

DISCLOSURE STATEMENT FOR
NORMANDY PLACE CONDOMINIUMS, INC.

Developer: **RAYPOINTE PROPERTIES, L.L.C.**, a Michigan limited liability company

NORMANDY PLACE CONDOMINIUMS, INC. is a site condominium project that is located in the City of Royal Oak, Oakland County, Michigan.

The effective date of this disclosure statement is November 1, 2004.

THIS DISCLOSURE STATEMENT IS NOT A SUBSTITUTE FOR THE MASTER DEED OR OTHER LEGAL DOCUMENTS, AND ALL BUYERS SHOULD READ ALL DOCUMENTS TO ACQUAINT THEMSELVES FULLY WITH THE PROJECT AND THEIR RIGHTS AND RESPONSIBILITIES RELATED THERETO.

WE RECOMMEND THAT YOU CONSULT WITH AN ATTORNEY OR OTHER ADVISER PRIOR TO PURCHASING A CONDOMINIUM UNIT.

I INTRODUCTION

Condominium development in Michigan is governed largely by a statute called the Michigan Condominium Act. This Disclosure Statement, together with copies of the legal documents pertaining to the creation and operation of **NORMANDY PLACE CONDOMINIUMS, INC.** (which are referred to as the "condominium documents") are furnished to each purchaser pursuant to the requirement of Michigan law that the Developer of a condominium project disclose to prospective purchasers the characteristics of the condominium units which are offered for sale.

"Condominium" is a form of real property ownership. Under Michigan law, a condominium unit (that part of the condominium individually owned and occupied) has the same legal attributes as any other form of real property and may be sold, mortgaged or leased, subject only to such

restrictions as are contained in the condominium documents. The condominium units described herein are residential units. Each unit has been designed and intended for separate ownership and use, and each unit has individual access to a common element of the condominium project.

Each co-owner receives a deed to his individual condominium unit. Each co-owner owns, in addition to his unit, an undivided interest in the common facilities (called "**Common Elements**" and "**Common Improvements**") which service the project. Title to the Common Elements and Common Improvements is included as part of, and is inseparable from title to the individual condominium units. Each co-owner's proportionate share of the Common Elements and Common Improvements is determined by the percentage of value assigned to his unit in the Master Deed.

All portions of the project not included within the units constitute the common elements.

Except for the year in which the project is established, real property taxes and assessments will be levied individually against each unit at **NORMANDY PLACE CONDOMINIUMS, INC.** except for units owned by the Developer which are exempt from such assessments. These individual taxes and assessments cover the unit and its proportionate share of the Common Elements and Common Improvements. No taxes or assessments are levied independently against the Common Elements and Common Improvements. In the year in which the project is established, the taxes and assessments for the units covered by the Master Deed are billed to the Association and are paid by the co-owners of such units in proportion to the percentages of value assigned to the units owned by them.

Of course, no summary such as the one contained in this Disclosure Statement can fully state all of the details of a condominium development. Each purchaser is therefore urged to review carefully all of the documents that have been delivered to the purchaser in connection with this

project. Any purchaser having questions pertaining to the legal aspects of the project is advised to consult his own lawyer or other professional adviser.

II LEGAL DOCUMENTATION

A. General. **NORMANDY PLACE CONDOMINIUMS, INC.** was established as a condominium project pursuant to a Master Deed recorded in the office of the Oakland County Register of Deeds. A copy of the Master Deed has been provided to you with this Disclosure Statement. The Master Deed includes the Condominium Bylaws as Exhibit "A", and the Condominium Subdivision Plan as Exhibit "B". All of these documents should be reviewed carefully by prospective purchasers.

B. Master Deed. The Master Deed contains a definition of terms used with the condominium project, the percentage of value assigned to each unit in the Condominium Project, a general description of the units, Common Elements, and Common Improvements included in the project, and a statement regarding the relative responsibilities for maintaining the common elements.

ARTICLE VII of the Master Deed covers easements and **ARTICLE VIII** contains a statement of when and how the Master Deed may be amended.

C. Condominium Bylaws. The Condominium Bylaws contain provisions relating to the operation of the condominium project and, in particular, set forth the provisions relating to assessments of Association members for the purpose of paying the costs of operation of the condominium project. **ARTICLE VII** contains certain restrictions upon the ownership, occupancy and use of the Condominium Project. **ARTICLE VII** also contains provisions permitting the adoption of rules and regulations governing the common elements. The initial rules and regulations that have been adopted by the Board of Directors of the Association are attached to the Bylaws as

Exhibit "A". ARTICLE VII also contains a statement of the restrictions upon the sale and leasing of units at **NORMANDY PLACE CONDOMINIUMS, INC.**

D. **Condominium Subdivision Plan.** The Condominium Subdivision Plan is a two-dimensional survey depicting the physical location and boundaries of each of the units and all of the Common Elements and Common Improvements in the project.

III SUMMARY OF PROJECT

NORMANDY PLACE CONDOMINIUMS, INC. ("Normandy Place") is located in Royal Oak, Oakland County, Michigan. **NORMANDY PLACE** is a residential condominium which contains 14 units.

IV DEVELOPER

Developer has been in business since 2004, and has been primarily engaged in the development, ownership and operation of multiple residential developments.

V REAL ESTATE BROKER

As the sale of the condominium units is limited there is no real estate broker handling the sale of such units.

VI STRUCTURES AND IMPROVEMENTS WHICH NEED NOT BE BUILT

The Michigan Condominium Act, as amended, requires the Developer to clearly inform potential purchasers what its construction obligations are through the use of the labels "**Must Be Built**" and "**Need Not Be Built**." The Developer is obligated to construct only those units and improvements labeled "**Must Be Built**" in the condominium subdivision plan attached to the Master Deed.

VII ESCROW OF FUNDS

Michigan law requires that all funds received from prospective purchasers of units be deposited in an escrow account with an escrow agent to assure completion of "Must Be Built" improvements. Once the "Must Be Built" improvements are completed the consummation of your purchaser of your unit will be dependent only on the acceptance for recording of the Master Deed, Condominium Bylaws and Condominium Subdivision Plan.

VIII ORGANIZATION AND CONTROL OF THE CONDOMINIUM

A. **The Condominium Buyer's Handbook.** General information about the government and organization of condominiums in Michigan may be found in the Condominium Buyer's Handbook, published by the Michigan Department of Commerce, and to be provided to you by Developer.

B. **NORMANDY PLACE CONDOMINIUMS, INC. CONDOMINIUM ASSOCIATION.** Normandy Place Condominiums, Inc. has been incorporated under the laws of the State of Michigan as a not-for-profit corporation. It will be responsible for the management, maintenance and administration of the Condominium. A person will automatically become a member of the **NORMANDY PLACE CONDOMINIUMS, INC. ASSOCIATION** upon closing on the purchaser of a unit.

The Articles of Incorporation and Bylaws of the Association which have been provided to you with this Disclosure Statement govern the procedural operations of the Association. The Association is governed by a nine-person (or up to thirteen-person) Board of Directors one of whom have been appointed by the Developer for each Unit owned by the Developer and who are empowered to serve pursuant to the provisions of the Condominium Bylaws until the First Annual

Meeting of Members of the Association, which must be held on or before the expiration of 120 days after legal or equitable title to any condominium unit has been conveyed to a non-Developer co-owner. Thereafter, one director will be appointed by the co-owners of each unit in the Condominium and one director will be appointed by the Developer for each Unit owned by the Developer until title to all units (including units to be contained in the expansion portion of the Project) has been transferred by the Developer. **ARTICLE IV**, Section 1, of the Condominium Bylaws sets forth the complete requirements for appointment of directors.

Control of **NORMANDY PLACE CONDOMINIUMS** will be turned over to the **NORMANDY PLACE CONDOMINIUM, INC. ASSOCIATION** as an independent entity at the transitional control date. The transitional control date is the date on which a Board of Directors takes office. Until the transitional control date, the Condominium will be managed by **NORMANDY PLACE CONDOMINIUM, INC. ASSOCIATION** although the Association will be controlled by the Developer. Even after the transitional control date, Developer is entitled to participate, through voting and through appointment of directors, in the affairs of the Condominium to the extent it owns unsold units in the Condominium.

C. **Annual Meetings.** Following the First Annual Meeting, annual meetings of the co-owners of **NORMANDY PLACE CONDOMINIUMS** will be held each year in accordance with the Condominium Bylaws for the purpose of conducting the business of the Association and appointing directors for the succeeding year. Prior to each Annual Meeting, co-owners will receive notice stating the time and location of the meeting and the matters to be considered at the meeting as prescribed by the Condominium Bylaws.

D. **Advisory Committee.** In a project containing large number of units that are being

sold by a developer, the Board of Directors of the Association must establish an Advisory committee of non-developer co-owners upon the passage of: (a) 120 days after legal or equitable title to two (2) Condominium units has been conveyed to non-developer co-owners; or (b) one year after the first conveyance of legal or equitable title to a Condominium unit to a non-developer co-owner, whichever first occurs. The Advisory Committee will meet with the Board of Directors to facilitate communication with the non-developer co-owners and to aid in transferring control from the developer to non-developer co-owners. This project does not require an Advisory Committee due to the limited number of units being sold to persons not affiliated with Developer.

