property, together with the improvements located and to be located thereon and the appurtenances thereto, as a Condominium under the provisions of the Act;

NOW, THEREFORE, the Developer does, upon the recording hereof, establish Villagewood Place Condominium as a Condominium under the Act and does declare that Villagewood Place Condominium (hereinafter referred to as the "Condominium") shall, after such establishment, be held, conveyed, mortgaged, encumbered, leased, rented, occupied, improved, or in any other manner utilized subject to the provisions of the Act and to the covenants, conditions, restrictions, uses, limitations, and affirmative obligations set forth in this Master Deed and Exhibits "A" and "B" hereto, all of which shall be deemed to run with the land and shall be a burden and a benefit to the Developer, its successors and assigns, and any persons acquiring or owning an interest in the said real property, their grantees, successors, heirs, personal representatives, and assigns. In furtherance of the establishment of said Condominium, it is provided as follows:

## ARTICLE I

### DEFINITIONS

Certain terms are utilized not only in this Master Deed and Exhibits "A" and "B" hereto, but are or may be used in various other instruments such as, by way of example and not in limitation, the Articles of Incorporation and corporate By-Laws and Rules and Regulations of the Villagewood Place Condominium Association, a Michigan non-profit corporation, and deeds, mortgages, liens, land contracts, easements, and other instruments affecting the establishment of or transfer of interests in Villagewood Place Condominium as a condominium. Wherever used in such documents or any other pertinent instruments, the terms set forth below shall be defined as follows:

(1) The "Act" means the Michigan Condominium Act, being Act 59 of the Public Acts of 1978, as amended.

(2) "Association" means Villagewood Place Condominium Association, the non-profit corporation organized under Michigan law of which all co-owners shall be members, which corporation shall administer, operate, manage, and maintain the Condominium. Any action required of or permitted to the Association shall be exercisable by its Board of Directors unless specifically reserved to its members by the Condominium documents or the laws of the State of Michigan.

(3) "Association By-Laws" means the corporate By-Laws of Villagewood Place Condominium Association, the Michigan non-profit

corporation organized to manage, maintain and administer the Condominium.

(4) "Common elements", where used without modification, shall mean both the general and limited common elements described in Article IV hereof.

(5) "Condominium By-Laws" means Exhibit "A" hereto, being the By-Laws setting forth the substantive rights and obligations of the co-owners and required by Section 3(8) of the Act to be recorded as part of the Master Deed.

(6) "Condominium documents" wherever used means and includes this Master Deed and Exhibits "A" and "B" hereto, the Articles of Incorporation, the By-Laws, and the Rules and Regulations, if any, of the Association.

(7) "Condominium" means and includes the land and the buildings, all improvements and structures thereon, and all easements, rights and appurtenances belonging to Villagewood Place Condominium as a condominium project established in conformity with the provisions of the Act.

(8) "Condominium Subdivision Plan" means Exhibit "B" hereto.

(9) "Conversion and sales period" means, for the purposes of the Condominium documents and the rights reserved to the Developer thereunder, the period commencing with the recording of the Master Deed and continuing as long as the Developer owns any unit which it offers for sale.

(10) "Co-owner" means a person, firm, corporation, partnership, association, trust, or other legal entity or any combination thereof who or which owns one or more units in the Condominium. The term "owner", wherever used, shall be synonymous with the term "co-owner". "Co-owner" shall also include a land contract vendee, and both the land contract vendor and vendee shall have joint and several responsibility for assessments by the Association.

(11) "Developer" means Village Wood Properties, L.L.C., a Michigan limited liability company, which has made and executed this Master Deed, and its successors and assigns.

(12) "First annual meeting" means the initial meeting at which nondeveloper co-owners are permitted to vote for the election of all Directors and upon all other matters which properly may be brought before the meeting. Such meeting (i) may be held at any time, in the Developer's sole discretion, after fifty percent (50%) of the units which may be created are sold, and (ii) must be held within (a) fifty-

four (54) months from the date of the first unit conveyance, or (b) one hundred twenty (120) days after seventy-five percent (75%) of all units which may be created are sold, whichever occurs first.

(13) "Mortgagee" means the individual, financial institution, corporation, partnership, or other entity holding a first mortgage on an individual condominium unit in Villagewood Place Condominium.

(14) "Transitional control date" means the date on which a Board of Directors of the Association takes office pursuant to an election in which the votes which may be cast by eligible co-owners unaffiliated with the Developer exceed the votes which may be cast by the Developer.

(15) "Unit" means the enclosed space constituting a single complete condominium unit in Villagewood Place Condominium, as such space may be described in Exhibit "B" hereto.

Whenever any reference herein is made to one gender, the same shall include a reference to any and all genders where the same would be appropriate; similarly, whenever a reference is made herein to the singular, a reference shall also be included to the plural where the same would be appropriate.

## ARTICLE II

### TITLE OF CONDOMINIUM

The Condominium shall be known as Villagewood Place Condominium, Oakland County Condominium Subdivision Plan No. 1540. The architectural plans for the Condominium were approved by the City of Novi, Oakland County, State of Michigan, when the building was constructed in 1983. The Condominium is established in accordance with the Act.

## ARTICLE III

### NATURE OF CONDOMINIUM

(1) The buildings and units contained in the Condominium, including the number, boundaries, dimensions and area of each condominium unit therein, are set forth completely in the Condominium Subdivision Plan attached as Exhibit "B" hereto. The buildings contain individual units for residential purposes and each unit is capable of individual utilization on account of having its own entrance from and exit to a common element of the Condominium.

(2) Each co-owner in the Condominium shall have an exclusive right to his condominium unit and shall have undivided and inseparable rights to share with other co-owners the common elements of the Condominium as are designated by this Master Deed.

(3) No co-owner shall use his condominium unit or the common elements in any manner inconsistent with the purposes of the Condominium or in any manner which will interfere with, or impair the rights of any other co-owner in the use and enjoyment of his condominium unit or the common elements.

## ARTICLE IV

### COMMON ELEMENTS

The common elements of the Condominium described in Exhibit "B" attached hereto and the respective responsibilities for the maintenance, decoration, repair, or replacement thereof are as follows:

(1) The general common elements are:

(a) The land described in page one hereof, including driveways, sidewalks and visitor parking spaces;

(b) The electrical wiring network throughout the Condominium up to, but not including, the electric meter for each unit;

(c) The natural gas line network throughout the Condominium up to, but not including, the gas meter for each unit;

(d) The telephone, telecommunication and television wiring networks throughout the Condominium up to, but not including, connections to provide service to individual units;

(e) The plumbing network throughout the Condominium, including that contained within unit walls, up to but not including the point of connection with plumbing fixtures within any unit;

(f) The sanitary sewer system and storm drainage system (including sump pumps) throughout the Condominium up to but not including the point of connection with plumbing fixtures within any unit;

(g) Foundations, supporting columns, unit perimeter walls (including windows, doors and heating ducts therein), roofs, ceilings, floor construction between unit levels, basement floors, and chimneys;

(h) Such other elements of the Condominium 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 necessary to the existence, upkeep and safety of the Condominium.

(i) Easements for all of the aforementioned utility systems that are provided by or for the benefit of third parties are hereby dedicated to them for that purpose in the locations as set forth in Exhibit "B" hereto.

Some or all of the utility lines (including mains and service leads) and equipment described in Article IV, paragraphs (1)(b), (c), (d), (e), and (f) may be owned by the local municipal authority or by the company that is providing the pertinent utility service. Accordingly, such utility lines and equipment shall be general common elements only to the extent of the co-owners' interest therein, and the Developer makes no warranty whatever with respect to the nature or extent of such interest, if any.

(2) The limited common elements are:

(a) Each individual entry deck, planter box and individual sidewalk in the Condominium is restricted in use to the co-owner(s) of the unit(s) which opens into such entry deck and sidewalk, as shown on Exhibit "B" hereto.

(b) Each individual patio in the Condominium is restricted in use to the co-owner of the unit which opens into such patio as shown on Exhibit "B" hereto.

(c) Each individual exterior air conditioning unit and the concrete pad upon which it sits shall be restricted in use to the co-owner of the unit to which it is connected.

(d) The interior surfaces of unit perimeter walls (including windows and doors therein), ceilings and floors contained within a unit shall be subject to the exclusive use and enjoyment of the co-owner of such unit.

(3) The respective responsibilities for the insurance, maintenance, decoration, repair, and replacement of the common elements are as follows:

(a) The cost of insurance, maintenance, repair, and replacement of the limited common elements described in Article IV, paragraph (2)(c) above shall be borne by the co-owner of the unit to which such limited common elements respectively appertain; provided, however, that any fences between patios installed by the Developer or the Association shall be maintained, repaired and replaced by the Association. Snow removal from each individual entry deck and individual sidewalk

is the responsibility of the co-owner of the unit to which such limited common elements appertain.

(b) The cost of maintenance, repair and replacement of the doors, glass door walls, screens, window glass and that portion of the window frame attached to the glass referred to in Article IV, paragraph (1)(g), and any other expense not covered by insurance provided by the Association, such as the deductible amount of the insurance coverage, shall be borne by the co-owner of the unit in which such general common elements are located.

(c) The cost of insurance, maintenance, repair, and replacement of all other general and limited common elements described above shall be borne by the Association unless such maintenance, repair and replacement is necessitated by co-owner fault (which shall include actions by guests, agents, invitees, tenants, family members, or pets), in which case the co-owner at fault shall bear such costs as exceed any insurance proceeds, including any deductible amount. The costs of decoration, (but not repair or replacement except in cases of co-owner fault) of all surfaces referred to in Article IV, paragraph (2)(d) shall be borne by the co-owner of each unit to which such surfaces are appurtenant.

(d) The cost of maintaining, repairing and replacing the water heater, garage door opener (if any), internal unit plumbing, individual basement sump pumps, dishwasher, refrigerator, stove, oven, garbage disposal, heating and air conditioning equipment, lighting fixtures, and other items servicing a unit that are not common elements, whether or not they are within the unit they service, shall be the sole responsibility of the co-owner whose unit is serviced by such items.

(e) The individual co-owners shall be responsible for the cost and installation of bulbs within the light fixtures at the front and back of their respective units, although the fixtures themselves shall be maintained by the Association.

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(f) In the event a co-owner fails to maintain, decorate, repair or replace any items for which he is responsible, the Association (and/or the Developer during the conversion and sales period) shall have the right, but not the obligation, to take whatever action or actions it deems desirable to so maintain, decorate, repair or replace any of such common elements, all at the expense of the co-owner of the unit. Failure of the Association (or the Developer) to take any such action shall not be deemed a waiver of the Association's (or the Developer's) right to take any such action at a future time. All costs

incurred by the Association or the Developer in performing any responsibilities under this Article IV which are required, in the first instance to be borne by any co-owner, shall be assessed against such co-owner and shall be due and payable with his monthly assessment next falling due; further, the lien for nonpayment shall attach as in all cases of regular assessments and such assessments may be enforced by the use of all means available to the Association under the condominium documents and by law for the collection of regular assessments including, without limitation, legal action, foreclosure of the lien securing payment and imposition of fines.

## ARTICLE V

## UNIT DESCRIPTION AND PERCENTAGE OF VALUE

(1) Each unit in the Condominium is described in this paragraph with reference to the Condominium Subdivision Plan of Villagewood Place Condominium as surveyed by Jesus R. Anayas, P.E., and attached hereto as Exhibit "B". Each unit shall include: (1) with respect to each unit basement, all that space contained within the unpainted surfaces of the basement floor and walls and the uncovered underside of the first floor joists, and (2) with respect to the upper floors of units, all that space contained within the interior finished unpainted walls and ceilings and from the finished subfloor, all as shown on the floor plans and sections in Exhibit "B" hereto and delineated with heavy outlines. All dimensions shown on floor plans in Exhibit "B" have been physically measured by Jesus R. Anayas, P.E. The architectural plans and specifications for the Condominium were filed with the City of Novi when the building was constructed.

(2) The percentage of value assigned to each unit shall be equal. The percentage of value assigned to each unit shall be determinative of the proportionate share of each respective co-owner in the common elements, proceeds and expenses of administration and the value of such co-owner's vote at meetings of the Association. The total value of the Condominium is 100.

## ARTICLE VI

## RIGHTS OF MORTGAGEES

Notwithstanding any other provision in this Master Deed or the Condominium By-Laws or any other documents, the following provisions shall apply and may not be amended or deleted without the prior written consent of the holders of first mortgages on at least two-thirds (2/3) of the condominium unit of record:

(1) A first mortgagee, at its request, is entitled to written notification from the Association of any default by the co-owner of such condominium unit in the performance of such co-owner's obligations under the Condominium documents which is not cured within sixty (60) days.

(2) Any first mortgagee who obtains title to a unit pursuant to the remedies provided in the mortgage or foreclosure of the mortgage or deed (or assignment) in lieu of foreclosure shall be exempt from any "right of first refusal" contained in the Condominium documents and shall be free to sell or lease such unit without regard to any such provision.

(3) Any first mortgagee who obtains title to a unit pursuant to the remedies provided in the mortgage or foreclosure of the mortgage or deed (or assignment) in lieu of foreclosure shall not be liable for such unit's unpaid dues or charges which accrue prior to the acquisition of title to such unit by the mortgagee.

(4) Unless at least two-thirds (2/3) of the co-owners and of the first mortgagees, pursuant to Section 90a of the Act, have given their prior written approval, the Association shall not be entitled to:

(a) by act or omission seek to abandon or terminate the Condominium (in which event 80% of the co-owners and the first mortgagees must give their approval);

(b) change the pro rata interest or obligations of any condominium unit for the purpose of (i) levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards, or (ii) determining the pro rata share of ownership of each unit in the common elements;

(c) partition or subdivide any condominium unit;

(d) by act or omission seek to abandon, partition, subdivide, encumber, sell, or transfer the common elements. The granting of easements for public utilities or for other public purposes consistent with the intended use of the common elements by the Condominium shall not be deemed a transfer within the meaning of this clause;

(e) use hazard insurance proceeds for losses to any condominium property (whether to units or to common elements) for other than the repair, replacement or reconstruction of such improvements, except as provided by statute in case of substantial loss to the units and/or common elements of the Condominium.

(5) Each first mortgagee has the right to examine the books and records of the Association and the Condominium.

(6) No condominium unit owner, or any other party, shall have priority over any rights of first mortgagees of condominium units pursuant to their mortgages in the case of a distribution to condominium unit owners of insurance proceeds or condemnation awards for losses to or a taking of condominium units and/or common elements.

(7) Any agreement for professional management of the condominium regime or any other contract providing for services which exists between the Association and the Developer or affiliates of the Developer is voidable by the Board of Directors of the Association on the transitional control date or within ninety (90) days thereafter, and on thirty (30) days' written notice any time thereafter without cause or payment of a termination fee.

(8) Notwithstanding anything provided hereinabove to the contrary, in the event of a vote for an amendment to the condominium documents, any mortgagee ballots not returned within ninety (90) days of mailing shall be counted as approval for the change.

## ARTICLE VII

### DAMAGE TO CONDOMINIUM

In the event the Condominium is partially or totally damaged or destroyed or partially taken by eminent domain, the repair, reconstruction or disposition of the property shall be as provided by the By-Laws attached hereto as Exhibit "A".

## ARTICLE VIII

### EASEMENTS

In the event any portion of a unit or common element encroaches upon another unit or common element due to shifting, settling or moving of a building, or due to survey errors or construction deviations, reciprocal easements shall exist for the maintenance of such encroachment for so long as such encroachment exists and for maintenance easements to, through and over those portions of the land, structure, building, improvements, floors, and walls (including interior unit floors and walls) contained therein for the continuing maintenance and repair of all utilities in the Condominium as originally converted by the Developer and for interior access to water shut-off valves that provide water to the common elements. There shall exist easements of support with respect to any unit interior wall which supports a common element. The Board of Directors of the Association may grant easements over or through or dedicate any portion of any general common element of the Condominium for utility, roadway or safety purposes.

ARTICLE IX

AMENDMENT OR TERMINATION

Except as provided in preceding paragraphs as set forth above, the Condominium shall not be terminated or any of the provisions of this Master Deed or Exhibits attached hereto amended unless done in compliance with the following provisions:

(1) The Condominium documents may be amended without the consent of co-owners or mortgagees for any purpose if the amendment does not materially alter or change the rights of a co-owner or materially impair the security of a mortgagee, as defined in Section 90a of the Act. The Developer, for itself and for the Association (acting through its Board of Directors), hereby expressly reserves the right to amend the Condominium documents for such a purpose. Amendments modifying the types and sizes of unsold units and their appurtenant common elements, showing minor architectural variances and modifications to a unit, correcting survey or other errors made in the Condominium documents, changes required by the City of Novi or any other public authority having jurisdiction over the Condominium, changes deemed necessary to comply with or include provisions permitted by the Act, or for the purpose of facilitating mortgage loan financing for existing or prospective co-owners and to enable the purchase or insurance of such mortgage loans by the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association, the Veterans Administration, the Department of Housing and Urban Development, or by any other institutional participant in the secondary mortgage market which purchases or insures mortgages, shall be examples of amendments which do not materially alter or change the rights of a co-owner or mortgagee.

(2) If there is no co-owner other than the Developer, the Developer, with the consent of any interested mortgagee, may unilaterally terminate the Condominium or amend the Master Deed. A termination or amendment under this section shall become effective upon the recordation thereof if executed by the Developer.

(3) If there is a co-owner other than the Developer, then the Condominium shall be terminated only by the agreement of the Developer, eighty percent (80%) of the unaffiliated co-owners of condominium units to which all of the votes in the Association appertain and the mortgagees of two-thirds (2/3) of the first mortgages covering the condominium units. Any mortgagee ballots not returned within ninety (90) days of mailing shall be counted as approval for the termination.

(4) Agreement of the required majority of co-owners and mortgagees to the termination of the Condominium shall be evidenced by their execution of the termination agreement or of ratifications thereof, and the termination shall become effective only when the agreement is so evidenced of record.

(5) Upon recordation of an instrument terminating a Condominium, the property constituting the Condominium shall be owned by the co-owners as tenants in common in proportion to their respective 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 thereof shall have an exclusive right of occupancy of that portion of the property which formerly constituted the condominium unit.

(6) Upon recordation of an instrument terminating a Condominium, any rights the co-owners may have to the assets of the Association shall be in proportion to their respective undivided interests in the common elements immediately before recordation, except that common profits shall be distributed in accordance with the Condominium documents and the Act.