E. Percentage of Value. Each of the fourteen units at the Condominium have been assigned a percentage of the total value of the project based on the proportion that the square footage in each Unit bears to the total square footage of all units. The total value of the project is 100%. The percentage of value assigned to each unit is determinative of the proportionate share of each unit in the proceeds from and expenses of the administration, the undivided interest in the common elements and value of such unit's vote at meetings of the Association of Co-Owners.

F. Management. Michael B. Margherio will be retained as managing agent for the Condominium until the transitional control date. Thereafter, the association must provide for its own management.

As manager, Michael B. Margherio will be given general responsibility for the day-to-day management of the Condominium. Michael B. Margherio will assign personnel to manage the Condominium and will handle complaints and problems from co-owners. Co-owners who have a complaint or a problem should transmit it in writing to Michael B. Margherio, who will attempt to resolve the problem or will refer it to the Board of Directors of the Condominium Association.

IX SUMMARY OF CONDITION OF BUILDING;
NO EXPRESS WARRANTIES

A. To the best of Developer's knowledge, the Common Elements and Common Improvements of the Project other than routine servicing matters are in good and sound or working condition.

B. To the best of Developer's knowledge there are no outstanding violations of the building code of the City of Royal Oak or any other state, county or municipal regulation and that the project was last inspected for compliance with said applicable building codes in 2004.

C. There are no warranties on this condominium project other than those described herein. The Units are sold as an "AS IS" basis and you, individually, or as a member of the association, may be required to pay substantial sums for the replacement or repair of any defects in this condominium project if any such defects exist.

X BUDGET AND ASSESSMENTS

At Closing, each purchaser of a unit at **NORMANDY PLACE CONDOMINIUMS, INC.** will pay two months' assessment as a working capital deposit. After the Closing, each co-owner will pay a monthly assessment as his share of the common expenses of the Condominium. The monthly amounts collected from co-owners are used to operate and maintain the Condominium. Because the day-to-day operation of Condominium is dependent upon the availability of funds, it is important that each co-owner pay his monthly assessment in a timely manner. Monthly assessments are due by the first day of each month. In the event a co-owner fails to pay this amount in a timely manner, the Condominium Bylaws provide that the Association may impose a lien upon a delinquent co-owner's unit, collect interest at the rate of seven percent per annum on delinquent assessments, and

1	6.78%	-	\$116.96
2	6.78%	-	116.96
3	6.74%	-	116.27
4	6.74%	-	116.27
5	6.78%	-	116.96
6	6.78%	-	116.96
7	6.53%	-	112.64
8	6.53%	-	112.64
9	6.49%	-	111.95
10	9.81%	-	169.21
11	10.42%	-	179.74
12	6.58%	-	113.50
13	6.52%	-	112.47
14	6.52%	-	<u>112.47</u>
TOTAL	100%	-	\$1,725.00

Each co-owner must also pay other charges in connection with his ownership of a unit. For example, each co-owner will be responsible for paying real estate taxes levied on his unit and his undivided interest in the Common Elements. The amount of such taxes will be determined by the assessor of the City of Royal Oak. The Developer expects the assessor to act on a consistent basis for each unit. The Association will pay no real estate taxes, except in the first year of the Condominium, as described on pages 2-3 above.

Each co-owner could be required to pay special assessments, if special assessments are levied by the Board of Directors of the Association. Special assessments may be levied by the Board of Directors in the event that, among other things, the regular assessment should prove inadequate, common elements need to be replaced or expanded, or an emergency occurs. **ARTICLE V** of the Bylaws of **NORMANDY PLACE CONDOMINIUMS, INC** attached to the Master Deed should be examined for further details about special assessments.

Like most expenses today, the expenses in the budget are subject to changes as a result of changing costs in the economy. The budget contained herein represents the Association's best estimate of those expenses at this time. However, these costs may increase from year to year on

estimate of those expenses at this time. However, these costs may increase from year to year on account of such factors as cost increases, or the need for repair or replacement of Common elements and Common Improvements. Such cost increases will result in increased monthly assessments.

There are no fees, payments or services which are paid or furnished directly or indirectly by the Developer which will later become an expense of administration, except the management services to be provided by the Developer at no cost to the Association.

XI RESTRICTIONS ON USE

In order to provide an environment appropriate to a residential setting at **NORMANDY PLACE CONDOMINIUMS, INC**, the Condominium Bylaws contain certain limitations upon the activities of co-owners which might infringe upon the right to quiet enjoyment of all co-owners. Some of these restrictions are set forth herein. You should read **ARTICLE VII** of the Condominium Bylaws to ascertain the full extent of the restrictions.

The units in the project may be used solely for the purpose of residential units. Unit owners are not permitted to sell or lease their units, unless the Developer and then the Association have been notified and the owner follows the procedure in **ARTICLE VII** of the Bylaws. Unit owners are not permitted to modify the Common Elements or Common Improvements. Any structural modification of a Condominium unit requires prior approval from the Association. No unit owner will be permitted to perform any landscaping without the approval of the Association.

The use restrictions are enforceable by the Association, which may take appropriate action to enforce the restrictions, such as legal actions for injunctive relief and damages. The remedies available in the event of default are contained in **ARTICLE XI** of the Condominium Bylaws.

XII INSURANCE

The Association is responsible for securing fire and extended coverage, vandalism and malicious mischief and liability insurance, and, when necessary, workmen's compensation insurance pertinent to the ownership, use, and maintenance of the Common elements and Common Improvements of the Condominium. Such insurance policies contain deductible clauses which, in the event of a loss, could result in the Association's being responsible for a certain portion of the loss.

Unit owners, as members of the Association, would bear any such loss in proportion to their percentage ownership of the common elements. The Association has taken out an all-risk policy of insurance on the common elements. A copy of the all-risk policy of insurance is available at the office for inspection by co-owners. Worker's compensation insurance will not initially be secured by the Association, since **NORMANDY PLACE CONDOMINIUMS, INC** will have no employees. Co-owners should regularly review the insurance coverage of the Condominium to insure it is adequate.

The insurance coverage provided by the Association will not cover the individual units, any articles contained therein or any personal property of a co-owner on the grounds of the Condominium. Each unit owner must therefore secure Condominium unit owner's insurance to insure against loss to his unit and his personal property. A unit owner should consult with his insurance adviser to determine the amount of coverage required for his particular needs. In the event a unit owner fails to procure his own insurance, he will be uninsured for any loss that might occur to his unit, to himself or in part, **ARTICLE VI** of the Condominium Bylaws attached to the Master Deed provides a plan for reconstruction or repair.

Insurance for the Condominium will be underwritten through The Colburn Group, 3001 W.

Big Beaver, Troy, Michigan 48084-3192.

XIII PRIVATE ROADS AND EASEMENTS

There is no private driveway or parking area that is a Common element or common Improvements of the Condominium. Access to the Project is from Normandy Road, a public alley.

The usual public utility easements, such as telephone, electricity, water and sewer are provided by those companies and municipalities responsible for the furnishing of public utilities to the Condominium. As set forth more fully in **ARTICLE VII** of the Master Deed, the Developer has also reserved the right to tie into utilities serving the Condominium.

Representatives of the Association are entitled to enter a unit in the case of an emergency or to make necessary repairs to a common element. While such an entry may cause inconvenience, it is necessary to the well-being of all the co-owners.

XIV CO-OWNER LIABILITY

If title to a unit at the project passes by virtue of a first mortgage foreclosure, the new title holder is not liable for the assessments of the Association which came due prior to the acquisition of the title to the unit by that person. Any unpaid assessments are deemed to be common expenses collectible from all of the unit owners, including that person. This provision is contained in the Condominium Bylaws, as required by the law of the State of Michigan.

XV UNUSUAL CIRCUMSTANCES

To the Developer's knowledge, there are no unusual circumstances associated with **NORMANDY PLACE CONDOMINIUMS, INC.**

XVI LEGAL NOTICES

CHARLES O. HOUSTON III, 24900 Harper Avenue, St. Clair Shores, Michigan 48080, served as legal counsel in connection with the preparation of this Disclosure Statement and related documents. Legal counsel has not passed upon the accuracy of the factual matters herein contained.

NORMANDY PLACE CONDOMINIUMS, INC.

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PROPOSED FIRST ANNUAL BUDGET
NORMANDY PLACE CONDOMINIUMS, INC.

<u>Income</u> (14 Units):	\$48,700
<u>Expenses</u> (14 Units):	
Janitorial	220
Snow Plowing	1,550
Lawn Cutting	2,075
 Insurance	 4,000
Legal and Professional Fees	1,355
Contingency Reserve	1,000
 Utilities	
(a) Electric	200
(b) Water	4,000
(c) Gas	<u>2,000</u>
TOTAL EXPENSES	\$
	<i>16,400</i>

impose other penalties. **ARTICLE V** of the Condominium Bylaws should be consulted for further details.