(7) The Condominium documents may be amended for a proper purpose, other than as set forth in this Article, even if the amendment will materially alter or change the rights of the co-owners, mortgagees or other interested parties, with the prior written consent of two-thirds (2/3) of the first mortgagees (based upon one (1) vote for each mortgage owned), but only as is required in accordance with Section 90a of the Act, and co-owners of the individual condominium units. A co-owner's condominium unit dimensions or appurtenant limited common elements may not be modified without his consent and that of his mortgagee. Any mortgagee ballots not returned within ninety (90) days of mailing shall be counted as approval for the change. The affirmative vote of two-thirds (2/3) of co-owners is considered two-thirds (2/3) of all co-owners entitled to vote as of the record date for such votes.

(8) A person causing or requesting an amendment to the Condominium documents shall be responsible for costs and expenses of the amendment to the Condominium documents except for amendments based upon a vote of a prescribed majority of co-owners or based upon the Advisory Committee's decision, the costs of which are expenses of administration.

(9) A Master Deed amendment dealing with the addition, withdrawal or modification of units or other physical characteristics of the Condominium shall comply with the standards prescribed in the Act for preparation of an original Condominium Subdivision Plan for the Condominium.

(10) During the conversion and sales period, this Master Deed, and all Exhibits attached hereto, shall not be amended without the written consent of the Developer.

VILLAGE WOOD PROPERTIES, L.L.C.

By:

Amarjit S. Chawney, Member

STATE OF MICHIGAN, COUNTY OF OAKLAND

On July 9<sup>th</sup>, 2003, Amarjit S. Chawney appeared before me, and stated under oath that he is a Member of Village Wood Properties, L.L.C., a Michigan limited liability company, and that this document was signed on behalf of the limited liability company, by authority of its operating agreement, and he acknowledged this document to be the free act and deed of the limited liability company.

Debra A. Steadman

, Notary Public

Oakland County, Michigan

My commission expires:

DEBRA A. STEADMAN

NOTARY PUBLIC OAKLAND CO. MI

MY COMMISSION EXPIRES May 21, 2004

This document was prepared by  
and when recorded return to:

Karl R. Frankena

Conlin, McKenney & Philbrick, P.C.

350 S. Main Street, Suite 400

Ann Arbor, Michigan 48104-2131

H:\KRF\VILLAGEWOOD PLACE\MASTER DEED-4.WPD

EXHIBIT "A"

CONDOMINIUM BY-LAWS

VILLAGEWOOD PLACE CONDOMINIUM

ARTICLE I.

ASSOCIATION OF CO-OWNERS

Section 1. Villagewood Place Condominium, a condominium project, located in the City of Novi, County of Oakland, and State of Michigan, shall be administered by an association of co-owners which shall be a non-profit corporation, hereinafter called the "Association", organized under the applicable laws of the State of Michigan and responsible for the management, maintenance, operation, and administration of the common elements, easements and affairs of the condominium project in accordance with the Master Deed, these By-Laws, the Articles of Incorporation, the Association By-Laws, the duly adopted Rules and Regulations of the Association, and the laws of the State of Michigan. All co-owners in the condominium project and all persons using or entering upon or acquiring any interest in any condominium unit therein or the common elements thereof shall be subject to the provisions and terms set forth in the aforesaid Condominium documents.

Section 2. Membership in the Association and voting by members of the Association shall be in accordance with the following provisions:

(a) Each co-owner shall be a member of the Association and no other person or entity shall be entitled to membership.

(b) The share of a co-owner in the funds and assets of the Association cannot be assigned, pledged or transferred in any manner except as an appurtenance to his condominium unit in the Condominium.

(c) Except as limited by these By-Laws, each co-owner who is current in the payment of his assessments shall be entitled to one vote for each condominium unit owned when voting by number and one vote, the value of which shall equal the total of the percentage allocated to the condominium unit owned by such co-owner as set forth in Article V of the Master Deed, when voting by value. Voting shall be by value except in those instances when voting is specifically required to be both by value and by number.

(d) No co-owner, other than the Developer, shall be entitled to vote at any meeting of the Association until he has presented evidence of ownership of a condominium unit in the condominium project to the Association, such as a copy of a recorded deed, signed land contract or title insurance policy. A land contract vendee shall be considered the co-owner for voting purposes. No co-owner, other than the Developer, shall be entitled to vote prior to the first annual meeting

of members held in accordance with Section 6 of this Article I. The vote of each co-owner may only be cast by the individual representative designated by such co-owner in the notice required in subparagraph (e) below or by a proxy given by such individual representative. The Developer may only vote for those units for which it has a certificate of occupancy.

(e) Each co-owner shall file a written notice with the Association designating the individual representative who shall vote at meetings of the Association and receive all notices and other communications from the Association on behalf of such co-owner. Such notice shall state the name and address of the individual representative designated, the number or numbers of the condominium unit or condominium units owned by the co-owner, and the name and address of each person, firm, corporation, partnership, association, trust, or other entity who is the co-owner. Such notice shall be signed and dated by the co-owner. The individual representative designated may be changed by the co-owner at any time by filing a new notice in the manner herein provided.

(f) Each co-owner shall notify the Association in writing of the name and address of the mortgagee for his unit, as well as when there is no longer a mortgage on the unit.

(g) There shall be annual meetings of the members of the Association, commencing with the first annual meeting held as provided in Section 6 of this Article I. Other meetings may be provided for in the By-Laws of the Association. Notice of time, place and subject matter of all meetings, as provided in the corporate By-Laws of the Association, shall be given to each co-owner by mail or delivery to each individual representative designated by the respective co-owners.

(h) The presence in person or by proxy of thirty-five percent (35%) in number and in value of the co-owners qualified to vote shall constitute a quorum for holding a meeting of the members of the Association, except for voting on questions specifically set forth herein to require a greater quorum. The written vote of any person, furnished at or prior to any duly called meeting at which meeting said person is not otherwise present in person or by proxy, shall be counted in determining the presence of a quorum with respect to the question upon which the vote is cast.

(i) Votes may be cast in person or by proxy or by a writing duly signed by the designated voting representative not present at a given meeting in person or by proxy. Proxies and any written votes must be filed with the Secretary of the Association at or before the appointed time of each meeting of the members of the Association. Cumulative voting shall not be permitted.

(j) A majority, except where otherwise provided herein, shall consist of more than fifty percent (50%) in value of those qualified to vote and present in person or by proxy (or written vote, if

applicable) at a given meeting of the members of the Association. Whenever provided specifically herein, a majority may be required to exceed the simple majority hereinabove set forth and may be required to be one of both number and value of designated voting representatives present in person or by proxy, or by written ballot, if applicable, at a given meeting of the members of the Association.

(k) Other provisions as to voting by members not inconsistent with the provisions herein contained may be set forth in the Association By-Laws.

Section 3. The Association shall keep current copies of the recorded Master Deed, all amendments to the Master Deed and other Condominium documents for the condominium project, and detailed books of account showing all expenditures and receipts of administration which shall specify the maintenance and repair expenses of the common elements and any other expenses incurred by or on behalf of the Association and the co-owners. Such Condominium documents shall be available during reasonable working hours for inspection by co-owners, prospective purchasers and their mortgagees of condominium units in the condominium project. Such accounts shall be open for inspection by the co-owners during reasonable working hours, and the books and records shall be audited at least once each year by qualified independent auditors, if requested in writing by any co-owner; provided, however, that such auditors need not be certified public accountants nor does such audit need to be a certified audit. The cost of such professional accounting assistance shall be an expense of administration. Income, expenses and position statements shall be prepared at least once annually and distributed to each co-owner, the contents of which shall be defined by the Association. Any institutional holder of a first mortgage lien on any unit in the Condominium shall be entitled, upon request, to inspect the books and records of the Condominium during normal business hours and to receive the annual audited financial statement of the Condominium referred to above within ninety (90) days following the end of any fiscal year thereof. If an audited statement is not available, any holder of a first mortgage on a unit in the project shall be allowed to have an audited statement prepared at its own expense.

Section 4. The affairs of the Association shall be governed by a Board of Directors, all of whom shall serve without compensation and who must be members of the Association, except for the first Board of Directors which is designated by the Articles of Incorporation of the Association and any successors thereto elected by the Developer prior to the first annual meeting of members held pursuant to Section 6 of this Article I. The number, terms of office, manner of election, removal and replacement, meetings, quorum and voting requirements, and other provisions of or relating to directors not inconsistent with the following shall be provided by the Association By-Laws.

(a) The Board of Directors shall have all powers and duties necessary for the administration of the affairs of the Association and may do all acts and things that are not prohibited by the Condominium documents or required thereby to be exercised and done by the

co-owners. In addition to the foregoing duties imposed by these By-Laws or any further duties which may be imposed by resolution of the members of the Association or which may be set forth in the Association By-Laws, the Board of Directors shall be responsible specifically for the following:

- (1) To manage and administer the affairs and maintenance of the condominium project and the common elements thereof.
- (2) To levy, collect and disburse assessments against and from the members of the Association and to use the proceeds thereof for the purposes of the Association, to enforce assessments through liens and foreclosure proceedings when appropriate and to impose late charges for nonpayment of said assessments.
- (3) To carry insurance and collect and allocate the proceeds thereof.
- (4) To rebuild improvements to the common elements after casualty.
- (5) To contract for and employ persons, firms, corporations, or other agents to assist in the management, operation, maintenance, and administration of the condominium project.
- (6) To acquire, maintain and improve and to buy, sell, convey, assign, mortgage, or lease any real or personal property (including any unit in the Condominium, easements, rights-of-way, and licenses) on behalf of the Association in furtherance of any of the purposes of the Association.
- (7) To borrow money and issue evidences of indebtedness in furtherance of any and all of the purposes of the business of the Association, and to secure the same by mortgage, pledge or other lien on property owned by the Association; provided, however, that any such action shall also be approved by the affirmative vote of sixty percent (60%) of all of the members of the Association in number and in value.
- (8) To contract for cable television or other equivalent telecommunication services to the Condominium that shall be available for all co-owners and the expenses for which may be assessed equally to all co-owners as part of their individual monthly assessments.
- (9) To make reasonable rules and regulations governing the use and enjoyment of units and of the Condominium by co-owners and their tenants, guests, employees, invitees, families and pets and to enforce such rules and regulations by all legal methods, including, without limitation, imposing fines and

late payment charges, or instituting eviction or legal proceedings.

- (10) To enforce the provisions of the Condominium documents.
- (11) To make rules and regulations and/or to enter into agreements with institutional lenders, the purposes of which are to enable obtaining mortgage loans by unit co-owners which are acceptable for purchase by the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association, the Veterans Administration and any other agency of the Federal government or the State of Michigan, or by any other institutional participant in the secondary mortgage market which purchases or insures mortgages.
- (12) To levy, collect and disburse fines against and from the members of the Association after notice and hearing thereon and to use the proceeds thereof for the purposes of the Association.
- (13) To establish such committees as it deems necessary, convenient or desirable and to appoint persons thereto for the purpose of implementing the administration of the Condominium, and to delegate to such committees any functions or responsibilities which are not by law or the Condominium documents required to be performed by the Board.
- (14) To assert, defend or settle claims on behalf of all co-owners in connection with the common elements of the condominium project. The Board shall provide at least a ten (10)-day written notice to all co-owners on actions proposed by the Board with regard thereto.
- (15) To do anything required of or permitted to it as administrator of the condominium project, by the Condominium By-Laws or by the Michigan Condominium Act, as amended.

(b) The Board of Directors shall employ for the Association a professional management agent (which may include the Developer or any person or entity related thereto), at reasonable compensation established by the Board, to perform such duties and services as the Board shall authorize, including, but not limited to, the duties listed in Section 4(a) of this Article I, and the Board may delegate to such management agent any other duties or powers which are not by law or by the Condominium documents required to be performed by or have the approval of the Board of Directors or the members of the Association. Any agreement or contract for professional management of the condominium project shall provide that such management contract may be terminated by either party without cause or payment of a termination fee on thirty (30) days' written notice and that the term

thereof shall not exceed one (1) year, renewable by agreement of the parties for successive one-year periods.

(c) All of the actions (including, without limitation, the adoption of these By-Laws and any Rules and Regulations for the Association, and any undertakings or contracts entered into with others on behalf of the Association) of the first Board of Directors of the Association named by the Developer before the first annual meeting of members shall be binding upon the Association in the same manner as though such actions had been authorized by a Board of Directors duly elected by the members of the Association at the first or any subsequent annual meeting of members, so long as such actions are within the scope of the powers and duties which may be exercised by any Board of Directors as provided in the Condominium documents.

Section 5. The Association By-Laws shall provide the designation, number, terms of office, qualifications, manner of election, duties, removal, and replacement of the officers of the Association, and may contain any other provisions pertinent to officers of the Association in furtherance of the provisions and purposes of the Condominium documents and not inconsistent therewith. Officers may be compensated, but only upon the affirmative vote of sixty percent (60%) of all co-owners in number and in value.

Section 6. The first annual meeting of the members of the Association may be convened only by the Developer and may be called at any time after more than fifty percent (50%) in value and in number of all units in Villagewood Place Condominium have been sold and the purchasers thereof qualified as members of the Association, with said project to be converted with twenty-four (24) condominium units, but in no event later than fifty-four (54) months after the first conveyance of title to a unit in the project to a nondeveloper co-owner. The Developer may call meetings of members of the Association for informative or other appropriate purposes prior to the first annual meeting of members, and no such meeting shall be construed as the first annual meeting of members. The date, time and place of the first annual meeting shall be set by the Board of Directors, and at least ten (10) days written notice thereof shall be given to each co-owner. Thereafter, the annual meetings shall be held as specified in the By-Laws of the Association. Upon the sale of seventy-five percent (75%) in value and in number of all units in the development, the transitional control date shall occur, which is the date on which a Board of Directors for the Association takes office pursuant to an election in which the votes which may be cast by eligible co-owners unaffiliated with the Developer exceed the votes which may be cast by the Developer.

(a) The Developer shall provide for the election of a nondeveloper Advisory Committee composed of three (3) co-owners no later than one hundred twenty (120) days after conveyance of legal or equitable title to nondeveloper co-owners of one-third (1/3) of the units that may be created, or one (1) year after the initial conveyance of legal or equitable title to a nondeveloper co-owner of a unit in the project, whichever occurs first. The Advisory Committee

shall meet with the condominium project Board of Directors for the purpose of facilitating communication and aiding the transition of control to the Association. The Advisory Committee shall cease to exist when a majority of the Board of Directors of the Association is elected by the nondeveloper co-owners. Following the formation of the Advisory Committee, the first Board of Directors shall meet with it a minimum of four (4) times each year. The member of the Advisory Committee shall serve for a period of one (1) year or until his/her successor is elected.

(b) Not later than one hundred twenty (120) days after conveyance of legal or equitable title to nondeveloper co-owners of twenty-five percent (25%) of the units that may be created, at least one (1) director and not less than twenty-five percent (25%) of the Board of Directors of the Association shall be elected by nondeveloper co-owners. Not later than one hundred twenty (120) days after conveyance of legal or equitable title to nondeveloper co-owners of fifty percent (50%) of the units that may be created, not less than thirty-three and one-third percent (33-1/3%) of the Board of Directors shall be elected by nondeveloper co-owners. Not later than one hundred twenty (120) days after conveyance of legal or equitable title to nondeveloper co-owners of seventy-five percent (75%) of the units that may be created, and before conveyance of ninety percent (90%) of such units, the nondeveloper co-owners shall elect all directors on the Board, except that the Developer shall have the right to designate at least one (1) director as long as the Developer owns and offers for sale at least ten percent (10%) of the units in the project or as long as ten percent (10%) of the units remain that may be created.

(c) Notwithstanding the formula provided in subsection (b), fifty-four (54) months after the first conveyance of legal or equitable title to a nondeveloper co-owner of a unit in the project, if title to not less than seventy-five percent (75%) of the units that may be created has not been conveyed, the nondeveloper co-owners have the right to elect as provided in the Condominium documents a number of members of the Board of Directors of the Association equal to the percentage of units they hold, and the Developer has the right to elect as provided in the Condominium documents a number of members of the Board of Directors of the Association equal to the percentage of units which are owned by the Developer and for which all assessments are payable by the Developer. This election may increase, but shall not reduce, the minimum election and designation rights otherwise established in subsection (b). Application of this subsection does not require a change in the size of the Board as determined in the Condominium documents.

(d) If the calculation of the percentage of members of the Board that the nondeveloper co-owners have the right to elect under subsection (b), or if the product of the number of members of the Board multiplied by the percentage of units held by the nondeveloper co-owners under subsection (c) results in a right of nondeveloper co-owners to elect a fractional number of members of the Board, then

a fractional election right of 0.5 or greater shall be rounded up to the nearest whole number, which number shall be the number of members of the Board that the nondeveloper co-owners have the right to elect. After application of this formula, the Developer shall have the right to elect the remaining members of the Board. Application of this subsection shall not eliminate the right of the Developer to designate one (1) member as provided in subsection (b).

Section 7. Every director and every officer of the Association shall be indemnified by the Association against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him in connection with any proceeding to which he may be a party or in which he may become involved by reason of his being or having been a director or officer of the Association, whether or not he is a director or officer at the time such expenses are incurred, except in such cases wherein the director or officer is adjudged guilty of willful misfeasance or malfeasance, willful and wanton misconduct or gross negligence in the performance of his duties; provided, however, that, in the event of any claim for reimbursement or indemnification hereunder based upon a settlement by the director or officer seeking such reimbursement or indemnification, the indemnification herein shall only apply if the Board of Directors (with the director seeking reimbursement abstaining) approves such settlement and reimbursement as being in the best interests of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such director or officer may be entitled. Ten (10) days' written notice of any proposed action by the Association to indemnify an officer or director shall be given to all co-owners. Where no judicial determination as to indemnification of the officer or director has been made, an opinion of independent legal counsel as to the propriety of indemnification shall be obtained if a majority of the co-owners vote to procure such opinion.

## ARTICLE II.

### ASSESSMENTS

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

Section 2. All costs incurred by the Association in satisfaction of any liability arising within, caused by or in connection with the common elements or the administration of the Condominium shall be expenses of administration within the meaning of Public Act 59 of 1978, as amended, and all sums received as proceeds of or pursuant to any policy of insurance carried by the Association securing the interests of the co-owners against liabilities or losses arising within, caused by or in connection with the common elements or the administration of the Condominium shall be receipts of administration.