The amount of monthly assessment will be determined by the Board of Directors with reference to the amount of the common expenses. Under the budget of the Association for fiscal year 2005 (it is expected that the fiscal year of the Association will be a calendar year), to be adopted by the Developer in the exercise of its best judgment, each co-owner will pay the amount set forth below opposite his unit. This will generate an annual revenue from fourteen units of \$20,700.

For fiscal year 2005, the estimated revenues and expenses of the Condominium are as follows:

<u>Income</u> ¹ (14 Units):		\$20,700
<u>Expenses</u> (14 Units):		
Janitorial		220
Snow Plowing		1,550
Lawn Cutting		2,075
Repairs		4,300
Insurance ²		4,000
Legal and Professional Fees		1,355
Contingency Reserve ³		1,000
Utilities		
(a) Electric		200
(b) Water		4,000
(c) Gas		<u>2,000</u>
	TOTAL EXPENSES	\$20,700

Unit No. Monthly Assessment (14 Units)

¹ This budget has been estimated by Developer based upon an assumption that all fourteen units have been sold and occupied.

² Estimate including fire and extended coverage, vandalism and malicious mischief and liability insurance. See discussion of Insurance at Article III of this Disclosure.

³ There is no assurance that the contingency reserve will be adequate.

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NORMANDY PLACE CONDOMINIUMS

MASTER DEED

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MASTER DEED
NORMANDY PLACE CONDOMINIUMS

THIS MASTER DEED made and executed on this 23rd day of September, 2004 by **RAYPOINTE PROPERTIES, L.L.C.**, a Michigan limited liability company (hereinafter referred to as "Developer"), whose address is 4633 Twin Fawn Lane, Orchard Lake, Oakland County, Michigan pursuant to the provisions of the Michigan Condominium Act, Act 59 of the Public Acts of 1978, as the same may have been amended, including, but not limited to, those amendments contained in Act 59 of the Public Acts of 1978 (collectively referred to as the "Act").

W I T N E S S E T H :

WHEREAS, the Developer desires by recording this Master Deed, together with the Bylaws and Rules and Regulations attached hereto as Exhibits "A1" and "A2", respectively, and together with the Condominium Subdivision Plan attached hereto as Exhibit "B", all of which are hereby incorporated herein by reference and made a part hereof, to establish the real property described in ARTICLE II below, together with all improvements located and to be located thereon, and all appurtenances thereto, as a residential condominium project under the provisions of the Act.

NOW, THEREFORE, the terms of this Master Deed shall be established as follows:

ARTICLE I

Dedication/Title and Nature

A. Dedication. By executing and recording this Master Deed, the Developer establishes "**Normandy Place Condominiums**" (sometimes hereinafter referred to as the "**Condominium," "Project," or "Condominium Project**") as a condominium project under the Act. After being so established the Condominium Project shall be held, conveyed, hypothecated, encumbered, leased, rented, occupied, improved and in every manner utilized subject to the provisions of the Act, and to the covenants, conditions, restriction, uses, limitations and obligations set forth in this Master Deed (including Exhibits "A1," "A2," and "B" hereto), all of which shall be deemed to run with the real property included in the Condominium Project and shall be a burden on, and a benefit to, the Developer, its successors and assigns, and all persons acquiring or owning an interest in the Condominium Project, or in the real property hereby dedicated to the Condominium Project, and their grantees, successors, assigns, heirs, and personal representatives. This Master Deed (including Exhibits "A1", "A2", and "B" hereto) has been set forth in furtherance of the establishment of this Condominium Project.

B. Title and Nature. The Condominium Project shall be known as "**Normandy Place Condominiums, Oakland County Subdivision Plan No. ____.**" The improvements contained in the Condominium Project, including the number, boundaries, dimensions, and area of each unit, are set forth completely in the Condominium Subdivision Plan attached hereto as Exhibit "B." Each unit in the Condominium Project is to be used for residential purposes, and each unit has been designed

and intended for separate ownership and use, as evidenced by individual entrances from and exits to a Common Element of the Condominium Project. Each co-owner in the Condominium Project shall have an exclusive right to occupy his unit and shall have undivided and inseparable rights to share with other co-owners the use and enjoyment of Common Elements.

ARTICLE II

Legal Description

The real property which is dedicated to the Condominium Project established hereby is legally described as follows:

Lots 113 to 124, inclusive, THE MEYERING LAND COMPANY'S WOODWARD HILLS SUBDIVISION, according to the plat thereof as recorded in Liber 35, page 4 of Plats, Oakland County Records and commonly known as 3800-3830 Normandy.

ARTICLE III

Definitions

When used in any of the Condominium Documents (as hereinafter defined), or in any contract, deed, mortgage, lien, easement or other instrument affecting the Condominium Project or the establishment or transfer of any interest therein, the following terms shall carry the definitions which follow them unless the context clearly indicates to the contrary:

(a) "Act" means the Michigan Condominium Act, being Act 59 of the Public Acts of 1978, as amended, including, but not limited to, amendments contained in Act 538 of the Public Acts of 1982 and in Act 113 of the Public Acts of 1983.

(b) "Association" means Normandy Place Condominiums, Inc., a not-for-profit corporation organized under the laws of the State of Michigan, of which all co-owners shall be members and which shall administer, operate, manage and maintain the Condominium Project. Any action required of or permitted to the Association shall be exercisable by its Board of Directors unless explicitly reserved to the members by the Condominium Documents or the laws of the State of Michigan, and any reference to the Association shall, where appropriate, also constitute a reference to its Board of Directors.

(c) "Board of Directors or Board" means the Board of Directors of Normandy Place Condominium Association.

(d) "Association Bylaws" means the corporate Bylaws of the Association.

(e) "Common Elements," where used without modification, means both the general and limited common elements, as defined in ARTICLE IV hereof.

(f) "Common Improvements" means those improvements upon the Land and within Units that shall be maintained and repaired by the Association pursuant to Article I-V, including but not necessarily limited to, the Utilities, and "Normandy Drive," the alley providing ingress to, and egress from, the Condominium Project.

(g) "Condominium Bylaws" means Exhibit "A" hereto, the Bylaws for the Condominium Project setting forth the rights and obligations of the co-owners and required by Sections 3(8), 53 and 54 of the Act to be recorded as part of the Master Deed.

(h) **"Condominium Documents"** means and includes this Master Deed, Exhibits "A1", "A2" and "B" hereto, any amendments thereto or hereto, and the Articles of Incorporation, Bylaws and the Rules and Regulations, if any, of the Association.

(i) **"Condominium Premises"** means and includes the land and the buildings, all improvements and structures thereon, and all easements, rights and appurtenances belonging to the Condominium Project as described above.

(j) **"Condominium Project, Condominium or Project"** means Normandy Place Condominiums, a Condominium Project established pursuant to the Act.

(k) **"Condominium Subdivision Plan"** means Exhibit "B" hereto, which describes the Project in survey form.

(l) **"Condominium unit"** or **"unit"** means that portion of the Condominium Project designed and intended for separate ownership and use, as described on Exhibit "B" hereto.

(m) **"Consolidating Master Deed"** means the final amended Master Deed, including Exhibits "A" and "B" hereto, both of which are by this reference incorporated herein and made a part hereof, and which shall supersede and replace the Master Deed as hereinafter defined except where said Master Deed conveys title or otherwise dedicates, or reserves an interest in, real estate in favor of the Association or Developer in connection with the establishment of the Condominium Project, and which shall describe Normandy Place Condominiums as a completed Condominium Project. In the event the improvements in the Condominium are constructed in substantial conformance with the proposed Condominium Subdivision Plan attached as Exhibit "B" to the Master Deed, the Developer shall be able to satisfy the foregoing obligation by the filing of a certificate in the office of the Oakland County Register of Deeds confirming that the Units and Common Elements "as built"

are in substantial conformity with the proposed Condominium Subdivision Plan and no Consolidating Master Deed need be recorded.

(n) **"Co-owner"** "owner" or "member" each means a person, firm, corporation, partnership, trust or other legal entity or any combination thereof who or which owns legal or equitable title to a condominium unit within the Condominium Project, and therefore, is a member of the Association.

(o) **"Developer"** means **RAYPOINTE PROPERTIES, L.L.C.**, a Michigan limited liability company, which has prepared and executed this Master Deed and its successors and assigns. Both successors and assigns shall always be deemed to be included within the term "Developer" whenever, however and wherever such terms are used in the Condominium Documents. The term "Developer" does not, however, include "Successor Developer" as defined in Section 125 of the Act.

(p) **"Encumbrances"** means the restrictions contained in the Condominium Documents, the easements described in Article VII, and all other easements now or hereafter of record burdening the land.

(q) **"Sales and Development Period"**, for the purposes of the Condominium Documents and the rights reserved to Developer thereunder, shall be deemed to continue for so long as Developer continues to own any Unit in the Project or so long as Developer retains Architectural Control Review as provided in Article VII, Section 2 of the Bylaws, whichever is longer.

(r) **"Normandy Drive"** means that part of the Land shown and labelled as such on the Condominium Subdivision Plan (which includes its total right-of-way) and which is a General Common Element.

(s) **"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 Developer exceed the votes which may be cast by Developer.