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

(a) The Board of Directors of the Association shall establish an annual budget in advance for each fiscal year and such budget shall project all expenses for the forthcoming year which may be required for the proper operation, management and maintenance of the condominium project, including a reasonable allowance for contingencies and reserves. An adequate reserve fund for maintenance, major repair and replacement of those common elements that must be replaced on a periodic basis must be established in the budget and must be funded by regular monthly payments as set forth in Section 4 below rather than by special assessments. At a minimum, the reserve fund shall be equal to ten percent (10%) of the current annual budget on a noncumulative basis. Since the minimum standard required by this subparagraph may prove to be inadequate for this particular project, the Board of Directors should carefully analyze the condominium project to determine if a greater amount should be set aside or if additional reserve funds should be established for other purposes from time to time and, in the event of such a determination, the Board of Directors shall be empowered to establish such greater or other reserves without co-owner approval. Upon adoption of such annual budget by the Board of Directors, copies of said budget shall be delivered to each co-owner and the assessment for said year shall be established, based upon said budget, although the delivery of a copy of the budget to each co-owner shall not affect the liability of any co-owner for any existing or future assessments. The requirement of establishing and furnishing a budget shall also apply to the first Board of Directors serving prior to the first meeting of members held in accordance with Article I, Section 6. Should the Board of Directors at any time determine, in the sole discretion of the Board of Directors, (1) that the assessments levied are or may prove to be insufficient to pay the costs of operation, maintenance and management of the Condominium, (2) to provide replacements of existing common elements, (3) to provide additions to the common elements not to exceed \$4,000.00 annually for the entire project (adjusted for increases in the Consumers Price Index used by the United States Department of Labor, Bureau of Vital Statistics, Metropolitan Detroit area, since the date of recording of the initial Master Deed), or (4) in the event of emergencies, the Board of Directors shall have the authority to increase the general assessment or to levy such additional assessment or assessments as it shall deem to be necessary. The Board of Directors also shall have the authority, without co-owner consent, to levy assessments pursuant to the provisions of Article V, Section 5, hereof. The discretionary authority of the Board of Directors to levy assessments pursuant to this subparagraph shall rest solely with the Board of Directors for the benefit of the Association and the members thereof, and shall not be enforceable by any creditors of the Association or of the members thereof.

(b) Special assessments, in addition to those required in (a) above, may be made by the Board of Directors from time to time and

approved by the co-owners as hereinafter provided to meet other needs or requirements of the Association, including, but not limited to, (1) assessments for additions to the common elements of a cost exceeding \$4,000.00 annually for the entire condominium project (adjusted for increases in the Consumers Price Index used by the United States Department of Labor, Bureau of Vital Statistics, Metropolitan Detroit area, since the date of recording of the initial Master Deed), (2) assessments to purchase a condominium unit upon foreclosure of the lien for assessments described in Section 6 hereof, or (3) assessments for any other appropriate purpose not elsewhere herein described. Special assessments referred to in this subparagraph (b) (but not including those assessments referred to in subparagraph 3(a) above, which shall be levied in the sole discretion of the Board of Directors) shall not be levied without the prior approval of at least sixty percent (60%) of all co-owners in value and in number. The authority to levy assessments pursuant to this subparagraph is solely for the benefit of the Association and the members thereof and shall not be enforceable by any creditors of the Association or of the members thereof.

Section 4. All assessments levied against the co-owners to cover expenses of administration shall be apportioned among and paid by the co-owners in accordance with the percentage of value allocated to each unit in Article V of the Master Deed, except as set forth below in subparagraphs (a) and (b).

(a) Common expenses associated with the maintenance, repair, renovation, restoration, or replacement of a limited common element shall be specially assessed against the condominium unit to which that limited common element was assigned at the time the expenses were incurred. If the limited common element involved was assigned to more than one condominium unit, the expenses shall be specially assessed against each of the condominium units equally so that the total of the special assessments equals the total of the expenses.

(b) Any other unusual common expenses benefiting less than all of the units, or any expenses incurred as a result of the conduct of less than all those entitled to occupy the Condominium project, or their tenants or invitees, shall be specifically assessed against the unit or units involved, in accordance with such reasonable rules and regulations as shall be adopted by the Board of Directors of the Association.

(c) Annual assessments as determined in accordance with Article II, Section 3(a) above shall be payable by co-owners in twelve (12) equal monthly installments, commencing with acceptance of a deed to a condominium unit or with acquisition of fee simple title to a condominium unit by any other means.

(d) The payment of an assessment shall be in default if such assessment, or any part thereof, is not paid to the Association in full on or before the due date for such payment and, if a delinquency

occurs, the Board of Directors may accelerate the due date of the balance of the unpaid annual assessment.

(e) Assessments in default shall bear interest at the rate of not less than seven percent (7%) per annum, plus such additional interest rate surcharge as the Board of Directors shall approve, until paid in full. Provided, however, that the interest rate and interest rate surcharge combined applying to delinquent accounts shall not exceed the limit set by usury laws of the State of Michigan. The Board of Directors shall also adopt uniform late payment charges. All of these remedies shall be cumulative and not alternative. Payments on account of installments of assessments in default shall be applied as follows: First, to the cost of collection and enforcement of payment, including actual attorney's fees (not limited to statutory fees); second, to late charges, interest and fines for late payment on such installments; and third, to installments in default in order of their due dates.

(f) Each co-owner (whether one or more persons) shall be and remain personally liable for the payment of all assessments pertinent to his condominium unit which may be levied while such co-owner is the owner thereof. A purchaser of a unit shall acquire the unit subject to any unpaid assessments against it and shall become personally liable therefor. A co-owner selling a unit shall not be entitled to any refund whatsoever from the Association with respect to any account, reserve or other asset of the Association.

Section 5. No co-owner may exempt himself from liability for his contribution toward the expenses of administration by waiver of the use or enjoyment of any of the common elements or by the abandonment of his condominium unit.

Section 6. In addition to any other remedies available to it, the Association may enforce collection of delinquent assessments together with all applicable late charges, interest, fines, costs, advances paid by the Association to protect its lien, actual attorney's fees (not limited to statutory fees) and other costs, by a suit at law for a money judgment or by foreclosure of the statutory lien that secures payment of assessments. Each co-owner, and every other person who from time to time has any interest in the project, shall be deemed to have granted to the Association the unqualified right to elect to foreclose such lien either by judicial action or by advertisement.

(a) The provisions of Michigan law pertaining to foreclosure of mortgages by judicial action and by advertisement, as the same may be amended from time to time, are incorporated herein by reference for the purposes of establishing the alternative procedures to be followed in lien foreclosure actions and the rights and obligations of the parties to such actions. The redemption period for a foreclosure is six (6) months from the date of sale unless the condominium unit is abandoned, in which event the redemption period is one (1) month from the date of sale.

(b) Further, each co-owner and every other person who from time to time has any interest in the project shall be deemed to have authorized and empowered the Association to sell or to cause to be sold the unit with respect to which the assessment(s) is or are delinquent and to receive, hold and distribute the proceeds of such sale in accordance with the priorities established by Michigan law.

(c) Each co-owner of a unit in the project acknowledges that at the time of acquiring title to such unit he was notified of the provisions of this section and that he voluntarily, intelligently and knowingly waived notice of any proceedings brought by the Association to foreclose by advertisement the lien for nonpayment of assessments and a hearing on the same prior to the sale of the subject unit.

(d) Notwithstanding the foregoing, neither a judicial foreclosure action nor a suit at law for money judgment shall be commenced, nor shall any notice of foreclosure by advertisement be published, until the expiration of ten (10) days after mailing, by ordinary mail addressed to the delinquent co-owner at his or their last known address and/or to the representative designated in the written notice required by Article I 2(e) hereof to be filed with the Association, of a written notice that one or more installments of the annual assessment levied against the pertinent unit is or are delinquent and that the Association may invoke any of its remedies hereunder if the default is not cured within ten (10) days after the date of mailing.

(e) Such written notice shall be accompanied by a written affidavit of an authorized representative of the Association that sets forth (i) the affiant's capacity to make the affidavit, (ii) the statutory and other authority for the lien, (iii) the amount outstanding, (iv) the legal description of the subject unit, and (v) the name(s) of the co-owner(s) of record.

(f) Such affidavit shall be recorded in the Office of the Register of Deeds in the county in which the project is located prior to the commencement of any foreclosure proceeding, but it need not have been recorded as of the date of mailing as aforesaid.

(g) If the delinquency is not cured within the ten (10) day period, the Association may take such remedial action as it elects hereunder or under Michigan law. In the event the Association elects to foreclose the lien by advertisement, the Association shall so notify the representative that he may request a judicial hearing by bringing suit against the Association.

(h) The expenses incurred in collecting unpaid assessments, including interest, costs, actual attorney's fees (not limited to statutory fees), and advances for taxes or other liens paid by the Association to protect its lien shall be chargeable to the co-owner in default and shall be secured by the lien on his unit.

(i) In the event of default by any co-owner in the payment of any installment of the annual assessment levied against his unit, the Association shall have the right to declare all unpaid installments of the annual assessment for the pertinent fiscal year immediately due and payable. The Association also may discontinue the furnishing of any utilities or other services to a co-owner in default upon ten (10) days' written notice to such co-owner of its intention to do so. A co-owner in default shall not be entitled to utilize any of the general common elements of the project, except as shall be necessary for purposes of ingress to and egress from his unit, and shall not be entitled to vote at any meeting of the Association, and his percentage of value shall not be taken into consideration when determining the quorum requirements for such meetings, so long as such default continues.

(j) In a judicial foreclosure action, a receiver may be appointed to collect a reasonable rental for the unit from the co-owner thereof or any persons claiming under him and, if the unit is not occupied, to lease the unit and collect and apply the rental therefrom to any delinquency owed to the Association. All of these remedies shall be cumulative and not alternative and shall not preclude the Association from exercising such other remedies as may be available at law or in equity.

Upon the sale or conveyance of a condominium unit, all unpaid assessments, interest, late charges, fines, costs, and actual attorney's fees (not limited to statutory fees) against the condominium unit shall be paid out of the sale price or by the purchaser in preference over any other assessments or charges of whatever nature except the following:

(a) Amounts due the State, or any subdivision thereof, or any municipality for taxes and special assessments due and unpaid on the condominium unit.

(b) Payments due under a first mortgage having priority thereto.

(c) A purchaser or grantee is entitled to a written statement from the Association setting forth the amount of unpaid assessments, interest, late charges, fines, costs, and actual attorney's fees (not limited to statutory fees) against the seller or grantor, and the purchaser or grantee is not liable for nor is the condominium unit conveyed or granted subject to a lien for any unpaid assessments, interest, late charges, fines, costs, and actual attorney's fees (not limited to statutory fees) against the seller or grantor in excess of the amount set forth in the written statement. Unless the purchaser or grantee requests a written statement from the Association as provided in the Act, at least five (5) days before the sale, the purchaser or grantee shall be liable for any unpaid assessments against the condominium unit together with interest, costs, fines, late charges and actual attorney's fees (not limited to statutory fees) incurred in the collection thereof. The Association may require

the advance payment of a reasonable processing fee for the issuance of such written statement.

Sums assessed to a co-owner by the Association which are unpaid constitute a lien upon the unit or units in the project owned by the co-owner at the time of the assessment before other liens except tax liens on the condominium unit in favor of any State or Federal taxing authority and sums paid on a first mortgage of record, except that past due assessments which are evidenced by a notice of lien, recorded according to the Act, have priority over a first mortgage recorded subsequent to the recording of the notice of lien. The lien upon each condominium unit owned by the co-owner shall be in the amount assessed against the condominium unit, plus a proportionate share of the total of all other unpaid assessments attributable to condominium units no longer owned by the co-owner but which became due while the co-owner had title to the condominium units. The lien may be foreclosed by an action or by advertisement by the Association in the name of the condominium project on behalf of the other co-owners.

Section 7. During the conversion and sale period (which shall be defined as the period up to the time of the first annual meeting of members held in accordance with the provisions of Article I, Section 6, hereof), the Developer of the Condominium, even though a member of the Association, shall not be responsible for payment of the monthly Association assessment. The Developer, however, shall, during the period up to the time of the first annual meeting, pay a proportionate share of the Association's current maintenance expenses actually incurred from time to time based upon the ratio of converted condominium units owned by the Developer at the time the expense is incurred to the total number of converted condominium units in the Condominium. In no event shall the Developer be responsible for payment, until after said first annual meeting, of any assessments for deferred maintenance, reserves for replacement, for capital improvements, or other special assessments except with respect to occupied units owned by it. After the first annual meeting, the Developer shall be responsible for payment of the full monthly Association maintenance assessment for all converted units owned by it and shall also maintain, at its own expense, any incomplete units owned by it. Further, the Developer shall in no event be liable for any assessment levied in whole or in part to purchase any unit from the Developer or to finance any litigation or other claims against the Developer, any cost of investigating and preparing such litigation or claim, or any similar or related costs. "Occupied unit" shall mean a unit used as a residence. "Converted unit" shall mean a unit with respect to which a certificate of occupancy has been issued by the local public authority.

Section 8. Special assessments and property taxes shall be assessed against the individual condominium units identified as units on the Condominium Subdivision Plan and not on the total property of the project or any other part thereof, except for the year in which the condominium project was established subsequent to the tax day. Taxes and special assessments which become a lien against the property in that year subsequent to the establishment of the condominium project shall be

expenses of administration of the project and paid by the co-owners as provided in Section 69 of the Act. The taxes and special assessments shall not be divided or apportioned on the tax roll, any provision of any law to the contrary notwithstanding. Special assessments and property taxes in any year in which the property existed as an established condominium project on the tax day shall be assessed against the individual condominium unit, notwithstanding any subsequent vacation of the condominium project. Condominium units shall be described for such purposes by reference to the condominium unit number on the Condominium Subdivision Plan and the caption thereof together with the liber and page of the county records in which the Master Deed is recorded. Assessments for subsequent real property improvements to a specific condominium unit shall be assessed to that condominium unit description only. For property tax and special assessment purposes, each condominium unit shall be treated as a separate single unit of real property and shall not be combined with any other unit or units, and no assessment of any fractions thereof shall be made, nor shall any division or split of the assessment or taxes of any single condominium unit be made notwithstanding separate or common ownership thereof.

Section 9. A construction lien concerning a condominium arising under Act No. 497 of the Public Acts of 1980, being Section 570.1101 to 570.1305 of the Michigan Compiled Laws, is subject to the following limitations:

- (a) Except as otherwise provided in this section, a construction lien for an improvement furnished to a condominium unit or to a limited common element shall attach only to the condominium unit to which the improvement was furnished.
- (b) A construction lien for an improvement authorized by the Developer of a condominium project and performed upon the common elements shall attach only to the condominium units owned by the Developer at the time of recording of the claim of lien.
- (c) A construction lien for an improvement authorized by the Association shall attach to each condominium unit only to the proportional extent that the co-owner of the condominium unit is required to contribute to the expenses of administration, as provided by the Condominium documents.
- (d) A construction lien shall not arise or attach to a condominium unit for work performed on the common elements if the work was not contracted for by the Developer or the Association.

Section 10. Any co-owner bringing an unsuccessful lawsuit against the Association and/or its Board of Directors for the administration of the affairs of the Association, found to be consistent with the provisions contained in the condominium documents, shall be chargeable for all expenses incurred by the Association. Such expenses may be collected by the Association in the same manner as an assessment.

ARTICLE III.

ARBITRATION

Section 1. Disputes, claims or grievances arising out of or relating to the interpretation or the application of the Condominium documents or the management agreement, if any, or any disputes, claims or grievances arising among or between co-owners or between co-owners and the Association or with a management company shall, upon the election and written consent of the parties to any such disputes, claims or grievances and written notice to the Association, be submitted to arbitration, and the parties thereto shall accept the arbitrator's decision as final and binding, provided that no question affecting the claim of title of any person to any fee or life estate in real estate is involved. The Commercial Arbitration Rules of the American Arbitration Association, as amended and in effect from time to time hereafter, shall be applicable to any such arbitration.

Section 2. In the absence of the election and written consent of the parties pursuant to Section 1 above, no co-owner or the Association shall be precluded from petitioning the courts to resolve any such disputes, claims or grievances.

Section 3. Election by co-owners or the Association to submit any such dispute, claim or grievance to arbitration shall preclude such parties from litigating such dispute, claim or grievance in the courts.

Section 4. The Developer, the Association and the co-owners (by taking ownership of a unit) acknowledge and agree that to the extent permitted by applicable law (Section 144 of the Act), any claim by a co-owner which might be the subject of a civil action against the Developer, which involves an amount of \$2,500.00 or more, and arises out of or relates to the Project or a unit, or which involves any claim by the Association against the Developer in excess of \$10,000.00, and arises out of or relates to the common elements of the Project, shall be settled by binding arbitration conducted pursuant to the Commercial Arbitration Rules of the American Arbitration Association, as amended and in effect from time to time hereafter. The parties shall accept the arbitrator's decision as final and binding, provided that no question affecting the claim of title of any person to any fee or life estate in real property is involved. Judgment upon the award by arbitration may be entered in a circuit court of appropriate jurisdiction.

Section 5. The commencement of any arbitration proceedings against the Developer shall require the approval of two-thirds (2/3) in number of all co-owners. This will ensure that the co-owners are fully informed regarding the prospects and any likely expenses of any arbitration proposed by the Association.

## ARTICLE IV.

## INSURANCE

Section 1. The Association shall carry property coverage for all risks of direct physical loss and liability insurance, fidelity coverage and worker's compensation insurance, if applicable, pertinent to the ownership, use and maintenance of the common elements and condominium units of the condominium project, and such insurance, other than title insurance, shall be carried and administered in accordance with the following provisions:

(a) All such insurance shall be purchased by the Association for the benefit of the Association and the co-owners and their mortgagees, as their interests may appear, and provision shall be made for the issuance of certificates of mortgagee endorsements to the mortgagees of co-owners. Each co-owner may obtain additional insurance coverage at his own expense upon his condominium unit. It shall be each co-owner's responsibility to obtain insurance coverage for his personal property located within his condominium unit or elsewhere in the Condominium, for improvements and betterments to his condominium unit or upon limited common elements, including windows, screens and doors appurtenant to his condominium unit, and also for alternative living expenses in event of fire or other catastrophe. The Association shall have absolutely no responsibility for obtaining such coverages; provided, however, that, if the Association elects to include improvements made to the limited common elements against loss in event of fire or other catastrophe under its insurance coverage, any additional premium cost to the Association attributable thereto shall be assessed to and borne solely by said co-owner and collected as a part of or in addition to the assessments against said co-owner under Article II hereof. 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 whereby the insurer waives its rights of subrogation as to any claims against any co-owner or the Association, and such insurance shall contain a severability of interest endorsement.

(b) All common elements and condominium units of the condominium project shall be insured against all risks of direct physical loss in an amount equal to the maximum insurable replacement value, excluding foundation and excavation costs as determined annually by the Board of Directors of the Association. Such coverage shall also extend to the unpainted surface of interior walls within any condominium unit and include the pipes, wires, conduits, and ducts contained therein and shall further include all fixtures, equipment and trim within a condominium unit which were furnished with the unit as standard items in accordance with the plans and specifications thereof (or such replacements thereof as do not exceed the cost of such standard items). Any improvements made by a co-owner within his condominium unit shall be covered by insurance obtained by and at the expense of said co-owner; provided, however, that, if the Association elects to

include such improvements under its insurance coverage, any additional premium cost to the Association attributable thereto shall be assessed to and borne solely by said co-owner and collected as a part of or in addition to the assessments against said co-owner under Article II hereof.

(c) All premiums for insurance purchased by the Association pursuant to these By-Laws shall be expenses of administration and collected as a part of or in addition to the assessments against said co-owner under Article II hereof.

(d) Proceeds of all insurance policies owned by the Association shall be received by the Association held in a separate account and distributed to the Association, and the co-owners and their mortgagees, as their interests may appear; provided, however, that, whenever repair or reconstruction of the Condominium shall be required as provided in Article V of these By-Laws, the proceeds of any insurance received by the Association as a result of any loss requiring repair or reconstruction shall be applied to such repair or reconstruction, and in no event shall hazard insurance proceeds be used for any purpose other than for repair, replacement or reconstruction of the project unless two-thirds (2/3) of all of the institutional holders of first mortgages on units in the project have given their prior written consent.

(e) On any claim on any of the above-mentioned policies of insurance obtained and maintained by the Association which is subject to a deductible amount, said deductible amount shall be paid by the co-owner of the unit which is damaged or which unit has appurtenant to it the limited common element which is damaged. In the event that more than one unit is damaged, then said deductible amount shall be apportioned between and paid by the co-owners of units which are damaged or which units have appurtenant to them the limited common element which is damaged, based upon a fraction the numerator of which is the dollar amount of the damage done to a particular unit and the denominator of which is the total dollar amount of damage done to all units from one specific incident. If the damage is to a limited common element appurtenant to more than one unit, then the deductible amount shall be paid proportionately by the appurtenant units based upon a fraction the numerator of which is the project percentage of value assigned to a particular unit and the denominator of which is the sum of the percentages of value assigned to those units appurtenant to the limited common element which is damaged. In the case of damage to a general common element, the deductible shall be paid by the Association.

Section 2. Each co-owner, by ownership of a condominium unit in the condominium project, shall be deemed to appoint the Association as his true and lawful attorney-in-fact to act in connection with all matters concerning the maintenance of property insurance, liability insurance, fidelity coverage, worker's compensation insurance, if applicable, personal property insurance, and coverage for alternate living expenses in event of

fire or other catastrophe pertinent to the condominium project, his condominium unit and the common elements appurtenant thereto with such insurer as may, from time to time, provide such insurance for the condominium project. Without limitation on the generality of the foregoing, the Association, as said attorney, shall have full power and authority to purchase and maintain such insurance, to collect and remit premiums therefor, to collect proceeds, and to distribute the same to the Association, the co-owners and their respective mortgagees, as their interests may appear (subject always to the Condominium documents), to execute releases of liability, and to execute all documents and to do all things on behalf of such co-owner and the Condominium as shall be necessary or convenient to the accomplishment of the foregoing.

Section 3. Each individual co-owner shall indemnify and hold harmless every other co-owner, the Developer and the Association for all damages and costs, including actual attorney's fees (not limited to statutory fees), which the other co-owners, the Developer or the Association may suffer as a result of defending any claim arising out of an occurrence on or within an individual co-owner's unit. Each co-owner shall carry insurance to secure the indemnity obligations under this Section 3, if required by the Association, or if required by the Developer during the construction and sales period. This Section 3 is not intended to give any insurer any subrogation right or any other right or claim against any individual co-owner.

#### ARTICLE V.

##### RECONSTRUCTION OR REPAIR

Section 1. If any part of the condominium property shall be damaged, the determination of whether or not it shall be reconstructed or repaired shall be made in the following manner:

(a) If the damaged property is a common element or condominium unit, the property shall be rebuilt or repaired if any condominium unit in the Condominium is tenantable, unless it is determined by a unanimous vote of all of the co-owners in the Condominium that the Condominium shall be terminated and each institutional holder of a first mortgage lien on any unit in the Condominium has given its prior written approval of such termination.

(b) If the Condominium is so damaged that no condominium unit is tenantable, and if each institutional holder of a first mortgage lien on any unit in the Condominium has given its prior written approval of the termination of the Condominium, the damaged property shall not be rebuilt and the Condominium shall be terminated, unless two-thirds (2/3) or more of the co-owners in value and in number agree to reconstruction by vote or in writing within ninety (90) days after the destruction.

Section 2. Any such reconstruction or repair shall be substantially in accordance with the Master Deed and the plans and specifications for the

project to a condition as comparable as possible to the condition existing prior to damage unless the co-owners shall unanimously decide otherwise.

Section 3. If the damage is only to a part of a condominium unit which is the responsibility of a co-owner to maintain and repair, it shall be the responsibility of the co-owner to repair such damage in accordance with Section 4 hereof. In all other cases, the responsibility for reconstruction and repair shall be that of the Association. In the event that a co-owner does not commence making repairs as required of such co-owner herein within 30 days of the occurrence of the damage and diligently pursue such repairs to completion, the Board of Directors may make such repairs and the cost thereof shall constitute an additional assessment against such co-owner, due and enforceable as provided in these By-Laws for other assessments.

Section 4. Each co-owner shall be responsible for the reconstruction, repair and maintenance of the interior of his condominium unit, including, but not limited to, floor coverings, wall coverings, window shades, draperies, interior nonload-bearing walls (but not any common elements therein), walls contained wholly within the unit, and pipes, wires, conduits, and ducts therein (after connection with fixtures), interior trim, furniture, light fixtures, and all appliances and equipment, whether freestanding or built-in. In the event damage to interior walls within a co-owner's unit or to pipes, wires, conduits, ducts, or other common elements therein is covered by insurance held by the Association, then the reconstruction or repair shall be the responsibility of the Association in accordance with Section 8; provided, however, that any deductible amount be paid by the co-owner to whom the damage occurred. If any other interior portion of a unit is covered by insurance held by the Association for the benefit of the co-owner, the co-owner shall be responsible for the deductible amount, if any, and shall be entitled to receive the proceeds of insurance relative thereto and, if there is a mortgage endorsement, the proceeds shall be payable to the co-owner and the mortgagee jointly. In the event of substantial damage to or destruction of any unit or any part of the common elements, the Association shall promptly so notify each institutional holder of a first mortgage lien on any condominium unit in the Condominium. The Association shall have a lien for any funds advanced on behalf of any co-owner.

Section 5. Every co-owner shall perform promptly all maintenance and repair work within his own unit, which, if omitted, would affect the common elements or another unit or units, each co-owner being expressly responsible for the damages consequently resulting from such omission. Repairs of installations within a unit such as telephone, heating and cooling systems, water, sewer and plumbing systems, doors, lamps and all other accessories including water faucets, tanks and fixtures, but excluding water meters, shall be an expense of the co-owner of such unit. Each co-owner shall reimburse the Association for any expense incurred in repairing or replacing any common elements damaged through the fault of the co-owner.

Section 6. A co-owner who desires to make a repair or structural modification of his or her condominium unit shall first obtain written consent from the Association. The Association shall not give its consent if such repair or modification might jeopardize or impair the structural soundness, safety, utility, or harmonious appearance of the condominium project.

Section 7. Any person designated by the Association shall have access to each condominium unit as necessary during reasonable hours and upon notice to the occupant thereof for maintenance, repair or replacement of any of the common elements therein or accessible therefrom, and shall have access to each condominium unit without notice for making emergency repairs necessary to prevent damage to other condominium units or the common elements, or both.

Section 8. The Association shall be responsible for the replacement, reconstruction, repair, and maintenance of the common elements. An adequate reserve fund for replacement, reconstruction and repair of the common elements must be established and must be funded by regular monthly payments rather than by special assessments. Immediately after a casualty causing damage to property for which the Association has the responsibility of maintenance, repair and reconstruction, the Association shall obtain reliable and detailed estimates of the cost to replace the damaged property in a condition as good as that existing before the damage. If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction or repair required to be performed by the Association, or if at any time during such reconstruction or repair, or upon completion of such reconstruction or repair, the funds for the payment of the costs thereof are insufficient, assessments shall be made against all co-owners for the cost of reconstruction or repair of the damaged property in sufficient amounts to provide funds to pay the estimated or actual cost of repair. Any excess proceeds of insurance shall belong to the Association.

Section 9. Section 133 of the Act and the following provisions shall control upon any taking by eminent domain:

(a) In the event of any taking of an entire condominium unit by eminent domain, the co-owner of such condominium unit and his mortgagee, as their interest may appear, shall be entitled to receive the award for such taking and, after acceptance thereof, he and his mortgagee shall be divested of all interest in the condominium project with regard to such unit. In the event that any condemnation award shall become payable to any co-owner whose condominium unit is not wholly taken by eminent domain, then such award shall be paid by the condemning authority to the Association on behalf of such co-owner. If only a part of any condominium unit is taken, the Association shall rebuild the same as is necessary to make it habitable and remit the balance of the condemnation proceeds pertinent to such condominium unit to the co-owner thereof and his mortgagee, as their interests may appear.

(b) If there is any taking of any portion of the Condominium other than any condominium unit, the condemnation proceeds relative to such taking shall be paid to the Association, and the affirmative vote of at least two-thirds (2/3) of the co-owners in number and in value shall determine whether to rebuild, repair or replace the portion so taken or to take such other action as they deem appropriate. If no such affirmative vote is obtained, such condemnation proceeds shall be remitted to the co-owners and their mortgagees, as their respective interests may appear, in accordance with their respective percentages of value set forth in Article V of the Master Deed.

(c) In the event the condominium project continues after taking by eminent domain, then the remaining portion of the condominium project shall be resurveyed and the Master Deed amended accordingly and, if any condominium unit shall have been taken, then Article V of the Master Deed shall also be amended to reflect such taking and to proportionately readjust the percentages of value of the remaining co-owners based upon the continuing value of the Condominium of 100%. Such amendment may be effected by an officer of the Association duly authorized by the Board of Directors without the necessity of execution or specific approval thereof by any co-owner.

(d) In the event any condominium unit in the Condominium or any portion thereof, or the common elements or any portion thereof, is made the subject matter of any condemnation or eminent domain proceedings, or is otherwise sought to be acquired by a condemning authority, the Association shall promptly so notify each institutional holder of a first mortgage lien on any of the units in the Condominium, provided that the name and address of each has been provided to the Association.

(e) If portions of a condominium unit are taken by eminent domain, the court shall determine the fair market value of the portions of the condominium unit not taken. The undivided interest for each condominium unit in the common elements appertaining to the condominium units shall be reduced in proportion to the diminution in the fair market value of the condominium unit resulting from the taking. The portions of undivided interest in the common elements thereby divested from the co-owners of a condominium unit shall be reallocated among the other condominium units in the condominium project in proportion to their respective undivided interest in the common elements. A condominium unit partially taken shall receive the reallocation in proportion to its undivided interest as reduced by the court under this subsection. The court shall enter a decree reflecting the reallocation of undivided interests produced thereby, and the award shall include just compensation to the co-owner of the condominium unit partially taken for that portion of the undivided interest in the common elements divested from the co-owner and not revested in the co-owner pursuant to subsection (f), as well as for that portion of the condominium unit taken by eminent domain.

(f) If the taking of a portion of a condominium unit makes it impractical to use the remaining portion of that condominium unit for a lawful purpose permitted by the Condominium documents, then the entire undivided interest in the common elements appertaining to that condominium unit shall thenceforth appertain to the remaining condominium units, being allocated to them in proportion to their respective undivided interests in the common elements. The remaining portion of that condominium unit shall thenceforth be a common element. The court shall enter an order reflecting the reallocation of undivided interests produced thereby, and the award shall include just compensation to the co-owner of the condominium unit for the co-owner's entire undivided interest in the common elements and for the entire condominium unit.

(g) Votes in the Association and liability for future expenses of administration appertaining to a condominium unit taken or partially taken by eminent domain shall thenceforth appertain to the remaining condominium units, being allocated to them in proportion to the relative voting strength in the Association. A condominium unit partially taken shall receive a reallocation as though the voting strength in the Association was reduced in proportion to the reduction in the undivided interests in the common elements.

Section 10. The Association, acting through its Board of Directors, may negotiate on behalf of all co-owners for any taking of common elements, and any negotiated settlement approved by at least two-thirds (2/3) of the co-owners based upon assigned voting rights shall be binding on all co-owners.

## ARTICLE VI.

### RESTRICTIONS

#### Section 1.

(a) No condominium unit shall be used for other than single-family residential purposes (except that persons not of the same immediate family residing together may occupy a unit with the written consent of the Board of Directors, which consent shall not be unreasonably withheld). A family shall mean one person or a group of two or more persons related by bonds of consanguinity, marriage or legal adoption, or as otherwise defined by the City of Novi Zoning Ordinance. Upon written request, the Association may permit reasonable exceptions to the restriction imposed by this section. The operation of a family or group day care home within the Condominium is prohibited.

(b) No more than four (4) persons may continuously occupy any unit described as a two-bedroom unit, and no more than six (6) persons may continuously occupy any unit described and/or utilized as a three-bedroom unit in the Master Deed. Continuous occupancy shall mean occupancy for more than thirty (30) nights in any calendar year.

Section 2.

(a) A co-owner, including the Developer, desiring to rent or lease a condominium unit shall disclose that fact in writing to the Association at least ten (10) days before presenting a lease form or otherwise agreeing to grant possession of a condominium unit to potential lessees or occupants, and at the same time, shall supply the Association with a copy of the exact lease for its review for its compliance with the Condominium documents. If no lease form is to be used, then the co-owner or the Developer shall also provide the Association with the name and address of the lessees or occupants, along with the rental amount and due dates of any rental or compensation payable to a co-owner or the Developer, the due dates of that rental and compensation, and the term of the proposed arrangement.

(b) No rooms in a condominium unit may be rented. No tenant shall be permitted to occupy except under a lease, the initial term of which is at least six (6) months, unless specifically approved in writing by the Association.

(c) All leases and rental agreements shall be in writing and shall incorporate the condominium documents by reference. Tenants or non co-owner occupants shall comply with all of the conditions of the Condominium documents.

(d) If the Association determines that the tenant or non co-owner occupant failed to comply with the conditions of the Condominium documents, the Association shall take the following action:

- (1) The Association shall notify the co-owner by certified mail advising of the alleged violation by the tenant.
- (2) The co-owner shall have fifteen (15) days after receipt of the notice to investigate and correct the alleged breach by the tenant or advise the Association that a violation has not occurred.
- (3) If, after fifteen (15) days, the Association believes that the alleged breach is not cured or may be repeated, it may institute on its behalf, or derivatively by the co-owners on behalf of the Association if it is under the control of the Developer, an action for both eviction against the tenant or non co-owner occupant and simultaneously for money damages in the same action against the co-owner and tenant or non co-owner occupant for breach of the conditions of the Condominium documents. The relief set forth in this section may be by summary proceeding. The Association may hold both the tenant and the co-owner liable for any damages to the general common elements caused by the co-owner or tenant in connection with the condominium unit or condominium project.

(e) When a co-owner is in arrearage to the Association for assessments, the Association may give written notice of the arrearage to the tenant occupying a co-owner's condominium unit under a lease or rental agreement, and the tenant, after receiving the notice, shall deduct from rental payments due the co-owner the arrearage and future assessments as they fall due and pay them to the Association. The deduction shall not be a breach of the rental agreement or lease by the tenant. Any tenant failing to make such payments after receiving written notice from the Association shall become personally liable for their payment to the Association and the Association may do the following:

- (1) Issue a statutory notice to quit for non-payment of rent to the tenant and shall have the right to enforce that notice by summary proceedings.
- (2) Initiate proceedings pursuant to subsection (d) (3) hereinabove.

Section 3. No co-owner shall make alterations in exterior appearance or make structural modifications to his condominium unit (including interior walls through or in which there exist easements for support or utilities) or make changes in any of the common elements, limited or general, without the express advance written approval of the Board of Directors, including (but not by way of limitation) exterior painting or the erection of antennas (except, within a unit, or, within a limited common element adjacent to a unit, when done in compliance with Federal Communication Commission Rules), lights, aerials, awnings, doors, shutters, or other exterior attachments or modifications, nor shall any co-owner damage or make modifications or attachments to common element walls between units which in any way impairs sound-conditioning provisions. The Board of Directors may approve replacement of doors and windows and only such other modifications as do not impair the soundness, safety, utility, or harmonious appearance of the Condominium. This provision shall not in any way limit the rights of the Developer to develop and convert the Condominium and make alterations as part of such development.

Section 4. No immoral, improper, unlawful, or offensive activity shall be carried on in any condominium unit or upon the common elements, limited or general, nor shall anything be done which may be or become an annoyance or a nuisance to the co-owners of the Condominium, nor shall any unreasonably noisy activity be carried on in any unit or on the common elements. No co-owner shall do or permit anything to be done or keep or permit to be kept in his condominium unit or on the common elements anything that will increase the rate of insurance on the Condominium, and each co-owner shall pay to the Association the increased cost of insurance premiums resulting from any such activity or the maintenance of any such condition, whether approved or not by the Association.

Section 5. No pets shall be maintained by any co-owner or tenant unless specifically approved in writing in advance by the Association. The

word "pets" as used herein means ordinary household pets as that term is commonly understood. It includes no more than one dog or two domestic cats, or one dog and one domestic cat, small caged animals such as hamsters and gerbils, caged birds such as canaries and cockatoos, and aquarium fish. Farm animals, large amphibians, snakes, birds of prey, and other "exotic" pets are prohibited.

(a) No pet may be kept or bred for any commercial purpose, and all pets shall have such care and restraint so as not to be obnoxious or offensive on account of noise, odor or unsanitary conditions. No dog that barks and can be heard on any frequent or continuing basis shall be kept in any unit or on the common elements.

(b) No dog houses or unattended tethering of dogs shall be permitted on the general common elements. No pet may be permitted to run loose at any time upon the common elements, and any pet shall at all times be on a leash and attended by some responsible person while on the common elements, limited or general. No savage or dangerous pet shall be kept, and any co-owner who causes any pet to be brought or kept upon the premises of the Condominium shall indemnify and hold harmless the Association for any loss, damage or liability which the Association may sustain as the result of the presence of such pet on the premises, whether or not the Association has given its permission therefor.

(c) Each co-owner shall be responsible for the collection and disposition of all fecal matter deposited by any pet maintained by such co-owner.

(d) The Association may charge all co-owners maintaining pets a reasonable additional assessment to be collected in the manner provided in Article II of these By-laws in the event that the Association determines such assessment necessary to defray the maintenance cost to the Association of accommodating pets within the Condominium. Initially this charge shall be Ten Dollars (\$10.00) per unit each month for a dog.

(e) The Association may, without liability to the co-owner thereof, remove or cause to be removed any pet from the Condominium which it determines to be in violation of the restrictions imposed by this section.