(t) **"Unit or Condominium Unit"** each means the enclosed space constituting a single complete Unit in the Project as such space may be described in Article VI, Section 1 hereof and on Exhibit "B" hereto, and shall have the same meaning as the term "Condominium Unit" as defined in the Act. All structures and improvements now or hereafter located within the boundaries of a Unit shall be owned in their entirety by the Co-owner of the Unit within which they are located and shall not, unless otherwise expressly provided in the Condominium Documents, constitute Common Elements.

(u) **"Utilities"** means electricity, natural gas, sanitary sewer, storm sewer, telephone, cable television, water, irrigation and other services of like kind, public or private.

Terms not defined herein, but defined in the Act shall carry the meaning given them in the Act unless the context clearly indicates to the contrary. Whenever any reference herein is made to one gender, the same shall include a reference to any and all genders where such reference would be appropriate; similarly, whenever a reference is made herein to the singular, a reference shall also be included to the plural where such a reference would be appropriate, and vice versa.

ARTICLE IV

Common Elements

The Common Elements of the Project, and the respective responsibilities for maintenance, repair or replacement thereof, are as follows:

Section 1. **General Common Elements.** The General Common Elements are:

- A. **Roadway.** That section of Normandy Drive which services the Condominium Project, including the entrance area improvements, as located within the boundaries of the Project.
- B. **Land.** Land within the Condominium Project not identified as Units shall be a General Common Element of the Condominium. Such land may be used as a park, open space area, entranceway, landscaped area, or as other common areas and is identified on the Condominium Subdivision Plan.

Section 2. **Responsibilities.** The respective responsibilities for the maintenance, decoration, repair and replacement of the Common Elements are as follows:

A. **Co-owner Responsibilities.**

- 1. **Units and Yard Areas.** The responsibility for and the costs of maintenance, decoration, repair and replacement of each Unit shall be borne by the Co-owner of such Unit; provided, however, that the exterior appearance of the improvements within Units to the extent visible from any other Unit or Common Element in the Project, shall be subject at all times to the reasonable aesthetic and maintenance standards prescribed by the Association in the Bylaws and in duly adopted Rules and Regulations. For maintenance purposes, the General Common

Element area between Normandy Drive and the Condominium Project shall be landscaped and maintained by the Association.

2. **Utility Services.** All costs of electricity, water, sanitary sewer, natural gas, cable television, telephone, and any other utility services shall be borne by the Co-owner of the Unit to which such services are furnished. All utility laterals and leads shall be maintained, repaired and replaced at the expense of the Co-owner whose Unit they service, except to the extent that such expenses are borne by a utility company or a public authority and the Association shall have no responsibility therefor.

B. **Association Responsibilities.** The cost of maintenance, repair or replacement of all General Common Elements shall be borne by the Association, subject to any provisions of the Bylaws expressly to the contrary. Any repair of the General Common Elements required because of a Co-owner's negligence or wilful misconduct, or that of any person for whom the Co-owner is legally responsible, shall be administered by the Association and paid in full by the Co-owner at fault, including a 5% administration fee. In order to provide for flexibility in administering the Condominium, the Association, acting through its Board of Directors, may undertake such regularly recurring, reasonably uniform, periodic exterior maintenance functions with respect to Limited Common Elements as it may deem appropriate (including, without limitation, lawn mowing, snow removal and landscape maintenance). Nothing herein contained, however, shall compel the Association to undertake such responsibilities. Any such responsibilities undertaken by the Association shall be charged to any affected Co-owner on a reasonably uniform basis and collected in accordance with the assessment procedures established under Article V of the Bylaws. Developer, in the initial maintenance budget for the Association, shall be entitled to determine the

nature and extent of such services and reasonable rules and regulations may be promulgated in connection therewith.

Section 3. **Use of Units and Common Elements.** No Co-owner shall use his Unit or the Common Elements in any manner inconsistent with the purposes of the Project or in any manner which will interfere with or impair the rights of any other Co-owner in the use and enjoyment of his unit or the Common Elements. Except as otherwise provided in the Condominium Documents or the Act, the undivided interest of each unit in the Common Elements shall not be altered or subject to an action for partition, nor to any transfer, encumbrance or other disposition, and any purported transfer, encumbrance thereto shall be void.

Section 4. **Environmental Covenant and Indemnity.**

A. Each Co-owner, in the use, occupancy and enjoyment of his or her Unit and the General Common Elements, covenants not to cause, permit, or suffer any Release (hereinafter defined) of any Regulated Substance (hereinafter defined) or violate any Environmental Law (hereinafter defined).

B. Each Co-owner shall indemnify and hold Developer, the Association and each and every other Co-owner harmless from any and all loss or damage including, but not limited to, interest, costs, or attorneys' fees, arising out of the breach of the covenant set forth in subsection A.

C. For the purposes of this Section 2:

- (i) "Release" means and includes, without limitation, emission, disposal, discharge, leaking, dumping and spill;
- (ii) "Regulated Substance" means and includes any matter described or defined in, or which is the subject matter of, or

of which the manufacture, production, generation, transportation, storage or discharge is regulated or prohibited by any of the Environmental Laws, and petroleum and its fractions, and nuclear material; and

(iii) "Environmental Laws" means the Environmental Protection Act, the Resource Conservation and Recovery Act, the Comprehensive Environmental Response, Compensation and Liability Act, the Clean Air Act, the Clean Water Act, the Toxic Substances Control Act, the Environmental Response Act, the Soil Erosion and Sedimentation Control Act, the Inland Lakes and Straits Act and all other statutes, laws and ordinances, and all regulations, promulgated thereunder and judicial decisions relating thereto, concerning the ecology of lands, all as amended.

ARTICLE V

Common Improvements

The Common Improvements of the Project, and the respective responsibilities for maintenance, repair and replacement thereof, are as follows:

Section 1. Common Improvements. The Common Improvements are:

A. Electrical, Gas, Telephone and Cable Television Facilities. The underground electrical mains, gas mains, telephone mains to the respective transformers for each Unit, together with common lighting for the Project, if any is installed, and cable television trunk line, if any.

B. Mailboxes, Street Lights and Sidewalks. Mailboxes for each Unit shall be provided adjacent to each Unit. Receptacles for newspapers, circulars, etc. shall also be provided at the mailbox location.

Street lighting and sidewalks shall be provided as described on Exhibit "B".

C. **Storm Water Drainage System.** Any storm water drainage facilities serving the Project.

D. **Water and Sanitary Sewers.** The water mains and sanitary sewer mains servicing the Project.

E. **Retention Area and Facilities.** The storm water retention area and facilities, if any, serving the Project; provided, however, that the Owner of any Unit over which a retention area easement exists shall be responsible for installation and continued maintenance of the landscaping within such easement.

F. **Landscaping, Exterior Lighting and Sprinkler Systems.** Any landscaping, exterior lighting and sprinkler systems installed to serve General Common Element or Common Improvement lawn and landscape areas, to be maintained by the Association.

G. **Other.** Other elements of the Condominium located within specified easements which are intended for common use or are necessary to the Project.

Section 2. **Responsibilities.** The costs of maintenance, repair and replacement of all Common Improvements shall be borne by the Association, subject to any provisions of the Bylaws expressly to the contrary.

Section 3. **Utility Systems.** Some or all of the utility lines, systems (including mains and service leads) and equipment and the telecommunications facilities, if any, described above may be owned by the local public authority or by the company that is providing the pertinent service. Accordingly, such utility lines, systems and equipment, and any telecommunications facilities, shall

be Common Improvements only to the extent of the Co-owners' interest therein, if any, and Developer makes no warranty whatever with respect to the nature or extent of such interest, if any. The extent of Developer's and the Association's responsibility will be to see to it that water, sanitary sewer, telephone, electric and natural gas mains are installed within reasonable proximity to, but not within, the Units and their Limited Common Element setback areas. Each Co-owner will be entirely responsible for arranging for and paying all costs of connection and extension of such utilities by laterals from the mains to any structures and fixtures located within the Units and their respective Limited Common Element setback areas.

ARTICLE VI

Unit Descriptions and Percentages of Value

Section 1. **Description of Units.** Each Unit in the Condominium Project is described in this paragraph with reference to the Condominium Subdivision Plan of Normandy Place as prepared by Nowak & Fraus, 1310 N. Stephenson Highway, Royal Oak, MI 48067-1508 and attached hereto as Exhibit "B". Each Unit shall consist of the space located within Unit boundaries as shown on Exhibit "B" hereto.

Section 2. **Percentages of Value.** The percentages of value assigned to each Unit are as follows:

Building A	Unit 1	829 sq. ft.	6.78%
	Unit 2	829 sq. ft.	6.78%
	Unit 3	824 sq. ft.	6.74%
	Unit 4	824 sq. ft.	6.74%
	Unit 5	829 sq. ft.	6.78%
	Unit 6	829 sq. ft.	6.78%

Building B	Unit 7	799 sq. ft.	6.53%
	Unit 8	799 sq. ft.	6.53%
	Unit 9	793 sq. ft.	6.49%
	Unit 10	1200 sq. ft.	9.81%
	Unit 11	1274 sq. ft.	10.42%
	Unit 12	804 sq. ft.	6.58%
	Unit 13	797 sq. ft.	6.52%
	Unit 14	797 sq. ft.	6.52%

The percentages of value were computed on the basis of the comparative square footage in each Unit.