(f) The Association shall have the right to require that any pets be registered with it and may adopt such additional reasonable rules and regulations with respect to pets as it may deem proper. In the event of any violation of this Section, the Board of Directors may assess fines for such violation in accordance with these By-Laws and in accordance with duly adopted rules and regulations of the Association.

(g) Dogs in the following breeds shall not be permitted to occupy a unit in the Condominium: Akita, Alaskan Malamute, Anatolian

Shepherd, Bernese Mountain Dog, Boxer, Bullmastiff, Chow Chow, Doberman Pinscher, German Shepherd Dog, Giant Schnauzer, Great Dane, Great Pyrenees, Greater Swiss Mountain Dog, Komondor, Kuvasz, Mastiff, Newfoundland, Pit Bull-type, Portuguese Water Dog, Presa Canario, Rottweiler, Saint Bernard, Samoyed, Siberian Husky, Standard Schnauzer, and Wolf-dog Hybrid.

Section 6. The common elements, limited or general, shall not be used for storage of supplies, materials, personal property, or trash or refuse of any kind, except in enclosed garages or as otherwise provided in duly adopted rules and regulations of the Association. Trash receptacles shall be maintained in areas designated therefor at all times and shall not be permitted to remain elsewhere on the common elements except for such short periods of time as may be reasonably necessary to permit periodic collection of trash. The common elements shall not be used in any way for the drying, shaking or airing of clothing or other fabrics. In general, no activity shall be carried on nor condition maintained by any co-owner, either in his condominium unit or upon the common elements, which spoils the appearance of the Condominium.

Section 7. Sidewalks, yards, landscaped areas, driveways, and porches, shall not be obstructed in any way nor shall they be used for purposes other than for which they are reasonably and obviously intended. No bicycles, vehicles, chairs, or benches may be left unattended on or about the common elements.

Section 8. No house trailers, commercial vehicles, boat trailers, boats, camping vehicles, camping trailers, snowmobiles, snowmobile trailers, or vehicles other than motor vehicles used for personal transportation and automobiles may be parked or stored upon the premises of the Condominium unless stored fully enclosed within a garage or parked in an area specifically designated therefor by the Association. No inoperative vehicles of any type may be brought or stored upon the Condominium premises either temporarily or permanently. Commercial vehicles and trucks shall not be parked in or about the Condominium (except as above provided) unless while making deliveries or pickups in the normal course of business. All automobiles shall be parked overnight in garages or in the parking spaces in front of each garage. Maintenance of more than two (2) cars by the occupants of any one condominium unit shall be prohibited, except with the revocable written approval of the Association in the event space is reasonably available therefor. Co-owners shall, if the Association shall require, register with the Association all cars maintained on the Condominium premises.

Section 9. No co-owner shall use or permit the use by any occupant, agent, employee, invitee, guest, or member of his family of any firearms, air rifles, pellet guns, B-B guns, bows and arrows, sling shots, or other similar dangerous weapons, projectiles or devices anywhere on or about the condominium premises.

Section 10. No signs or other advertising devices shall be displayed which are visible from the exterior of a condominium unit or on the common

elements, excluding "for sale" signs which shall not exceed three (3) square feet in area per side, without written permission from the Association, and which shall also be in compliance with any sign ordinance of the City of Novi.

Section 11. Reasonable regulations consistent with the Act, the Master Deed and these By-Laws concerning the use and enjoyment of the condominium units and common elements may be made and amended from time to time by any Board of Directors of the Association, including the first Board of Directors (or its successors elected by the Developer) prior to the first annual meeting of the entire Association held as provided in Article I, Section 6, of these By-Laws. Copies of all such regulations and amendments thereto shall be furnished to all co-owners and shall become effective thirty (30) days after mailing or delivery thereof to the designated voting representative of each co-owner. Any such regulation or amendment may be revoked at any time by the affirmative vote of more than fifty percent (50%) of all co-owners in number and in value. Such rules may not be applied to limit the Developer's conversion, sales or rental activities.

Section 12. The Association or its duly authorized agents shall have access to each condominium unit from time to time during reasonable working hours and upon notice to the co-owner thereof as may be necessary for the maintenance, repair or replacement of any of the common elements. The Association or its agents shall also have access to each condominium unit at all times without notice as may be necessary to make emergency repairs to prevent damage to the common elements or to another condominium unit. It shall be the responsibility of each co-owner to provide the Association means of access to his condominium unit during all periods of absence and, in the event of the failure of such co-owner to provide means of access, the Association may gain access in such manner as may be reasonable under the circumstances and shall not be liable to such co-owner for any necessary damage to his condominium unit caused thereby or for repair or replacement of any doors or windows damaged in gaining such access.

Section 13. No co-owner shall perform any landscaping or plant any trees, shrubs or flowers or place any ornamental materials upon the common elements, except with the written approval of the Association.

Section 14. Use of motorized vehicles anywhere on the condominium premises other than passenger cars, authorized maintenance vehicles and commercial vehicles as provided in Section 8 is prohibited. The Board of Directors may, by duly adopted regulations, make reasonable exceptions to this section.

Section 15. No unsightly condition shall be maintained on any deck or patio or any other place which is visible from the street or other common elements, and only furniture and equipment consistent with ordinary deck or patio use shall be permitted to remain there during seasons when decks or patios are reasonably in use, and no furniture or equipment of any kind shall be stored on decks or patios during seasons when decks or patios are not reasonably in use.

Section 16. Each co-owner shall maintain his condominium unit and any limited common elements appurtenant thereto for which he has maintenance responsibility in a safe, clean and sanitary condition. Each co-owner shall also use due care to avoid damaging any of the common elements, including, but not limited to, the telephone, water, gas, plumbing, electrical, or other utility conduits and systems and any other elements in a condominium unit which are appurtenant to any other condominium unit.

(a) Each co-owner shall be responsible for damages or costs to the Association resulting from negligent damage to or misuse of any of the common elements by him or his family, guests, tenants, agents, or invitees unless such damages or costs are covered by insurance carried by the Association, in which case there shall be no such responsibility (unless reimbursement to the Association is excluded by virtue of a deductible provision, in which case the responsible co-owner shall bear the expense to the extent of the deductible amount). Any costs or damages to the Association may be assessed to and collected from the co-owner in the manner provided in Article II hereof.

Section 17. None of the restrictions contained in this Article VI shall apply to the commercial activities or signs, if any, of the Developer during the conversion and sales period as hereinafter defined, or of the Association in furtherance of its powers and purposes set forth herein and in its Articles of Incorporation and By-Laws, as the same may be amended from time to time. For the purposes of this section, the conversion and sales period shall be deemed to continue so long as the Developer owns any condominium unit which it offers for sale. Until all condominium units in the entire condominium project are sold by the Developer, the Developer shall have the right to maintain a sales office, storage areas, reasonable parking incident to the foregoing, and such access to, from and over the project as may be reasonable to enable conversion and sale of the entire project by the Developer. The Developer shall pay all costs related to the condominium units or common elements while owned by the Developer, and restore the facilities to habitable status upon termination of use.

Section 18. The Condominium project shall at all times be maintained in a manner consistent with the highest standards of a beautiful, serene, private, residential community for the benefit of the co-owners and all persons interested in the Condominium. If at any time the Association fails or refuses to carry out its obligation to maintain, repair, replace and landscape in a manner consistent with the maintenance of such high standards, then Developer, or any entity to which it may assign this right, at its option, may elect to maintain, repair and/or replace any common elements and/or to do any landscaping required by these By-Laws and to charge the cost thereof to the Association as an expense of administration. The Developer shall have the right to enforce these By-Laws throughout the conversion and sales period notwithstanding that it may no longer own a unit in the Condominium, which right of enforcement shall include (without limitation) an action to restrain the Association or any co-owner from any activity prohibited by these By-Laws.

Section 19. All co-owners, their tenants and invitees, shall maintain the heat in their units to a minimum of 55 degrees because of the danger of freezing water pipes that would damage the common elements. Garage doors shall remain closed at all times when the garages are not in active use.

ARTICLE VII.

MORTGAGES

Section 1. Any co-owner who mortgages his 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 "Mortgages of Units". The Association shall, at the written request of a mortgagee of any such unit, which shall provide its name and address, and the unit number or address of the unit on which it has a mortgage, give written notification to the mortgagee of any such condominium unit of any default by the co-owner of such condominium unit in the performance of his obligations under the Condominium documents which is not cured within sixty (60) days.

Section 2. The Association shall notify each mortgagee appearing in said book of the name of each company insuring the Condominium against fire, perils covered by "all risk" property coverage, fidelity coverage, public liability, and vandalism and malicious mischief, and the amount of such coverage, as well as of any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association.

Section 3. The Association shall give written notification to each mortgagee appearing in said book at least thirty (30) days prior to the effective date of any change of manager (not including change in employees of a corporate manager) of the condominium project.

Section 4. Any mortgagee which acquires title to a condominium unit pursuant to the remedies provided in the mortgage or foreclosure of the mortgage or deed (or assignment) in lieu of foreclosure shall be exempt from any "right of first refusal" contained in the Condominium documents and shall be free to sell or lease such unit without regard to any such provision, although no such provision exists at the present time.

Section 5. Unless at least two-thirds (2/3) of the co-owners and of the first mortgagees, pursuant to Section 90a of the Act, have given their prior written approval, the Association shall not:

(a) by act or omission seek to abandon or terminate the condominium project (in which event 80% of the co-owners and the first mortgagees must give their approval);

(b) following the recording of the Master Deed, change the pro rata interest or obligations of any condominium unit for the purpose of (i) levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards, or (ii) determining

the pro rata share of ownership of each condominium unit in appurtenant real estate and any improvements thereon which are owned by the co-owners in the condominium project in undivided pro rata interests ("common elements");

(c) partition or subdivide any condominium unit;

(d) by act or omission seek to abandon, partition, subdivide, encumber, sell, or transfer the common elements (the granting of easements for public utilities or for other public purposes consistent with the intended use of the common elements by the condominium project shall not be deemed a transfer within the meaning of this clause); or

(e) use hazard insurance proceeds for losses to any condominium property (whether to condominium units or to common elements) for other than the repair, replacement or reconstruction of such improvements, except as provided by statute in case of substantial loss to the condominium units and/or common elements of the condominium project.

Section 6. Whenever a ballot requirement appears in these By-Laws for the benefit of a mortgagee which requires a ballot in support of or against a proposal submitted by the Association, the mortgagee shall respond within ninety (90) days of mailing of said notice or the lack of response thereto shall be deemed as approval of the proposal.

Section 7. Upon written request submitted to the Association, any institutional holder of a first mortgage lien on any unit in the Condominium shall be entitled to receive written notice of all meetings of members of the Association and to designate a representative to attend all such meetings.

Section 8. Notwithstanding any other provisions of the Condominium documents, the holder of any first mortgage covering any condominium unit in the project which comes into possession of the condominium unit pursuant to the remedies provided in the mortgage or by deed (or assignment) in lieu of foreclosure, or any purchaser at a foreclosure sale, shall take the property free of any claims for unpaid assessments or charges against the mortgaged condominium unit which accrue prior to the time such holder acquires title to the condominium unit.

Section 9. The Association shall give the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association and all other mortgagees of record notice (c/o Servicer at Servicer's address) in writing of any loss to or the taking of the common elements and related facilities of the condominium project if such loss or taking exceeds Ten Thousand Dollars (\$10,000.00), or damage to a condominium unit covered by a mortgage purchased in whole or in part by the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association or any other mortgagee if such damage exceeds One Thousand Dollars (\$1,000.00). This section shall apply only if the Federal Home Loan Mortgage Corporation, the

Federal National Mortgage Association or any other mortgagees hold a mortgage on a condominium unit in the Condominium and have given notice of this ownership to the Association.

Section 10. Nothing contained in the Condominium documents shall be construed to give a condominium unit owner or any other party priority over any rights of first mortgagees of condominium units pursuant to their mortgages in cases of a distribution to condominium unit owners of insurance proceeds or condemnation awards for losses to or taking of condominium units and/or common elements.

## ARTICLE VIII.

### AMENDMENTS

Section 1. Amendments to these By-Laws may be proposed by the Board of Directors of the Association acting upon the vote of the majority of the Directors or by one-third (1/3) or more in number of the co-owners voting in person or by instrument in writing signed by them. Upon any such amendment being proposed, a meeting for consideration of the same shall be duly called in accordance with the provisions of the Association By-Laws.

Section 2. These By-Laws may be amended by an affirmative vote of a majority of the Board of Directors, provided that such amendments do not materially alter or change the rights of co-owners, mortgagees or other interested parties, and to keep these By-Laws in compliance with the Act.

Section 3. These By-Laws may be amended by the Association, at any regular annual meeting or a special meeting called for such purpose, by an affirmative vote of two-thirds (2/3) of all co-owners in number and in value. No consent of mortgagees shall be required to amend these By-Laws, except as otherwise provided in Section 90a of the Act, in which event the approval of two-thirds (2/3) of the first mortgagees shall be required, with each mortgagee to have one vote for each mortgage held. Any mortgagee ballots not returned within ninety (90) days of mailing shall be counted as approval for the change. The affirmative vote of two-thirds (2/3) of co-owners is considered two-thirds (2/3) of all the co-owners entitled to vote as of the record date for such votes. A person causing or requesting an amendment to the Condominium documents shall be responsible for costs and expenses of the amendment except for amendments based upon a vote of a prescribed majority of co-owners or based upon the Advisory Committee's decision, the costs of which are expenses of administration.

Section 4. These By-Laws may be amended by the Developer, without approval from any co-owner or mortgagee, to keep these By-Laws in compliance with the Act and to make such other amendments to these By-Laws as do not materially alter or change the rights of any co-owner or mortgagee.

Section 5. A copy of each amendment to these By-Laws shall be recorded in the Office of the Oakland County Register of Deeds and shall be furnished to every member of the Association after adoption; provided,

however, that any amendment to these By-Laws that is adopted in accordance with this Article shall be binding upon all persons who have an interest in the project irrespective of whether such persons actually received a copy of the amendment.

Section 6. Eligible mortgage holders, those holders of a first mortgage on a unit who have requested the Association to notify them on any proposed action that requires the consent of a specified percentage of eligible mortgage holders, also shall have the right to join in the decision making about certain amendments to the Condominium documents.

Section 7. Any amendment to these By-Laws (but not the Association By-Laws) shall become effective upon recording such amendment in the Office of the Oakland County Register of Deeds. Without the prior written approval of two-thirds (2/3) of all institutional holders of first mortgage liens on any unit in the Condominium, no amendment to these By-Laws shall become effective which involve any change, direct or indirect, in Article I, Sections 3 and 4(b), Article II, Sections 3(a) and 4, Article IV, Section 1(d), Article V, Sections 1, 4 and 8, Article VII, Sections 1, 4, 5, 8, 9, and 10, Article VIII, Sections 3 and 6, or Article XI, Section 1, or to any other provision hereof that increases or decreases the benefits or obligations or materially affects the rights of any members of the Association, as further identified by the Federal National Mortgage Association's legal guidelines in Chapter 4, Conventional Projects, Legal Requirements, of the current issue of the Federal National Mortgage Association's Lending Guide. Any mortgagee ballots not returned within ninety (90) days of mailing shall be counted as approval for the change.

## ARTICLE IX.

### COMPLIANCE

Section 1. The Association and all present or future co-owners, tenants, future tenants, or any other persons acquiring an interest in or using the facilities of the project in any manner are subject to and shall comply with the Act, as amended, and the mere acquisition, occupancy or rental of any unit or an interest therein or the utilization of or entry upon the condominium premises shall signify that the Condominium documents are accepted and ratified. In the event the Condominium documents conflict with the provisions of the Act, the Act shall govern.

## ARTICLE X.

### DEFINITIONS

Section 1. All terms used herein shall have the same meaning as set forth in the Master Deed to which these By-Laws are attached as an Exhibit or as set forth in the Act.

ARTICLE XI.

REMEDIES FOR DEFAULT

Section 1. Any default by a co-owner shall entitle the Association or another co-owner or co-owners to the following relief:

(a) Failure to comply with any of the terms or provisions of the Condominium documents shall be grounds for relief, which may include, without limitations, an action to recover sums due for damages, injunctive relief, foreclosure of lien if default in payment of assessments, or any combination thereof, and such relief may be sought by the Association or, if appropriate, by an aggrieved co-owner or co-owners.

(b) In any proceedings arising because of alleged default by a co-owner, the Association or the co-owner or co-owners bringing the legal action, if successful, shall recover the costs of the proceedings and such actual and actual attorney's fees (not limited to statutory fees), but in no event shall any defending co-owner be entitled to recover such attorney's fees.

(c) The violation of any of the provisions of the Condominium documents shall also give the Association or its duly authorized agents the right, in addition to the rights set forth above, to enter upon the common elements, limited or general, or into any condominium unit where reasonably necessary, and summarily remove and abate, at the expense of the co-owner in violation, any structure, thing or condition existing or maintained contrary to the provisions of the Condominium documents. The Association shall have no liability to any co-owner arising out of the exercise of its removal and abatement power authorized herein.

(d) The violation of any of the provisions of the Condominium documents by any co-owner shall be grounds for assessment by the Association, acting through its duly constituted Board of Directors, of monetary fines for such violations. No fine may be assessed unless rules and regulations establishing such fine have first been duly adopted by the Board of Directors of the Association and notice thereof given to all co-owners in the same manner as prescribed in the Association By-Laws. Thereafter, fines may be assessed only upon notice to the offending co-owner as prescribed in the Association By-Laws and after an opportunity for such co-owner to appear before the Board no less than seven (7) days from the date of the notice and offer evidence in defense of the alleged violation. All fines duly assessed may be collected in the same manner as provided in Article II of these By-Laws. No fine shall be levied for the first violation. No fine shall exceed Fifty Dollars (\$50.00) for the second violation, One Hundred Dollars (\$100.00) for the third violation, or be less than One Hundred Dollars (\$100.00) for any subsequent violation.

(e) A co-owner may maintain an action against the Association and its officers and Directors to compel these persons to enforce the terms and provisions of the Condominium documents. In such a proceeding, the Association, if successful, shall recover the costs of the proceeding and actual attorney's fees (not limited to statutory fees). A co-owner may maintain an action against any other co-owner for injunctive relief or for damages or any combination thereof for noncompliance with the terms and provisions of the Condominium documents or the Michigan Condominium Act.

(f) The failure of the Association or of any co-owner to enforce any right, provision, covenant, or condition which may be granted by the Condominium documents shall not constitute a waiver of the right of the Association or of any such co-owner to enforce such right, provision, covenant, or condition in the future.

(g) All rights, remedies and privileges granted to the Association or any co-owner or co-owners pursuant to any terms, provisions, covenants, or conditions of the aforesaid Condominium documents shall be deemed to be cumulative, and the exercise of any one or more shall not be deemed to constitute an election of remedies, nor shall it preclude the party thus exercising the same from exercising such other and additional rights, remedies or privileges as may be available to such party at law or in equity.

## ARTICLE XII.

### RIGHTS RESERVED TO DEVELOPER

Any or all of the rights and powers granted or reserved to the Developer in the Condominium documents or by law, including the right and power to approve or disapprove any act, use, or proposed action or any other matter or thing, may be assigned by it to any other entity or to the Association. Any such assignment or transfer shall be made by appropriate instrument in writing in which the assignee or transferee shall join for the purpose of evidencing its acceptance of such powers and rights and such assignee or transferee shall thereupon have the same rights and powers as herein given and reserved to the Developer. Any rights and powers reserved or granted to the Developer or its successors shall terminate, if not sooner assigned to the Association, at the conclusion of the conversion and sales period which shall continue for so long as the Developer is offering any unit in the project for sale. The immediately preceding sentence dealing with the termination of certain rights and powers granted or reserved to the Developer is intended to apply, insofar as the Developer is concerned, only to the Developer's rights to approve and control the administration of the Condominium and shall not, under any circumstances, be construed to apply to or cause the termination of any real property rights granted or reserved to the Developer or its successors and assigns in the Master Deed or elsewhere.

ARTICLE XIII.

SEVERABILITY

Section 1. In the event that any of the terms, provisions or covenants of these By-Laws or the Condominium documents are held to be partially or wholly invalid or unenforceable for any reason whatsoever, such holding shall not affect, alter, modify, or impair in any manner whatsoever any of the other terms, provisions or covenants of such documents or the remaining portions of any terms, provisions or covenants held to be partially invalid or unenforceable.

H:\KRF\VILLAGEWOOD PLACE\BYLAWS.WPD

OAKLAND COUNTY CONDOMINIUM  
SUBDIVISION PLAN NO. 1540

EXHIBIT "B" TO THE MASTER DEED OF

® VILLAGEWOOD PLACE CONDOMINIUM

ATTENTION: REGISTER OF DEEDS  
THE CONDOMINIUM SURVEYOR PLAN NUMBER MUST BE  
ASSURED IN CONSECUTIVE SEQUENCE WHEN A NUMBER  
HAS BEEN ASSIGNED TO THIS PROJECT. IT MUST BE  
CERTIFIED AS A COPY OF THE TITLE AND THE ENGINEER'S  
CERTIFICATE, SURVEYOR'S STATEMENT.

INDEX TO DRAWING

NO.	DESCRIPTION
01	COVER SHEET
02	SURVEY PLAN
03	SITE PLAN
04	UTILITY PLAN
05	TYPICAL UNIT BASEMENT AND FOUNDATION PLAN
06	TYPICAL UNIT FIRST FLOOR PLAN
07	TYPICAL UNIT SECOND FLOOR PLAN
08	SECTION PLANS

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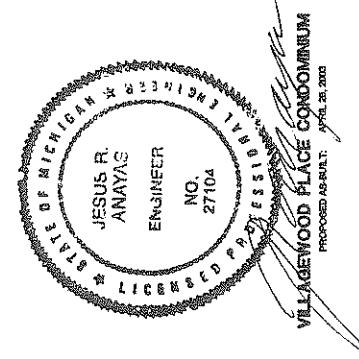
CITY OF NOVI, T1N, R8E, SE 1/4 SECTION 25  
OAKLAND COUNTY, MICHIGAN

DEVELOPER  
Village Wood Properties, LLC

23965 Novi Road, Suite 120  
Novi, Michigan 48375

LEGAL DESCRIPTION

A PART OF THE SQUARE SET 1/4 OF SECTION 25, TOWN 1 NORTH, RANGE 8 EAST,  
CITY OF NOVI, OAKLAND COUNTY, MICHIGAN, MORE PARTICULARLY  
DESCRIBED AS COMMENCING AT THE EAST 1/4 CORNER OF SECTION 25; THENCE  
SOUTH 00 DEGREES 29 MINUTES 17 SECONDS EAST AS MEASURED PLATTED AS  
A LINE 25.00 FEET PLATTED AND MEASURED, ALONG THE EAST LINE OF  
SOD SECTION 25, AND THE END BEING, ON THE EASTERN SIDE OF THE  
WEST 1/4 LINE, 10.00 FEET PLATTED AND MEASURED TO A POINT ON THE WESTERLY  
RIGHT-OF-WAY OF SAND HAGERTY ROAD AND THE POINT OF BEGINNING,  
THENCE SOUTH 89 DEGREES 07 MINUTES 02 SECONDS WEST AS MEASURED  
PLATTED AS LINE, WEST, 42.00 FEET PLATTED AND MEASURED, THENCE AS  
NORTH 00 DEGREES 13 MINUTES 00 SECONDS EAST, 10.00 FEET PLATTED AND  
MEASURED, THENCE NORTH 89 DEGREES 07 MINUTES 02 SECONDS EAST AS  
(PLATTED AS LINE, 82.00 FEET AS MEASURED 02.5 FEET AS PLATTED) TO  
THE WEST RIGHT-OF-WAY OF SAND HAGERTY ROAD, THENCE SOUTH 00 DEGREES  
24 MINUTES 17 SECONDS EAST AS MEASURED PLATTED AND MEASURED, THENCE  
TOWARD THE POINT OF BEGINNING, THENCE AS LINE, WEST, 42.00 FEET  
OF LAND MORE OR LESS, TOGETHER WITH AND SUBJECT TO EASEMENTS  
AND RESTRICTIONS OF RECORD, IF ANY.



ENGINEER

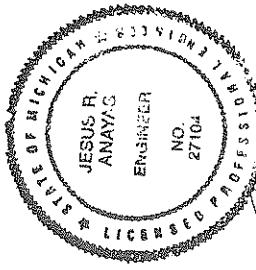
JESUS R. ANAYAS, P.E.  
17165 Coral Gables  
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TEL: (305) 662-3730  
FAX: (305) 662-3876  
SHEET NO. 01

COVER SHEET







**NEWWOOD PLACE CONDOMINIUM**  
PROPOSED AS BUILT APRIL 28, 2003

SHEET NO 04

## LEGEND

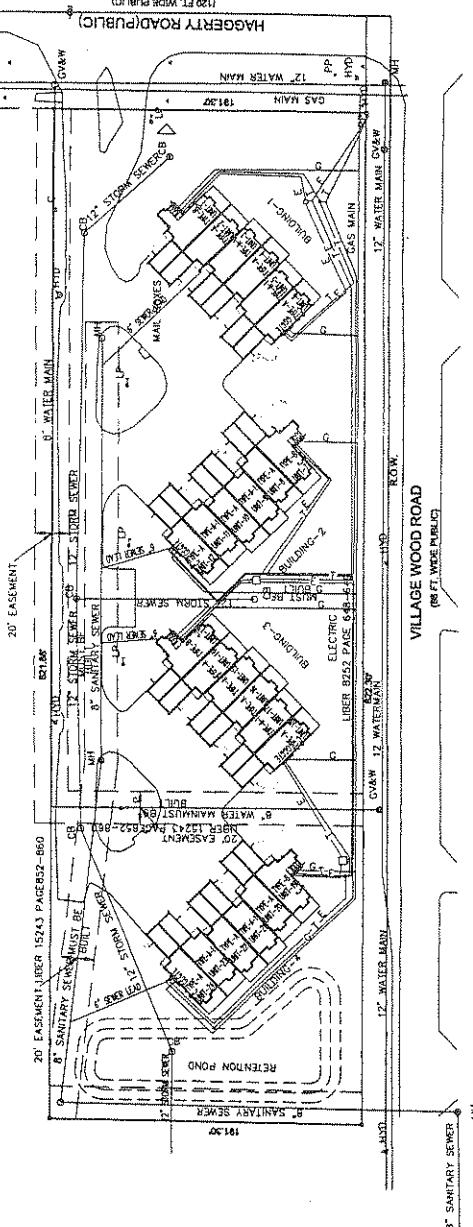
STORM SEWER	SEWER
SANITARY SEWER	
GAS MAIN	
OVER HEAD ELECTRIC LINE	
ELECTRIC UNDERGROUND	
TELEPHONE LINE	
CABLE LINE	
GAS LEAD	

NOTES

- NOTES:**

  1. ALL SANITARY SEWER LEADS ARE 6" DIA., UNLESS OTHERWISE NOTED.
  2. ALL WATER LEADS ARE 2" DIA., UNLESS OTHERWISE NOTED.
  3. ALL STORM SEWER LINES ARE 10" DIA., UNLESS OTHERWISE NOTED.
  4. HARL ANDERSON AND ASSOCIATES INC., THE LOCAL SOURCE FOR INFORMATION ON THE UTILITIES SHOWN IN THIS PLAN, SERVED WITH SEWER AND WATER BY CITY OF NOM UTILITIES DEPARTMENT.
  5. ALL UNITS ARE SERVED WITH GAS BY CONSUMERS ENERGY.
  6. ALL UNITS ARE SERVED WITH ELECTRIC BY SBC.
  7. ALL UNITS ARE SERVED WITH TELEPHONE BY SBC.
  8. ALL UNITS ARE SERVED WITH CABLE BY COMCAST.
  9. ALL UTILITIES MUST BE BUILT.
  10. ALL UTILITIES MUST BE BUILT.

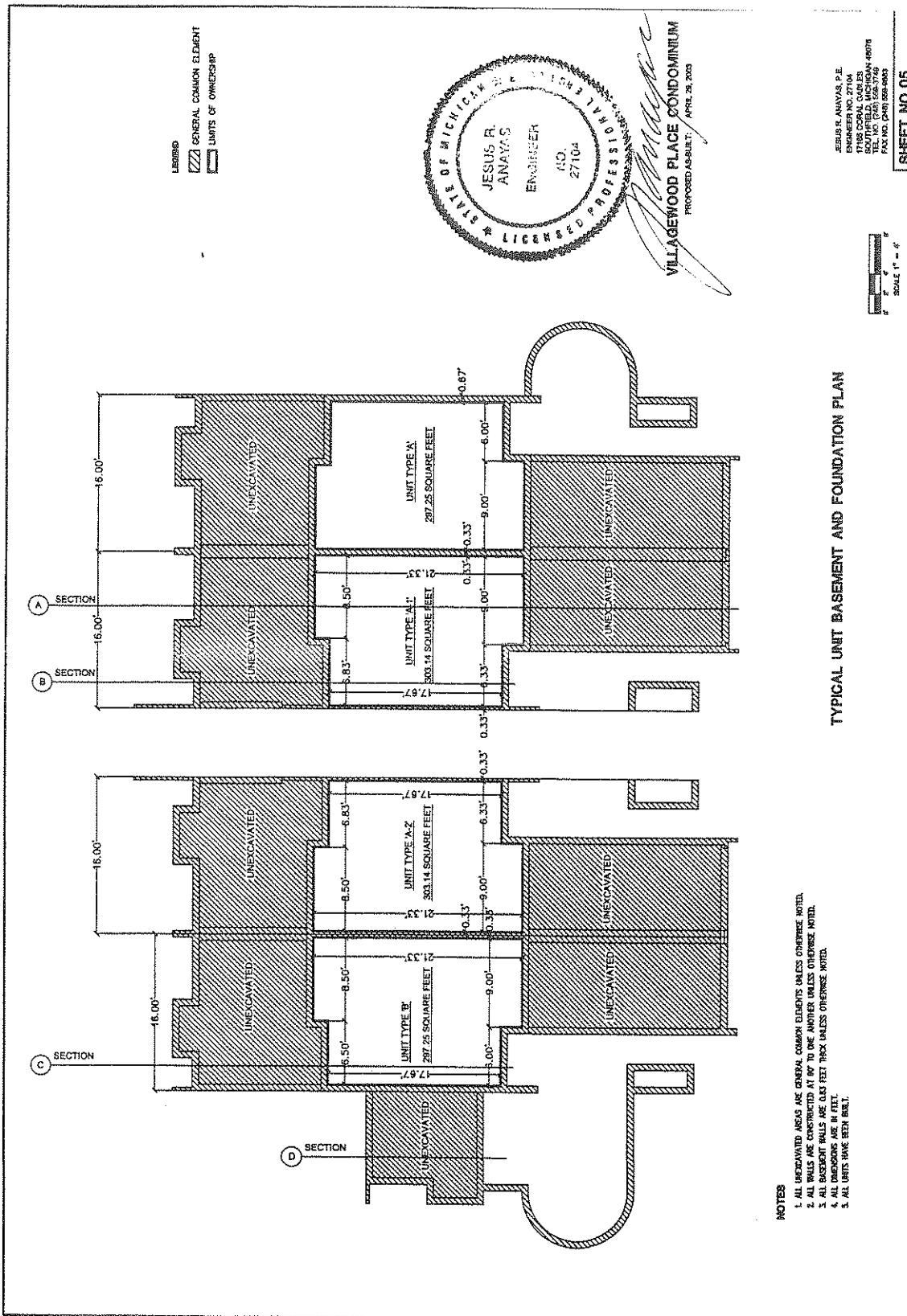
LIBER 29923 PG 872



SCALE: 1" = 30'

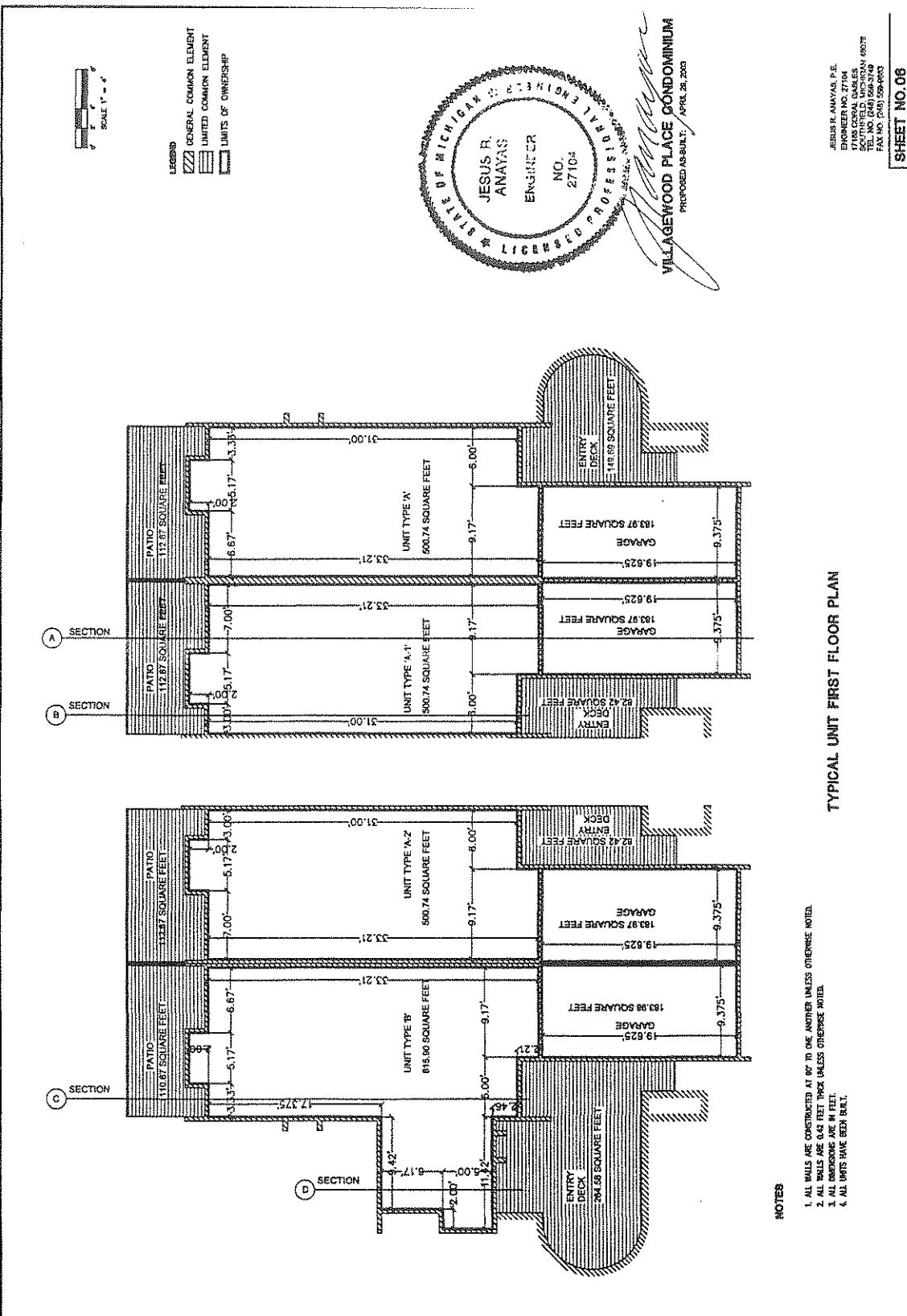
## UTILITY PLAN

JESUS R. ANAYA, P.E.  
ENGINEER NO. 27104  
17185 CORAL GABLES  
SOUTHFIELD, MICHIGAN 48286  
TEL NO. (248) 568-3749  
FAX NO. (248) 568-8883



3 8 9 2 3 6 9 2 8 8 7

JESUS R. ANAYAS, P.E.  
ENGINEER NO. 27104  
1718 CORAL CAYES  
SOUTHFIELD, MICHIGAN 48076  
PHONE: (248) 588-8613  
FAX NO. (248) 588-8613

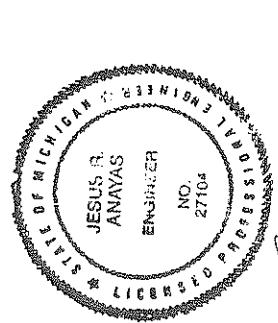


LIBER 29923 PG 874

ANAYAS, P.E.  
ENGINEER INC. 27104  
1101 BROADFIELD DR.  
SOUTHLAND, MICHIGAN 48078  
TEL. NO. (248) 566-3740  
FAX NO. (248) 566-3803