The percentages of value shall be determinative of the proportionate share of each Unit in the common expenses and costs of administration, the value of such Unit's vote at certain meetings of the Association of Co-owners, and of such Unit's undivided interest in the General Common Elements (which is hereby allocated to each Unit). The percentages of value allocated to the Units may be changed only with the prior written approval of each holder of a first mortgage lien on any Unit in the Condominium Project, and with the unanimous consent of all of the Co-owners expressed in a duly recorded amendment to this Consolidating Master Deed.

ARTICLE VII

Easements

Section 1. **Easements for Utilities.** There shall be easements to, through and over the land in the Condominium (including all Units) for the continuing maintenance, repair, replacement and enlargement of any Common Improvements in the Condominium as depicted on the Condominium Subdivision Plan as the same may be amended from time to time. In the event any

portion of a structure located within a Unit encroaches upon a Common Element due to the shifting, settling or moving of a building, or due to survey errors or construction deviations or change in ground elevations, reciprocal easements shall exist for so long as such encroachment exists and for maintenance thereof after rebuilding in the event of destruction.

Section 2. **Easements Retained by Developer.**

A. **Utility Easements.** Developer reserves the right at any time until the elapse of two (2) years after the expiration of the Sales and Development Period, and the Association shall have the right thereafter, to grant easements for utilities over, under and across the Condominium to appropriate governmental agencies or public utility companies and to transfer title of utilities to governmental agencies or to utility companies. Any such easement or transfer of title may be conveyed by Developer without the consent of any Co-owner, mortgagee or other person and shall be evidenced by an appropriate amendment to this Master Deed and to Exhibit "B" hereto, recorded in the Oakland County Records. All of the Co-owners and mortgagees of Units and other persons interested or to become interested in the Project from time to time shall be deemed to have irrevocably and unanimously consented to such amendment or amendments of this Master Deed as may be required to effectuate the foregoing grant of easement or transfer of title.

B. **Granting Utility Rights to Agencies.** Developer reserves the right at any time during the Sales and Development Period, and the Association shall have the right thereafter, to grant easements for utilities, including storm drainage and retention over, under and across the Condominium to appropriate governmental agencies or public utility companies and to transfer title of utilities to governmental agencies or to utility companies. Any such easement or transfer of title may be conveyed by Developer without the consent of any Co-owner, mortgagee or

other person and shall be evidenced by an appropriate amendment to this Master Deed and to Exhibit "B" hereto, recorded in the Oakland County Records. All of the Co-owners and mortgagees of Units and other persons interested or to become interested in the Project from time to time shall be deemed to have irrevocably and unanimously consented to such amendments to this Master Deed as may be required to effectuate the foregoing grant of easement or transfer of title.

Section 3. **Grant of Easements by Association.** The Association, acting through its lawfully constituted Board of Directors (including any Board of Directors acting prior to the Transitional Control Date) shall be empowered and obligated to grant easements under and across the Condominium Premises for utility purposes, access purposes or other lawful purposes as may be necessary for the benefit of the Condominium subject, however, to the approval of Developer so long as the Sales and Development Period has not expired.

Section 4. **Easements for Maintenance, Repair and Replacement.** Developer, the Association and all public or private utilities shall have such easements over, under, across and through the Condominium Premises, including all Units and Common Elements, as may be necessary to fulfill any responsibilities of maintenance, repair, decoration, replacement or upkeep which they or any of them are required or permitted to perform under the Condominium Documents or by law or to respond to any emergency or common need of the Condominium. There shall be a permanent easement in favor of the Association for the maintenance and repair of the Common Elements and the Common Improvements including, but not limited to, Normandy Drive and its right-of-way, to be administered by the Association.

Section 5. **Easement for Takeover of Maintenance.** While it is intended that each Co-owner shall be solely responsible for the performance and costs of all maintenance, repair and

replacement of and decoration of the residence and all other appurtenances and improvements constructed or otherwise located within his Unit, it is nevertheless a matter of concern that a Co-owner may fail to properly maintain the exterior of his Unit in a proper manner and in accordance with the standards set forth in Article VII of the By laws and all Rules and Regulations of the Association. Therefore, in the event a Co-owner fails, as required by this Master Deed, the Bylaws or the Rules and Regulations of the Association, to maintain, decorate, repair, replace or otherwise keep to a proper and adequate level his Unit or any improvements or appurtenances located therein, the Association (and/or Developer during the Sales and Development Period and, if the Association does not act, the Developer for a term of five years thereafter) shall have the right, and all necessary easements in furtherance thereof, (but not the obligation) to take whatever action or actions it deems desirable to so maintain, decorate, repair or replace the Unit and its appurtenances, all at the expense of the Co-owner of the Unit. Failure of the Association (or Developer) to take any such action shall not be deemed a waiver of the Association's (or Developer's) right to take any such action at a future time. All costs incurred by the Association or Developer in performing any responsibilities 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 regular assessment next falling due, except that the Board of Directors shall have the right to levy against the Co-owner a special assessment for such expenses. Further, the lien for non-payment 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.

C. Termination of Easements.

Developer has previously reserved to itself, and hereby grants to the Association, its successors and assigns, the right to terminate and revoke any utility or other easement granted in this Master Deed at such time as the particular easement has become unnecessary. This may occur, by way of example but not limitation, when water or sewer systems are connected to municipal systems or when a water or sewer system or other utility easement is relocated to coordinate further and future development of land in the vicinity of the Condominium Project. No utility easement may be terminated or revoked unless and until all Units served by it are adequately served by an appropriate substitute or replacement utility easement on a shared maintenance basis. Any termination or revocation of any such easement shall be effected by the recordation of an appropriate amendment to this Master Deed in accordance with the requirements of the Act.

ARTICLE VIII

Consolidation and Other Modifications
of Units; Amendment

Notwithstanding any other provision of the Master Deed or the Bylaws, subject to prior approval of the City of Royal Oak, if required by any applicable ordinance, Units in the Condominium may be consolidated or modified and the boundaries relocated, in accordance with Sections 48 and 49 of the Act and this Article. Such changes in the affected Unit or Units shall be promptly reflected in a duly recorded amendment or amendments to this Master Deed.

Section 1. **By Developer.** Developer reserves the sole right during the Sales and Development Period and without the consent of any other Co-owner or any mortgagee of any Unit to take the following action:

A. **Consolidate Contiguous Units.** Consolidate under single ownership two or more contiguous Units. In connection with such consolidation, Developer may modify the Common Elements as may reasonably be necessary. Such consolidation of Units shall be given effect by an appropriate amendment or amendments to this Master Deed in the manner provided by law, which amendment or amendments shall be prepared by Developer, its successors or assigns.

B. **Relocate Boundaries.** Relocate any boundaries between adjoining Units. In connection with such relocation, Developer may alter or remove all or portions of the Common Elements as may reasonably be necessary. The relocation of such boundaries shall be given effect by an appropriate amendment or amendments to this Master Deed identifying the resulting Units by number or other designation, designating only the Limited or General Common Elements in connection therewith, and reallocate the percentages of value (if necessary) in accordance with the Co-owner's request. The Co-owner requesting such relocation shall bear all costs of such amendment. Such relocation shall not become effective, however, until the amendment to the Master Deed, duly executed by the Association, has been recorded in the office of the Oakland County Register of Deeds.

Section 2. **By Co-owners.** Upon approval of the Board of Directors and the City of Royal Oak, if required by any applicable ordinance, and subject to the provisions of Article VII, Section 24 of the Bylaws, Co-owners of adjoining Units may relocate boundaries between their Units or eliminate boundaries between two or more Units upon written request to the Association in

accordance with Section 48 of the Act. Upon approval of such request, the president of the Association shall cause to be prepared an amendment to the Master Deed duly relocating the boundaries, identifying the Units involved, reallocating percentages of value and providing for conveyancing between or among the Co-owners involved in relocation of boundaries. The Co-owners requesting relocation of boundaries shall bear all costs of such amendment. Such relocation or elimination of boundaries shall not become effective, however, until the Amendment to the Master Deed has been recorded in the office of the Oakland County Register of Deeds.

Except as otherwise expressly provided in this Master Deed, the Condominium Project shall not be terminated, vacated, revoked or abandoned except as provided in the Act, nor may any of the provisions of this Master Deed or Exhibit "B" be amended (but Exhibit "A" hereto may be amended as therein provided) except as follows:

- A. (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 mortgagee. The Developer has previously reserved and hereby grants to the Association, its successors and assigns, the right to amend the Condominium Documents for such 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, 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 shall be examples of amendments which do not materially alter or change the rights of a Co-owner or mortgagee.
- (2) This Master Deed, the Condominium Bylaws, and the Condominium Subdivision Plan may be amended, even if the amendment will materially alter or change the rights of the Co-owners or mortgagees, with the consent of not less than two-thirds of the votes of the Co-owners and mortgagees. A mortgagee shall have one (1) vote for each mortgage held.
- (3) The method or formula used to determine the percentage of value of Units in the Project for other than voting purposes, and any provisions relating to the

ability or terms under which a Co-owner may rent a unit, may not be modified without the consent of each affected Co-owner and mortgagee. A Co-owner's Condominium Unit dimensions or appurtenant Limited Common Elements may not be modified without the Co-owner's consent.