三

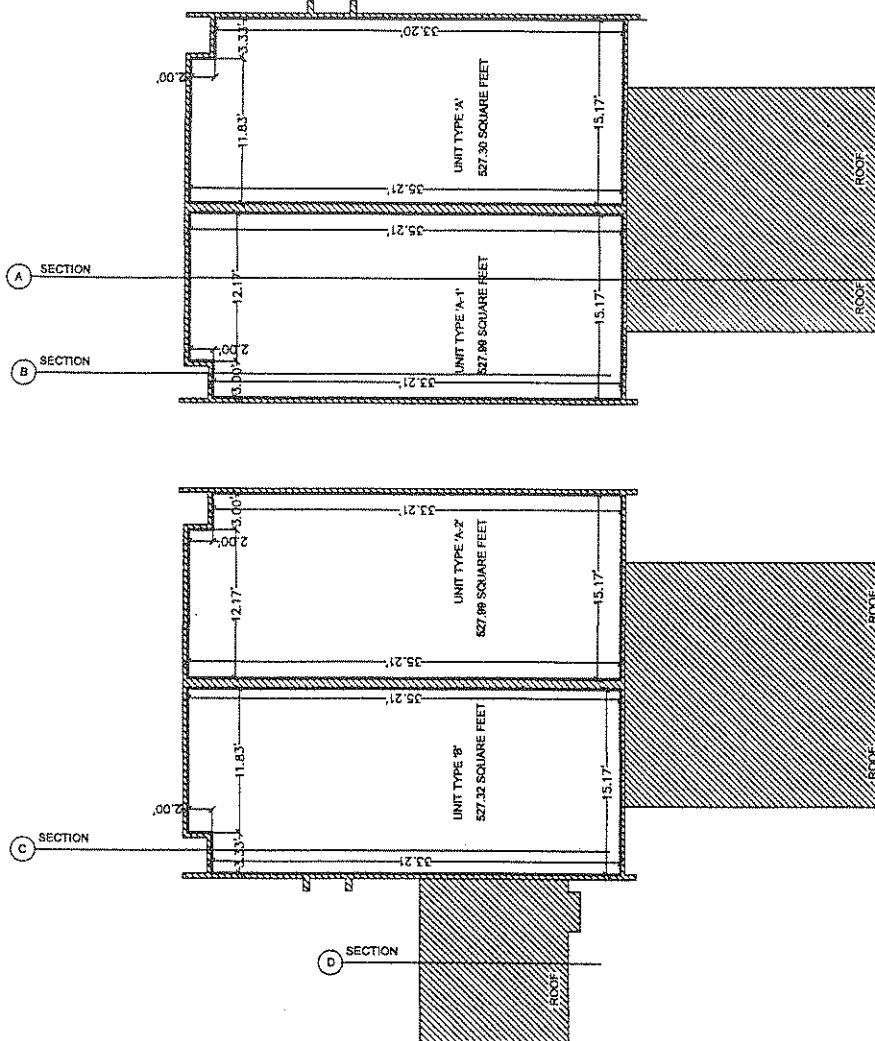
**GENERAL ELEMENT** **LIMITS OF OWNERSHIP**



EWOOD PLACE CONDOMINIUM

JEBUS R. ANAYAS, P.E.  
ENGINEER NO. 27104  
17165 CORAL GABLES  
SOUTHFIELD, MICHIGAN 48223  
TEL. NO. (248) 559-3748  
FAX NO. (248) 559-0883

[Page 10 of 10]



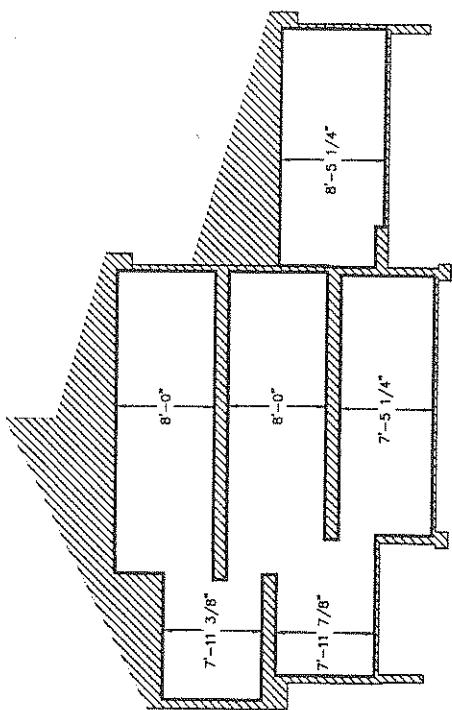
NOTE

1. ALL WALLS ARE CONSTRUCTED AT 90° TO ONE ANOTHER UNLESS OTHERWISE NOTED.
  2. ALL WALLS ARE 0.42 FEET THICK UNLESS OTHERWISE NOTED.
  3. ALL DESIGNS ARE IN FEET.
  4. ALL DISTS HAVE IN FEET.

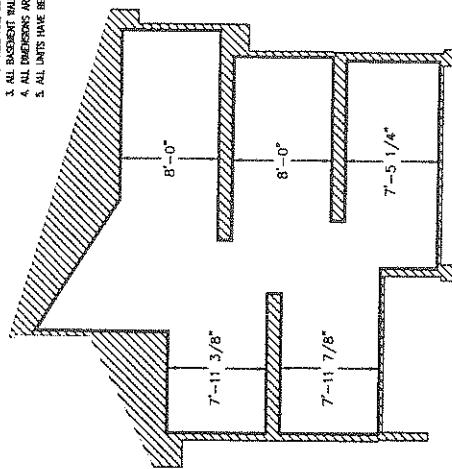
TYPICAL SECOND FLOOR PLAN

LIEBER 29923 PG 875

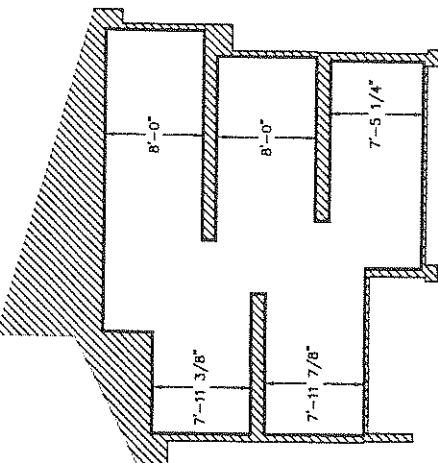
NOTES  
 1. ALL UNDEGRADED AREAS ARE GENERAL CONCRETE ELEMENTS UNLESS OTHERWISE NOTED.  
 2. ALL WALLS ARE CONSTRUCTED AT NO TO ONE MOWERS UNLESS OTHERWISE NOTED.  
 3. ALL BASEMENT WALLS ARE ONE FEET THICK UNLESS OTHERWISE NOTED.  
 4. ALL DIMENSIONS ARE IN FEET.  
 5. ALL UNITS HAVE BEEN BUILT.



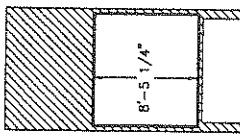
SECTION - A



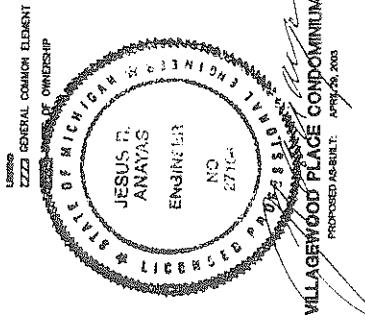
SECTION - B



SECTION - C



SECTION - D



JESUS R. ANAYAS, P.E.  
 ENGINEER AND ZONER  
 1716 CORAL GABLES  
 SOUTHFIELD, MICHIGAN 48075  
 TEL. NO. (248) 592-2716  
 FAX NO. (248) 594-3843

SHEET NO. 08

LIBR 29923 P6876

FILED

C&S 502

FEB 04 2003

RECEIVED

JAN 30 2003

Administrator  
BUREAU OF COMMERCIAL SERVICES

IN DEPT. OF EXCHANGER & INSURANCE SERVICES  
BUREAU OF COMMERCIAL SERVICES

Mr. Karl R. Frankena  
Conlin, McKenney & Philbrick, P.C.  
350 S. Main Street, Suite 400  
Ann Arbor, Michigan 48104-2131

17-01 7691681-1 01/28/03  
Chk# 3307 Amnt: \$20.00  
105, CONLIN MCKENNEY & PHILBRICK, P.C.

JKW

NON-PROFIT

ARTICLES OF INCORPORATION

CID #: 783 - 246

These Articles of Incorporation are signed by the incorporator for the purpose of forming a non-profit corporation, hereinafter referred to as Association, under the provisions of Act No. 162 of the Public Acts of 1982, as amended, as follows:

ARTICLE I.

The name of the corporation is Novi Village Woods Association. ✓

ARTICLE II.

The purpose or purposes for which the Association is formed are as follows:

- (a) To manage and administer the affairs of and to maintain Village Woods Condominium, a condominium (hereinafter called the "Condominium");
- (b) To levy and collect assessments against and from the members of the Association and to use the proceeds thereof for the purposes of the Association, to enforce assessments through liens and foreclosure proceedings when appropriate, and to impose late charges for nonpayment of assessments;
- (c) To carry insurance and to collect and allocate the proceeds thereof;
- (d) To rebuild improvements to the common elements after casualty;
- (e) To contract for and employ persons, firms or corporations to assist in the management, operation, maintenance, and administration of said Condominium;

- (f) To make reasonable rules and regulations governing the use and enjoyment of the Condominium by members and their tenants, guests, employees, invitees, families and pets and to enforce such rules and regulations by all legal methods, including, without limitation, imposing fines and late payment charges, or instituting eviction or legal proceedings;
- (g) To own, maintain and improve, and to buy, sell, convey, assign, mortgage, or lease (as landlord or tenant) any real and personal property, or any interest therein, including, but not limited to, any unit in the Condominium, any easements or licenses or any other real property, whether or not contiguous to the Condominium, for the purpose of providing benefit to the members of the Association and in furtherance of any of the purposes of the Association;
- (h) To borrow money and issue evidences of indebtedness in furtherance of any or all of the objects of its business; to secure the same by mortgage, pledge or other lien;
- (i) To enforce the provisions of the Master Deed and By-Laws of the Condominium and of these Articles of Incorporation and such By-Laws and Rules and Regulations of the Association as may hereafter be adopted;
- (j) To do anything required of or permitted to it as Administrator of said Condominium by the Condominium Master Deed or By-Laws or by Act No. 59 of Public Acts of 1978, as from time to time amended;
- (k) To make and perform any contract necessary, incidental or convenient to the administration, management, maintenance, repair, replacement, and operation of said Condominium and to the accomplishment of any of the purposes thereof.

### ARTICLE III.

Said Association is organized upon a non-stock membership basis.

The amount of assets which said Association possesses is:

Real Property	None
Personal Property	None

Said Association is to be financed under the following general plan:

Assessment of Members

### ARTICLE IV.

Location of the first registered office is: 23965 Novi Road, Suite 120, Novi, Michigan 48375.

Post office address of the first registered office is: 23965 Novi Road, Suite 120, Novi, Michigan 48375.

The name of the first resident agent is: Amarjit S. Chawney.

## ARTICLE V.

The name and place of business of the incorporator are as follows:

Karl R. Frankena  
350 S. Main Street, Suite 400  
Ann Arbor, Michigan 48104-2131

## ARTICLE VI.

Any action required or permitted to be taken at an annual or special meeting of members may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, is signed by members having not less than the minimum number of votes that would be necessary to authorize or take the action at a meeting at which all members entitled to vote therein were present and voted. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to members who have not consented in writing.

## ARTICLE VII.

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

- (a) Each co-owner (including the Developer) of a unit in the Condominium shall be a member of the Association, and no other person or entity shall be entitled to membership.
- (b) Membership in the Association shall be established by acquisition of fee simple title to a unit in the Condominium, or purchase of a unit on a land contract, and by recording with the Register of Deeds of Oakland County, Michigan, a deed or other instrument establishing a change of record title to such condominium unit and the furnishing of evidence of same satisfactory to the Association (except that the Developer of the Condominium shall become a member immediately upon establishment of the Condominium), the new co-owner thereby becoming a member of the Association, and the membership of the prior co-owner thereby being terminated.
- (c) The share of a member in the funds and assets of the Association cannot be assigned, pledged, encumbered, or transferred in any manner except as an appurtenance to his unit in the Condominium.
- (d) Voting by members shall be in accordance with the provisions of the By-Laws of the Association.

## ARTICLE VIII.

A volunteer director or volunteer officer shall not be personally liable to the Association or its co-owners for monetary damages for breach of the director's or officer's fiduciary duty, except where there is:

- (a) A breach of the director's or officer's duty of loyalty to the Association or its co-owners;

- (b) Acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law;
- (c) A violation of Michigan Compiled Laws Section 450.2551(1);
- (d) A transaction from which the director or officer derived an improper personal benefit; or
- (e) An act or omission that is grossly negligent.

If the Michigan Nonprofit Corporation Act is subsequently amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Association shall be eliminated or limited to the fullest extent permitted by the Michigan Nonprofit Corporation Act, as so amended.

Any repeal or modification of the foregoing provisions of this Article by the co-owners of the Association shall not adversely affect any right or protection of a director of the Association existing at the time of such repeal or modification.

#### ARTICLE IX.

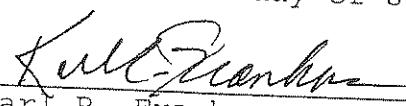
The Association assumes the liability for all acts and omissions of a volunteer director, volunteer officer or other volunteer if all of the following are met:

- (a) The volunteer was acting or reasonably believed that he or she was acting within the scope of his or her authority;
- (b) The volunteer was acting in good faith;
- (c) The volunteer's conduct did not amount to gross negligence or willful and wanton misconduct;
- (d) The volunteer's conduct was not an intentional tort; and
- (e) The volunteer's conduct was not a tort arising out of the ownership, maintenance or use of a motor vehicle for which tort liability may be imposed as provided in section 3135 of the Insurance Code of 1956, Act No. 218 of the Public Acts of 1956, being section 500.3135 of the Michigan Compiled Laws.

#### ARTICLE X.

These Articles of Incorporation may be amended, altered, changed, or repealed only by the affirmative vote of not less than two-thirds (2/3) of the entire membership of the Association; provided, that in no event shall any amendment make changes in the qualification for membership or the voting rights of members without the unanimous consent of the membership.

I, the incorporator, sign my name this 27th day of January, 2003.

  
Karl R. Frankena

MICHIGAN DEPARTMENT OF CONSUMER AND INDUSTRY SERVICES - CORPORATION, SECURITIES & LAND DEVELOPMENT BUREAU		
Date Received		(FOR BUREAU USE ONLY)
FEB 06 2003		
Name		Trans 7713145-1 02/05/03
Karl R. Frankena Conlin, McKenney & Philbrick, P.C.		Check 3354 Amnt \$10.00 103, CONLIN MCKENNEY & PHILBRICK PC
Address		
350 South Main Street, Suite 400		
City	State	Zip
Ann Arbor, Michigan		48104-2131
		EFFECTIVE DATE: FEB 25 2003

Administrator  
BUREAU OF COMMERCIAL SERVICES

### CERTIFICATE OF AMENDMENT TO THE ARTICLES OF INCORPORATION

For use by Domestic Profit and Nonprofit Corporations  
(Please read information and instructions on the last page)

*Pursuant to the provisions of Act 284, Public Acts of 1972 (profit corporations), or Act 162, Public Acts of 1982 (nonprofit corporations), the undersigned corporation executes the following Certificate:*

1. The present name of the corporation is: Novi Village Woods Association

2. The identification number assigned by the Bureau is: 783246

3. Article I of the Articles of Incorporation is hereby amended to read as follows:

The name of the corporation is Villagewood Place Condominium Association. ✓

The foregoing amendment to the Articles of Incorporation was duly adopted on the 30th day of January, 2003, in accordance with the provisions of the Act by the unanimous consent of the incorporator(s) before the first meeting of the Board of Directors or Trustees.

Signed this 30th day of January, 2003.

  
Karl R. Frankena

VILLAGEWOOD PLACE CONDOMINIUM ASSOCIATION

BY-LAWS

ARTICLE I.

ADOPTION OF CONDOMINIUM BY-LAWS

The By-Laws of Villagewood Place Condominium, a condominium, (hereinafter known as the Condominium By-Laws) as attached to the Master Deed and recorded in Liber 29923, Page 820, Oakland County Records are hereby incorporated by reference and adopted in their entirety as a part of the By-Laws of this Corporation (hereinafter known as the Association By-Laws).

ARTICLE II.

MEETINGS

Section 1. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the co-owners as may be designated by the Board of Directors. Meetings of the Association shall be conducted in accordance with Roberts Rules of Order when not otherwise in conflict with the Articles of Incorporation and By-Laws of the Association, or the Master Deed, Condominium By-Laws or the laws of the State of Michigan.

Section 2. The first annual meeting of the co-owners may be convened only by the Developer and may be called at any time after more than fifty percent (50%) in value and in number of all units of Villagewood Place Condominium have been sold and deeds delivered to the purchasers with said project to be converted with twenty-four (24) condominium units, but, in no event, later than fifty-four (54) months after the first conveyance of title to a unit in the project to a nondeveloper co-owner. The date, time and place of such meeting shall be set by the Board of Directors, and at least ten (10) days written notice thereof shall be given to each co-owner. Thereafter, the annual meetings of the co-owners shall be held on a date set by the Board of Directors during the months of October or November each succeeding year. At such meetings there shall be elected by ballot of the co-owners a Board of Directors in accordance with the requirements of Section 2 of Article III of these By-Laws. The co-owners may also transact such other business of the Association as may properly come before them. Upon the sale of seventy-five percent (75%) in value and in number of all units in the development the transitional control date shall occur and this means the date on which the Board of Directors for the Association takes office pursuant to an election in which the votes which may be cast by eligible co-owners unaffiliated with the Developer exceed the votes which may be cast by the Developer.

Section 3. It shall be the duty of the President to call a special meeting of the co-owners as directed by resolution of the Board of Directors or upon a petition signed by one-third (1/3) of the co-owners presented to the Secretary of the Association. Notice of any special meeting shall state the time and place of such meeting and the purposes thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 4. It shall be the duty of the Secretary (or other Association officer in the Secretary's absence) to serve a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, upon each co-owner of record, at least ten (10) days but not more than sixty (60) days prior to such meeting. The mailing, postage prepaid, of a notice to the representative of each co-owner at the address shown in the notice required to be filed with the Association by Article I, Section 2(e) of the Condominium By-Laws shall be deemed notice served. Any co-owner may, by written waiver of notice signed by such co-owner, waive such notice, and such waiver, when filed in the records of the Association shall be deemed due notice.

Section 5. The presence in person or by proxy of thirty-five percent (35%) in number and in value of the co-owners qualified to vote shall constitute a quorum for holding a meeting of the co-owners, except for voting on questions specifically required herein to require a greater quorum. The written vote of any person furnished at or prior to any duly called meeting at which meeting said person is not otherwise present in person or by proxy shall be counted in determining the presence of a quorum with respect to the questions upon which the vote is cast.

Section 6. If any meeting of co-owners cannot be held because a quorum is not in attendance, the co-owners who are present may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called.