(4) The prior written approval of (i) all of the first mortgagees, and (ii) all Co-owners of the individual Condominium Units, shall be required before the Association shall be entitled to:

- (a) By any act or omission seek to abandon or terminate the Condominium Project;
- (b) Change the pro rata interest or obligations of any individual 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 and the Common Elements; or
- (c) Partition or subdivide any Condominium Unit.

(5) The restrictions contained in this ARTICLE VIII on Amendments shall not in any way affect the rights of the Association as set forth elsewhere in this Master Deed, such as, by way of example but not limitation, in ARTICLES IV and V.

(6) Co-owners and mortgagees of record shall be notified in writing of proposed amendments not less than ten (10) days before the amendment is recorded, at their address reflected on the condominium records.

B. (1) An amendment to this Master Deed shall not be effective until the amendment is recorded.

(2) A copy of the recorded amendment shall be delivered to each Co-owner.

C. 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 Board of Directors' decision, the costs of which shall be deemed expenses of administration.

ARTICLE IX

Assignment of Developer Rights to Association

The Developer hereby assigns, bargains, grants, conveys, and transfers any and all rights, duties and obligations of Developer, under the Condominium Documents, whether such rights accrued to Developer by express or implied reservation, by operation of law, or by grant from any third party, and Association hereby accepts such conveyance and agrees to perform all of the duties and fulfill all of the obligations of Developer as though the Association had been originally designated as Developer.

ARTICLE X

Controlling Law

The provisions of the Act, and of the other laws of the State of Michigan, shall be applicable to and govern this Master Deed and all activities related hereto.

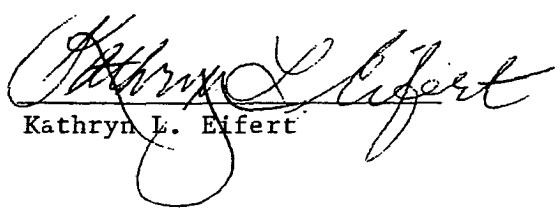
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IN WITNESS WHEREOF, the undersigned have executed this Master Deed as of the day
and year first written above.

IN THE PRESENCE OF:



Charles O. Houston III



Kathryn L. Eifert

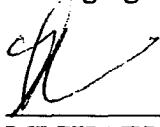
RAYPOINTE PROPERTIES, L.L.C.,
a Michigan limited liability company

By:


RITA L. MARGHERIO

Managing Member

By:

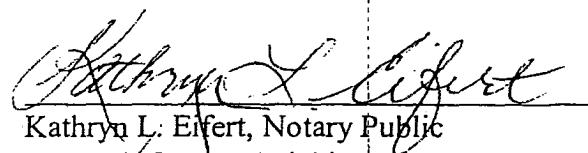

MICHAEL B. MARGHERIO

Managing Member

"Developer"

STATE OF MICHIGAN)
)SS
COUNTY OF OAKLAND)

The foregoing instrument was acknowledged before me on the 23rd day of
September, 2004 by **RITA L. MARGHERIO** and **MICHAEL B. MARGHERIO**,
Managing Members of **RAYPOINTE PROPERTIES, L.L.C.**, a Michigan limited liability
company.


Kathryn L. Elfert, Notary Public
Macomb County, Michigan
Acting in Oakland County, Michigan
My Commission Expires: 09/13/07

Drafted by and when recorded return to:

CHARLES O. HOUSTON III
24900 Harper Avenue
St. Clair Shores, Michigan 48080
(586) 447-0808

NORMANDY PLACE CONDOMINIUMS, INC.

CONDOMINIUM BYLAWS

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EXHIBIT A1

CONDOMINIUM BYLAWS OF
NORMANDY PLACE CONDOMINIUMS

ARTICLE I

The Condominium

Section 1 **Organization.** NORMANDY PLACE CONDOMINIUMS, a condominium located in the City of Royal Oak, Oakland County, Michigan (the "Condominium"), shall be administered by an association of co-owners (the "Association") which shall be organized as a nonprofit corporation under the laws of the State of Michigan. The Association will be responsible for the management, maintenance, operation and administration of the Common Elements, Improvements, easements and, generally, the affairs of the Condominium in accordance with the Master Deed, these Bylaws, the Articles of Incorporation, Bylaws, Rules and Regulations of the Association, and the laws of the State of Michigan.

Section 2 **Compliance.** All present and future members (who shall be "members" of the Association as provided in ARTICLE II, Section 1, below; the terms "member" and "co-owner" are used interchangeably herein), mortgagees, tenants and all other persons who may in any manner use, enter upon or acquire any interest in the Condominium Premises, or any Condominium unit, shall be subject to and comply with the provisions of the Act, the Master Deed, these Condominium Bylaws, and the Articles of Incorporation, Bylaws, Rules and Regulations of the Association including, without limitation, any provision thereof pertaining to the use and operation of the Condominium Premises and the Condominium. The acceptance of a deed of conveyance, the taking of a mortgage, the execution of a lease, the act of occupying a unit or presence in the Condominium shall constitute an acceptance of the provisions of these documents and an agreement to comply

therewith.

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

ARTICLE II

Membership and Voting

Section 1 Membership. Each owner of a Condominium, present or future, shall be a member of the Association during the term of such ownership, and no other person or entity shall be entitled to membership. Neither Association membership nor the share of a member in the Association funds and assets shall be assigned, pledged or transferred in any manner, except as an appurtenance to a Condominium unit, and any attempted assignment, pledge or transfer in violation of this provision shall be wholly void.

Section 2 Voting Rights. Except as may be limited in the Master Deed and in these Bylaws, the members owning each unit shall collectively be entitled to one vote when voting by number and one vote, the value of which shall equal the total percentage of value assigned to the unit in ARTICLE VI B of the Master Deed, when voting by value. Voting, when required or permitted herein or elsewhere in the Condominium Documents, shall be by number.

Section 3 Persons Entitled to Vote. If one person owns a unit, he shall establish his membership in the Association and his right to vote by presenting evidence of such ownership. If more than one person owns a unit, or the unit is leased, all of the record owners of the unit shall sign

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

Section 4 **Method of Voting.** Votes on a specific issue may be cast in person. In addition, any person entitled to vote at any meeting may also vote via telecommunications equipment, as provided by ARTICLE II, Section 6 of the Association Bylaws, or appear and vote (either specifically on an issue or by the general designation of a person to cast a vote) by written proxy. Proxies may be made by any person entitled to vote. They shall be valid only for the particular meeting designated, and any adjournment thereof, and must be filed with the Association before the appointed time of the meeting.

Section 5 **Majority.** At any meeting of the members at which a quorum is present, fifty-one percent (51) in value of the members voting, whether in person, by telecommunications or by proxy, on any particular matter, shall constitute a majority for the approval of such matter, except as otherwise required herein, by the Master Deed or by law.

ARTICLE III

Meetings and Quorum

Section 1 **First Meeting of Members.** The first meeting of the members of the Association may be convened only by the Board of Directors and may be called at any time upon ten (10) day written notice to all members. In no event, however, shall the first meeting be held later than one hundred twenty (120) days after the first conveyance of legal or equitable title to a Condominium unit to a non-Developer co-owner. The Board of Directors may call meetings of members of the Association for informational or other appropriate purposes prior to the first meeting of members, but no such meeting shall be construed as the first meeting of members.

Section 2 **Annual Meetings of Members.** Following the first meeting of members, an annual meeting of the members shall be held each year at a time and place specified by the Association Bylaws. At least ten (10) days prior to the date of an annual meeting, written notice of the time, place and purpose of such meeting shall be sent by first-class mail, postage prepaid, to each person entitled to vote at the meeting.

Section 3 **Special Meetings of Members.** It shall be the duty of the President to call a special meeting of the members upon a petition signed by four (4) of the co-owners and 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 and shall be given at least ten (10) days prior to the date of such meeting. No business shall be transacted at a special meeting except as stated in the notice.

Section 4 **Quorum of Members.** Unless otherwise provided herein, the presence, in person or by proxy, of fifty-one percent (51%) in number and value of the members entitled to vote shall constitute a quorum of members. If a quorum shall not be present at any meeting, the members

present may adjourn the meeting for not more than thirty (30) days.

ARTICLE IV

Administration

Section 1 **Board of Directors**. The business, property and affairs of the Association shall be managed by a Board of Directors consisting of nine (9) co-owners, three (3) who shall serve for a term of three (3) years, three (3) who shall serve a term of two (2) years, and three (3) who shall serve for a term of one (1) year. Until legal or equitable title to all Condominium units (including units which may be added as part of the "expandable condominium" as described in the Master Deed) has been conveyed to a non-Developer co-owner, the Developer shall have the right to appoint to the Board of Directors one (1) member for each Unit the Developer owns.

Section 2 **Powers and Duties**. The Board of Directors shall have all powers and duties necessary for the administration of the affairs of the Condominium and may do all things which are not prohibited by law or the Condominium Documents or required thereby to be done by the members. The powers and duties to be exercised by the Board shall include, but shall not be limited to, the power and duty:

- A. To manage and administer the affairs of and to the Condominium Premises, all appurtenances thereto, and the Common Elements, property and easements thereof;
- B. To levy and collect assessments against and from the members of the Association and to use the proceeds therefrom for the purposes of the Association, and to enforce assessments through liens and foreclosure proceedings against units owned by delinquent members where appropriate;
- C. To carry insurance and to collect and allocate the proceeds thereof;
- D. To restore, repair or rebuild the Condominium, or any portion thereof, after occurrence of casualty, and to negotiate on behalf of all of the members in connection with any taking of the Condominium, or any portion thereof, by eminent domain;

- E. To contract for and employ, and to discharge, persons or business entities to assist in the management, operation, maintenance and administration of the Condominium;
- F. To make reasonable rules and regulations governing the use, enjoyment, subleasing and/or transfer of a Unit of the Condominium by members and their tenants, guests, employees, invitees, and to enforce such rules and regulations by all legal methods, including, without limitation, imposing fines and late payment charges, or instituting appropriate legal proceedings;
- G. To own, maintain and improve, and to buy, sell, convey, assign, transfer, mortgage or lease (as landlord or tenant), or otherwise deal in any real or personal property, including, but not limited to, any Condominium unit, easements, rights-of-way, licenses or any other real property, whether or not contiguous to the Condominium, to benefit the members of the Association and to further any of the purposes of the Association;
- H. 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 Association property; provided, however, that any such action shall first be approved by the affirmative vote of more than fifty-one percent (51%) of the Association members in number and in value at a meeting of the members duly called;
- I. To establish such committees as it deems necessary, convenient or desirable and to appoint persons thereto, to administer 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;
- J. To make rules and regulations or to enter into agreements with institutional lenders, or both, for the purpose of obtaining mortgage financing for members.
- K. To enforce the provisions of the Master Deed and Bylaws of the Condominium and the Articles of Incorporation and these Bylaws, rules and regulations of this Association as may hereafter be adopted, and to sue on behalf of the Condominium or the members and to assert, defend or settle claims on behalf of the members which respect to the Condominium;
- L. To do anything required of or permitted to it as administrator of said Condominium by the Master Deed or Condominium Bylaws or by Act No. 59 of the Public Acts of 1978, as amended by Act No. 538 of the Public Acts of 1982, and Act No. 113 of the Public Acts of 1983.
- M. In general, to enter into any kind of activity; to make and perform any contract and to exercise all powers necessary, incidental or convenient to the administration,

management, maintenance, repair, replacement and operation of the Condominium and to the accomplishment of any of the purposes thereof not forbidden, and with all powers conferred upon nonprofit corporations by the laws of the State of Michigan. Provided, however, that neither the Board nor the Association shall, by act or omission, abandon, partition, subdivide, encumber, sell or transfer the Common Elements, or any of them, unless at least two-thirds (2/3) of the mortgagees (based upon one vote for each mortgage owned) and two-thirds (2/3) of the members in number and value have consented thereto. 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 for these purposes.

Section 3 **Managing Agent.** The Board of Directors may employ, at a compensation established by it, a Managing Agent for the Condominium to perform such duties and services as the Board shall authorize, including, but not limited to, the powers and duties set forth in Section 2 of this Article. Any Director, the Developer, or any related person or entity, may serve as Managing Agent if so appointed. If the Board employs a professional management agent for the Association, the Board shall notify each holder of a mortgage lien on any Condominium unit prior to terminating the employment of such professional management agent (or any successor thereto) and assuming self-management. In no event shall the Board be authorized to enter into a contact with a professional management agent, or a contract providing for services by the Developer or its affiliates, under which the maximum term is greater than three (3) years or which is not terminable by the Association upon the transitional control date or within ninety (90) days thereafter and upon thirty (30) days written notice for cause. Upon the transitional control date, or within ninety (90) days thereafter, the Board of Directors may terminate a service or management contract with the Developer or its affiliates. In addition, the Board of Directors may terminate any management contract which extends beyond one (1) year after the transitional control date by providing notice of termination to the management agent at least thirty (30) days before the expiration of the one (1)

year.

Section 4 **Officers**. The Association Bylaws shall provide for the designation, number, terms of office, qualifications, manner of election, duties, removal and replacement of the officers not inconsistent herewith. Officers may be compensated, but only upon the prior affirmative vote of fifty-one percent (51%) of the members.

Section 5 **Actions Prior to First Meeting**. Subject to the provisions of Section 3 of this ARTICLE IV, all of the actions (including, without limitation, the adoption of these Bylaws, the Association Bylaws, any Rules and Regulations of the Association, and any undertakings or contracts entered into with others on behalf of the Association) of the Board of Directors of the Association named in its Articles of Incorporation, or their appointed successors, before the first meeting of members, shall be binding upon the Association in the same manner as though such actions had been authorized by a Board of Directors duly elected by the Association members at the first or any subsequent meeting of members, so long as such actions are within the scope of the powers and duties which any Board of Directors may exercise, as provided in the Condominium Documents.

Section 6 **Indemnification of Officers and Directors**. The Association shall indemnify every Association director and officer against all expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him as a consequence of his being made a party to or being threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of his being or having been a director or officer of the Association, except in such cases wherein he is adjudged guilty of willful and wanton misconduct or gross negligence in the

performance of his duties or adjudged to have not acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Association and its members, and with respect to any criminal action or proceeding, he is adjudged to have had no reasonable cause to believe that his conduct was unlawful; provided that, if a director or officer claims reimbursement or indemnification hereunder based upon his settlement of a matter, he shall be indemnified only if the Board of Directors (with any director seeking reimbursement abstaining) approves such settlement and reimbursement as being in the best interests of the Association and, if a majority of the members request it, such approval is based on an opinion of independent counsel supporting the propriety of such indemnification and reimbursement. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights such director or officer may have. The Board of Directors shall notify all members that it has approved an indemnification payment at least ten (10) days prior to making such payment.

ARTICLE V

Operation of the Property

Section 1 **Personal Property**. The Association shall be assessed as the person or entity in possession for 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 **Costs and Receipts to be Common**. All costs incurred by the Association to satisfy any liability arising within, or caused by or in connection with the Common Elements or Common Improvements, or caused by or in connection with the administration of the Condominium, shall be expenses of administration, and all sums received as proceeds of, or pursuant to, any

insurance policy carried by the Association securing the interests of the members against liabilities or losses arising within, caused by or connected with, the Common Elements, Common Improvements, or the administration of the Condominium shall be receipts of administration.

Section 3 Books of Account. The Association shall keep or cause to be kept detailed books of account showing all expenditures and receipts affecting the Condominium and its administration of the Condominium and which specify the operating expenses of the Condominium. Such books of account shall specify the maintenance and repair expenses of the Common Elements or Common Improvements and any other expenses incurred on behalf of the Association and members. The members and their mortgagees may inspect the books of account during reasonable working hours on normal working days at a place the Association designates. The books of account shall be audited at least annually by qualified independent auditors, but such audit need not be a certified audit nor must the auditors be certified public accountants. The cost of such audit, and all accounting expenses, shall be an expense of administration. Any institutional holder of a mortgage lien on any Condominium unit who so requests shall be given a copy of the audit report within ninety (90) days following the end of the Association's fiscal year. At least once a year, the Association shall prepare and distribute to each member a statement of its financial condition, the contents of which shall be defined by the Association.

Section 4 Regular Monthly Assessments. The Board of Directors shall establish an annual budget in advance for each fiscal year for the Condominium, and such budget shall contain the Board's estimate of the funds required to defray the expenses of administration for the forthcoming year, as those items are defined by these Bylaws, and all other common expenses. The budget also shall allocate and assess all such common charges against all members in accordance

with the percentage of value allocated to each unit by the Master Deed without increase or decrease for the existence of any rights to the use of limited Common Elements appurtenant thereto, if any, provided, however, that any Unit(s) the ownership of which is retained by the Developer, or their successors and assigns, and which has not yet been improved by the construction of a residence thereon, shall be exempt from any such assessment. The common expenses shall consist, among other things, of such amounts as the Board may deem proper for the operation, management and maintenance of the Condominium property under the powers and duties delegated to it hereunder, and may include, without limitation, amounts to be set aside for working capital of the Condominium, for a general operating fund, for a reserve fund and for meeting any deficit in the common expense budget for any prior year. The budget shall establish an adequate reserve fund for maintenance, repair and replacement of the Common Elements and Common Improvements, which fund shall be financed by regular monthly payments rather than by special assessments. The Board shall advise each member in writing of the amount of common charges payable by him and shall furnish copies of each budget on which such common charges are based to all members, although failure to deliver a copy of the budget to each member shall not affect any member's liability for any existing or future assessments. Should the Board of Directors at any time determine, in its sole discretion, that the assessments levied are or may prove to be insufficient: (a) to pay the operation and management costs of the Condominium, (b) to provide for the maintenance, repair or replacement of existing Common Elements and Common Improvements, (c) to provide additions to the Common Elements or Common Improvements, or (d) to provide for emergencies, the Board may increase the general assessments or levy such additional assessment or assessments, and apportion them, as it deems necessary. Members shall pay all assessments levied in accordance with

this Section 4 in twelve (12) equal monthly installments, commencing with acquisition by a member of title to a unit by any means.