Section 7. The order of business at all meetings of the co-owners shall be as follows: (a) roll call to determine the voting power represented at the meeting; (b) proof of notice of meeting or waiver of notice; (c) reading of minutes of preceding meeting; (d) reports of officers; (e) reports of committees; (f) appointment of inspectors of election (at annual meetings or special meetings held for the purpose of electing Directors or officers); (g) election of Directors (at annual meetings or special meetings held for such purpose); (h) unfinished business; and (i) new business. Meetings of co-owners shall be chaired by the most senior officer of the Association present at such meeting. For purposes of this Section, the order of seniority of officers shall be President, Vice President, Secretary, and Treasurer.

Section 8. Any action which may be taken at a meeting of the co-owners (except for the election or removal of Directors) may be taken without a meeting by written ballot of the co-owners. Ballots shall be solicited in the same manner as provided in Section 4 for the giving of notice of meetings of co-owners. Such solicitations shall specify (a) the

number of responses needed to meet the quorum requirements; (b) the percentage of approvals necessary to approve the action; and (c) the time by which the ballots must be received in order to be counted. The form of written ballot shall afford an opportunity to specify a choice between approval and disapproval of each matter and shall provide that, where the co-owner specifies a choice, the vote shall be cast in accordance therewith. Approval by written ballot shall be constituted by receipt, within the time period specified in the solicitation, of (i) a number of ballots which equals or exceeds the quorum which would be required if the action were taken at a meeting; and (ii) a number of approvals which equals or exceeds the number of votes which would be required for approval if the action were taken at a meeting at which the total number of votes cast was the same as the total number of ballots cast.

Section 9. The transactions at any meeting of co-owners, either annual or special, however called and noticed, shall be as valid as though made at a meeting duly held after regular call and notice if a quorum is present either in person or by proxy and if, either before or after the meeting, each of the co-owners not present in person or by proxy signs a written waiver of notice or a consent to the holding of such meeting or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 10. Minutes or a similar record of the proceedings of meetings of co-owners, when signed by the President or the Secretary, shall be presumed truthfully to evidence the matters set forth therein. A recitation in the minutes of any such meetings that notice of the meeting was properly given shall be prima facie evidence that such notice was given.

### ARTICLE III

#### BOARD OF DIRECTORS

Section 1. The affairs of the Association shall be governed by the Board of Directors all of whom must be co-owners, except for the first Board of Directors designated by the Developer. No more than one (1) co-owner from a condominium unit may serve on the Board of Directors at the same time. Directors shall serve without compensation.

Section 2. The first Board of Directors designated by the Developer shall be composed of three (3) persons and such first Board of Directors shall manage the affairs of the Association until a successor Board of Directors is elected at the first meeting of members of the Association convened at the time required by Article II, Section 2 of these By-Laws. The term of office of two (2) directors shall be fixed at two (2) years. The term of office of one (1) director shall be fixed at one (1) year. At the expirations of the initial term of office of each respective director, his successor shall be elected to serve a term of two (2) years. The directors shall hold office until their successors have been elected and hold their first meeting. The Board of Directors shall have the option of

increasing its members from three (3) persons to five (5) persons at any subsequent annual meeting of members of the Association by declaring the increase in the number of Directors to be elected prior to such meeting. The term of office of the first additional director shall be fixed at two (2) years. The term of office of the second additional director shall be fixed at one (1) year, with his successor to be elected to serve a term of two (2) years.

Section 3. The Board of Directors shall have all powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not by law, the Master Deed (including the Exhibits thereto) and Articles of Incorporation, or these By-Laws prohibited or directed to be exercised and done by the co-owners.

Section 4. In addition to the foregoing duties imposed by these By-Laws or any further duties which may be imposed by resolution of the co-owners, the Board of Directors shall be responsible specifically for the following:

- a. To manage and administer the affairs and maintenance of the condominium project and the common elements thereof.
- b. To levy, collect and disburse assessments against and from the co-owners and to use the proceeds thereof for the purposes of the Association, to enforce assessments through liens and foreclosure proceedings when appropriate, and to impose late charges for non-payment of said assessments.
- c. To carry insurance and collect and allocate the proceeds thereof.
- d. To rebuild improvements to the common elements after casualty.
- e. To contract for and employ persons, firms, corporations or other agents to assist in the management, operation, maintenance and administration of the condominium project.
- f. To acquire, maintain, and improve, and to buy, sell, convey, assign, mortgage or lease any real or personal property (including any unit in the condominium project, easements, rights-of-way and licenses) on behalf of the Association in the furtherance of any of the purposes of the Association.
- g. To borrow money and issue evidences of indebtedness in furtherance of any or all of the purposes of the business of the Association, and to secure the same by mortgage, pledge, or other lien, on property owned by the Association; provided, however, that any such action shall also be approved by affirmative vote of sixty percent (60%) of the co-owners in number and in value.
- h. To enforce the provisions of the Condominium documents.

- i. To make rules and regulations governing the use and enjoyment of units and of the Condominium by co-owners and their tenants, guests, employees, invitees, families and pets and to enforce such rules and regulations by all legal methods, including, without limitation, imposing fines and late payment charges, or instituting eviction or legal proceedings.
- j. To contract for cable television or other equivalent telecommunication services to the Condominium that shall be available for all co-owners and the expenses for which may be assessed equally to all co-owners as part of their individual monthly assessments.
- k. To make rules and regulations and/or to enter into agreements with institutional lenders the purposes of which are to enable obtaining mortgage loans by unit co-owners which are acceptable for purchase by the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association, the Veterans Administration and any other agency of the Federal government or the State of Michigan, or by any other institutional participant in the secondary mortgage market which purchases or insures mortgages.
- l. To levy, collect and disburse fines against and from the co-owners after notice and hearing thereon and to use the proceeds thereof for the purposes of the Association.
- m. To establish such committees as it deems necessary, convenient or desirable and to appoint persons thereto for the purpose of implementing the administration of the Condominium and to delegate to such committees any functions or responsibilities which are not by law or the Condominium documents required to be performed by the Board.
- n. To assert, defend, or settle claims on behalf of all co-owners in connection with the common elements of the Condominium project. The Board shall provide at least a ten (10) day written notice to all co-owners on actions proposed by the Board with regard thereto.
- o. To do anything required of or permitted to it as administrator of the condominium project, by the Condominium By-Laws or by the Michigan Condominium Act, as amended.

Section 5. The Board of Directors may make, and amend from time to time, regulations respecting the use and enjoyment of the condominium units and common elements in the Condominium and such other regulations as are necessary for the maintenance and control of the Condominium. Copies of all such regulations and amendments thereto shall be furnished to all co-owners and shall become effective thirty (30) days after mailing or delivery thereof to the designated voting representative of each co-owner. Any such regulation or amendment may be revoked at any time by the

affirmative vote of more than fifty percent (50%) of all co-owners in number and in value. Such rules may not be applied to limit the Developer's conversion, sales or rental activities.

Section 6. The Board of Directors shall employ for the Association a professional management agent (which may include the Developer or any person or entity related thereto) at reasonable compensation established by the Board to perform such duties and services as the Board shall authorize, including but not limited to, the duties listed in Sections 3 and 4 of this Article, and the Board may delegate to such management agent any other duties or powers which are not by law or by the Master Deed or Condominium By-Laws or by the Articles of Incorporation or By-Laws of this Association required to be performed by or have the approval of the Board of Directors or the co-owners. Any agreement or contract for professional management of the condominium project shall provide that such management contract may be terminated by either party without cause or payment of a termination fee on thirty (30) days' written notice and that the term thereof shall not exceed one (1) year, renewable by agreement of the parties for successive one-year periods.

Section 7. Vacancies in the Board of Directors which occur after the transitional control date caused by any reason other than the removal of a director by a vote of the co-owners shall be filled by vote of the majority of the remaining directors, even though they may constitute less than a quorum, except that the developer shall be solely entitled to fill the vacancy of any director whom it is permitted in the first instance to designate. Each person so elected shall be a director until a successor is elected at the next annual meeting of the co-owners. Vacancies among nondeveloper co-owner elected directors which occur prior to the transitional control date may be filled only through election by nondeveloper co-owners and shall be filled in the manner specified in the Condominium By-Laws.

Section 8. At any regular or special meeting of the Association duly called with due notice of the removal action proposed to be taken, any one or more of the directors may be removed with or without cause by the affirmative vote of more than fifty percent (50%) in number and in value of all of the co-owners and a successor may then and there be elected to fill any vacancy thus created. The quorum requirement for the purpose of filling such vacancy shall be the normal thirty-five percent (35%) requirement set forth in Article II, Section 5. Any director whose removal has been proposed by the co-owners shall be given an opportunity to be heard at the meeting. The Developer may remove and replace any or all of the directors selected by it at any time or from time to time in its sole discretion. Likewise, any director selected by the nondeveloper co-owners to serve before the first annual meeting may be removed before the first annual meeting in the same manner set forth in this paragraph for removal of directors generally.

Section 9. The first meeting of a newly elected Board of Directors shall be held within ten (10) days of election at such place as shall be fixed by the directors at the meeting at which such directors were elected,

and no notice shall be necessary to the newly elected directors in order legally to constitute such meeting, providing a majority of the whole board shall be present.

Section 10. Regular meetings of the Board of Directors may be held at such times and places as shall be determined from time to time by a majority of the directors, but at least two such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each director, personally, by mail, e-mail, fax, telephone or telegraph, at least ten (10) days prior to the date named for such meeting.

Section 11. Special Meetings of the Board of Directors may be called by the President on three (3) days notice to each director, given personally, by mail, e-mail, fax, telephone or telegraph, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice or on the written request of two directors.

Section 12. Before or at any meeting of the Board of Directors, any director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meetings of the Board shall be deemed a waiver of notice by him of the time and place thereof. If all the directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 13. At all meetings of the Board of Directors, a majority of the directors shall constitute a quorum for the transaction of business, and the acts of the majority of the directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If at any meeting of the Board of Directors, there be less than a quorum present the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice. The joinder of a director in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such director for purposes of determining a quorum. A quorum of the directors shall also permit the Board of Directors to take action by the written consent of individual directors and by means of a telephone conference between the directors. The Board of Directors is not subject to the Michigan Open Meetings Act and may close portions of its meetings to the co-owners, and provide for confidentiality of the minutes of the closed portion of its meetings, for such issues, as an example, as discussion of personnel employment and litigation matters.

Section 14. All of the actions (including, without limitation, the adoption of these By-Laws and any Rules and Regulations for the Association, and any undertakings of contracts entered into with others on behalf of the Association) of the first Board of Directors of the Association named in its Articles of Incorporation or any successors thereto elected before the first annual meeting of co-owners shall be

binding upon the Association in the same manner as though such actions had been authorized by a Board of Directors duly elected by the co-owners at the first or any subsequent annual meeting of co-owners so long as such actions are within the scope of the powers and duties which may be exercised by the Board of Directors as provided in the Condominium documents.

Section 15. The Board of Directors shall require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be expenses of administration.

#### ARTICLE IV.

##### OFFICERS

Section 1. The principal officers of the Association shall be a President who shall be a member of the Board of Directors, a Vice President, a Secretary and a Treasurer, all of whom shall serve without compensation. The directors may appoint an assistant Treasurer, and an assistant Secretary, and such other officers as in their judgment may be necessary. Any two offices except that of President, Vice President and Secretary may be held by one person.

Section 2. The officers of the Association shall be elected annually by the Board of Directors at the organizational meeting of each new Board, shall serve without compensation and shall hold office at the pleasure of the Board.

Section 3. Upon an affirmative vote of a majority of the members of the Board of Directors, any officer may be removed either with or without cause, and his successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board called for such purpose. No such removal action may be taken, however, unless the matter shall have been included in the notice of such meeting. The officer who is proposed to be removed shall be given an opportunity to be heard at the meeting.

Section 4. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board of Directors. He shall have all of the general powers and duties which are usually vested in the office of the President of an association, including but not limited to the power to appoint committees from among the co-owners from time to time as he may in his discretion deem appropriate to assist in the conduct of the affairs of the Association.

Section 5. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other member of the Board to fill in on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Directors.

Section 6. The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the members of the Association; he shall have charge of the corporate seal and of such books and papers as the Board of Directors may direct; and he shall, in general, perform all duties incident to the office of the Secretary.

Section 7. The Treasurer shall have responsibility for Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He shall be responsible for the deposit of all monies and other valuable effects in the name and to the credit of the Association in such depositories as may from time to time be designated by the Board of Directors.

Section 8. The officers shall have such other duties, powers and responsibilities as shall, from time to time, be authorized by the Board of Directors.

#### ARTICLE V.

##### OBLIGATIONS OF THE CO-OWNERS

Section 1. The co-owner shall not make structural modifications or alterations to his condominium unit or the common elements, nor shall he make any decorations or modifications which alter the exterior appearance of the Condominium without previously notifying the Association in writing through the management agent, if any, or through the President of the Association if no management agent is employed. Such notice shall state the nature of the intended alteration or modification and shall contain in reasonable detail, the proposed manner of its implementation. The Association shall be obliged to approve or disapprove the said alteration in writing to the person seeking approval within sixty (60) days of receipt of such notification and failure to do so within the stipulated time shall constitute approval by the Association of the proposed modification or alteration, if otherwise permitted by the condominium documents and the Michigan Condominium Act. The approval or failure to act by the Association shall not prevent subsequent enforcement of the condominium documents based on a violation thereof.

#### ARTICLE VI.

##### SEAL

Section 1. The Association may (but need not) have a seal. If the Board of Directors determines that the Association shall have a seal, then it shall have inscribed thereon the name of the Association and the words "corporate seal", and "Michigan".

## ARTICLE VII.

### FINANCE

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

Section 2. The funds of the Association shall be deposited in such bank as may be designated by the Board of Directors, shall be withdrawn only upon the check or order of such officers, employees or agents as are designated by resolution of the Board from time to time, and shall be handled in accordance with the Condominium By-Laws. The funds may be invested from time to time in accounts or deposit certificates of such bank or savings association as are insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation and may also be invested in interest-bearing obligations of the United States Government.

## ARTICLE VIII.

### INDEMNIFICATION OF DIRECTORS, OFFICERS, COMMITTEE MEMBERS, EMPLOYEES, AND AGENTS

Section 1. Every director, officer, committee member, employee, and agent of the Association shall be indemnified by the Association against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him in connection with any proceeding to which he may be a party, or in which he may become involved, by reason of his being or having been a director, officer, committee member, employee, and agent of the Association, whether or not he is a director, officer, committee member, employee, or agent at the time such expenses are incurred, except in such cases wherein the director, officer, committee member, employee, and agent is adjudged guilty of willful misfeasance or malfeasance, willful and wanton misconduct or gross negligence in the performance of his duties; provided, that, in the event of any claim for reimbursement or indemnification hereunder based upon a settlement by the director, officer, committee member, employee, or agent seeking such reimbursement or indemnification, the indemnification herein shall only apply if the Board of Directors (with the director seeking reimbursement abstaining) approves such settlement and reimbursement as being in the best interests of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such director, officer, committee member, employee, or agent may be entitled. Ten (10) days written notice of any proposed action by the Association to indemnify a director, officer, committee member, employee, or agent shall be given to all co-owners. Further, the Board of Directors is authorized to carry directors' and officers' liability insurance covering acts of the directors, officers, committee members, employees, or agents of the Association in such amounts as it shall deem appropriate.

## ARTICLE IX.

### COLLECTION OF ASSESSMENTS AND CHARGES

Section 1. Monthly assessments shall be due on the first day of each month for that month. All other charges for services rendered by the Association shall be due when billed.

Section 2. The Board of Directors shall establish a procedure for collection of delinquent assessments and charges, and shall set a schedule of actions to be taken and a penalty fee for each action. These penalty fees shall approximate the actual costs to the Association, so the additional expense incurred in the collection of delinquent assessments will be borne by the delinquent co-owners and not by all co-owners. This procedure shall be reviewed and updated periodically to reflect changing conditions and expenses.

Section 3. Assessments and charges in default shall bear an interest rate of not less than seven percent (7%) per annum in accordance with Article II, Section 4 of the Condominium By-Laws. The Board of Directors shall be authorized to approve an interest rate surcharge. The interest rate and interest rate surcharge combined, applying to delinquent accounts, shall not exceed the limit set by usury laws of the State of Michigan. The interest charges shall be compounded monthly on the unpaid balance of all delinquent accounts.

## ARTICLE X.

### AMENDMENTS

Section 1. These By-Laws (but not the Condominium By-Laws) may be amended by the Association at a duly constituted meeting for such purpose, by an affirmative vote of at least two-thirds (2/3) of co-owners.

Section 2. Amendments to these By-Laws (and the Condominium By-Laws) may be proposed by the Board of Directors of the Association acting upon the vote of the majority of the Directors or by one-third (1/3) or more in number of the co-owners whether meeting as co-owners or by an instrument in writing signed by them.

Section 3. Upon any such amendment being proposed, a meeting for consideration of the same shall be duly called in accordance with the provisions of Article II of these By-Laws.

Section 4. At any meeting held to consider such amendment or amendments to these By-Laws, the written vote of any co-owner shall be recognized if such co-owner is not in attendance at such meeting or represented thereat by proxy, provided such written vote is delivered to the Secretary of the Association at or prior to such meeting.

## ARTICLE XI.

### VIOLATION PROCEDURE

Section 1. The Board of Directors of the Association shall enforce the Condominium By-Laws in a fair and impartial manner.

Section 2. Violations of the Condominium By-Laws by any co-owner, and/or resident of record, shall be brought to the attention of the Board of Directors in writing signed by the complainant, except in cases of emergency.

Section 3. The Board of Directors shall direct the management agent, if any, to send a letter to the co-owner, and/or resident of record, citing the violation and the remedial action necessary.

Section 4. If remedial action or compliance has not taken place within thirty (30) days, the co-owner, and/or resident of record, shall be given the opportunity to meet with the Board of Directors to discuss the reason for non-compliance.

Section 5. This meeting shall take place at the next regularly scheduled Board of Directors meeting; or at a designated time set by the Board of Directors or upon written request of the co-owner and/or resident of record.

Section 6. If the issue has not been resolved, with the foregoing steps, the Board of Directors shall refer the matter to its attorney. The management agent shall notify the co-owner, and/or resident of record, by mail of the action taken by the Board of Directors.

Section 7. All attorney fees and costs incurred in enforcing the Condominium By-Laws will be charged to the co-owner of the unit involved in the violation.

Section 8. The management agent employed by the Association shall be empowered to act as agent to enforce and implement the decision of the Board of Directors, as necessary.

## ARTICLE XII.

### COMPLIANCE

These By-Laws are set forth to comply with the requirements of Act No. 162 of the Public Acts of Michigan of 1982, as amended, Act No. 59 of the Public Acts of Michigan of 1978, as amended, and with the duly recorded Master Deed of the Condominium and Exhibits "A" and "B" attached thereto. In case any of these By-Laws conflict with the provisions of said statute or with the provisions of said Master Deed or the exhibits thereto, the provisions of the statute and said Master Deed shall be controlling.