Section 5 Special Assessments. Special assessments, in addition to those provided for in Section 4 above, may be levied by the Board of Directors from time to time, following approval by the members as hereinafter provided, to meet other needs, requirements or desires of the Association, including, but not limited to: (a) assessments for capital improvements or additions to the Common Elements or Common Improvements; (b) assessments for the purchase of a unit pursuant to Section 6 of this Article; (c) assessments to purchase a unit upon foreclosure of a lien for assessments, as described in Section 6 hereof; or (d) assessments for any other appropriate purpose not elsewhere herein described. Special assessments referred to in this Section 5 (but not including those assessments referred to in Section 4 above which shall be levied in the sole discretion of the Board of Directors) shall not be levied without the prior approval of more than fifty-one percent (51%) of all members in number, which approval shall be granted only by a vote of the members taken at a meeting of the members called in accordance with the provisions of ARTICLE III hereof.

Section 6 Collection of Assessments. Each member, whether one or more persons, shall be and shall remain personally obligated for the payment of all assessments levied with regard to his unit during the time that he is the owner thereof, and no member 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 unit. If any member defaults in paying the assessed common charges, interest at the maximum legal rate shall be charged on such assessment from the due date thereof and further penalties or proceedings may be instituted by the Board of

Directors in its discretion. If such assessment, or any part thereof, is not paid on or before the due date established by the Board of Directors for such payment, then such payment shall be in default. The Board of Directors may, but need not, report such a default to any mortgagee of record. Any mortgagee of a Condominium unit may consider a default in the payment of any assessment a default in the payment of its mortgage. Unpaid assessments shall constitute a lien upon the unit prior to all other liens except tax liens and sums unpaid on a first mortgage of record. The Association may enforce collection of delinquent assessments by a suit at law for a money judgment or by foreclosure of the lien that secures payment of assessments. Each member, and every other person, except a first mortgagee, who from time to time has any interest in the Condominium, 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 (in accordance with the provisions of Chapter 32 of the Michigan Revised Judicature Act, as amended). 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 Association is hereby granted what is commonly known as a "**power of sale.**" Each member and every other person, except a first mortgagee, who from time to time has any interest in the Condominium shall be deemed to have authorized and empowered the Association to sell or to cause to be sold at public auction the unit with respect to which the assessment is delinquent and to receive, hold and distribute the proceeds of such sale in accordance with the priorities established by applicable law. Each member acknowledges that when he acquired title to his 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. Notwithstanding the foregoing, neither a judicial foreclosure action nor a suit at law for a money judgment shall be commenced, nor shall any notice of foreclosure by advertisement be published, until ten (10) days have expired after the mailing, by certified mail, return receipt requested and postage prepaid, addressed to the delinquent member at his last known address, of a written notice that an assessment, or any part thereof, levied against his unit is 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. A written affidavit of an authorized representative of the Association that sets forth (a) the affiant's capacity to make the affidavit, (b) the statutory and other authority for the lien, (c) the amount outstanding (exclusive of interest, costs, attorney fees and future assessments), (d) the legal description of the subject unit, and (e) the name of the member of record, shall accompany such written notice. Such affidavit shall be recorded in the Office of the Oakland County Register of Deeds prior to the commencement of any foreclosure proceeding, but it need not have been recorded as of the date of mailing the notice. If the delinquency is not cured within the ten (10) day period, the Association may take such remedial action as may be available to it hereunder or under Michigan law. In the event the Association elects to foreclose the lien by advertisement, the Association shall so notify the representative of the delinquent member designed in ARTICLE II, Section 3, above, and shall inform such representative that he may request a judicial hearing by bringing suit against the Association. The expenses incurred in collecting unpaid assessments, including interest, costs, reasonable 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 member in default and shall be

secured by the lien on his unit. If any member defaults 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. In a judicial foreclosure action, the court may appoint a receiver to collect a reasonable rental for the unit from the member owning it or any persons claiming under him, and each member hereby covenants to the appointment of such a receiver. The Association may also stop furnishing any services to a member in default upon seven (7) days written notice to such member of its intent to do so. A member in default on the payment of any assessment shall not be entitled to vote at any meeting of the Association so long as such default continues.

If the holder of a first mortgage on a Condominium unit obtains title to the unit by foreclosing the mortgage, accepting a deed in lieu of foreclosure or similar remedy, or any other remedy provided in the mortgage, such person, and its successors and assigns, or other purchaser at a foreclosure sale shall not be liable for unpaid assessments chargeable to the unit which became due prior to the acquisition of title to the unit by such person; provided, however, that such unpaid assessments shall be deemed to be common expenses collectible from all of the members, including such person, its successors and assigns, and that all assessments chargeable to the unit subsequent to the acquisition of title shall be the responsibility of such person as hereinbefore provided with respect to all members. When a member is in arrearage to the Association for assessments, the Association may give written notice of arrearage to any person occupying his unit under a lease or rental agreement, and such person, after receiving the notice, shall deduct from rental payments due the member the arrearage and future assessments as they fall due and pay them to the Association. The deductions shall not be a breach of the rental agreement or lease by the occupant. The

Association may purchase a unit at any foreclosure sale hereunder.

Section 7 Obligations of the Developer. The Developer shall be responsible for payment of the full monthly Association maintenance assessment, and all special assessments, for all units owned by it and shall also maintain, at its own expense, all units owned by it.

Section 8 Maintenance and Repair. As provided in the Master Deed, the Association shall maintain and repair the Common Elements, whether located inside or outside the units, and the Common Improvements, to the extent set forth in the Master Deed. The costs thereof shall be charged to all the members as a common expense, unless necessitated by the negligence, misuse or neglect of a member, in which case such expense shall be charged to such member. The Association or its agent shall have access to each unit from time to time during reasonable working hours, upon notice to the occupant thereof, for the purpose of maintenance, repair or replacement of any of the Common Elements or Common Improvements located therein or accessible therefrom. The Association or its agent shall also have access to each unit at all times without notice for making emergency repairs necessary to prevent damage to other units, the Common Elements, the Common Improvements.

Each member shall provide the Association means of access to his unit and any Common Elements or Common Improvements appurtenant thereto during all periods of absence, and if such member fails 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 member for any necessary damage to his unit and any Common Elements or Common Improvements appurtenant thereto caused thereby or for the repair or replacement of any portions of such unit damaged in gaining such access, the costs of which damages shall be borne by such member. Unless otherwise provided

herein or in the Master Deed, damage to a unit or its contents caused by the repair or maintenance activities of the Association, or to the Common Elements or Common Improvements, shall be repaired at the expense of the Association.

All other maintenance and repair obligations shall, as provided in the Master Deed, rest on the individual member. Each member shall maintain his unit and any limited Common Elements appurtenant thereto for which he has maintenance responsibility in a safe, clean and sanitary condition. Each member shall also use due care to avoid damaging any of the Common Elements or Common Improvements including, but not limited to, the telephone, water, plumbing, electrical or other utility conduits and systems and any other elements in any unit which are appurtenant to or which may affect any other unit. Each member shall be responsible for damages or costs to the Association resulting from negligent damage to or misuse of any of the Common Elements or Common Improvements by him, his guest, agents or invitees, unless such damages or costs are actually reimbursed from insurance carried by the Association, in which case there shall be no such responsibility (if reimbursement to the Association is excluded by virtue of a deductible provision, the responsible member shall bear the expense to the extent of the deductible amount, anything else in these Bylaws to the contrary notwithstanding). Any costs or damages to the Association that are herein or elsewhere in the Condominium Documents assigned to the individual member may be assessed to and collected from the responsible member in the manner provided for regular assessments in ARTICLE V, Section 4, hereof.

The provisions of this Section 8 shall be subject to those of ARTICLE VI, Sections 1-6, in the event of repair or replacement on account of a casualty loss.

Section 9 **Taxes.** Subsequent to the year in which the Condominium is established, all

special assessments and property taxes shall be assessed against the individual units and not upon the total property of the Condominium or any part thereof. Taxes and special assessments which have become a lien against the property of the Condominium in the year of its establishment (as provided in Section 131 of the Act) shall be expenses of administration and shall be paid by the Association. Each unit shall be assessed a percentage of the total bill for such taxes and assessments equal to the percentage of value allocated to it in the Master Deed, and the members owning those units shall reimburse the Association for their unit's share of such bill within ten (10) days after they have been tendered a statement therefor.

Section 10 Documents to be Kept. The Association shall keep current copies of the approved Master Deed, all amendments thereto, and all other Condominium Documents available for inspection at reasonable hours by members, prospective purchasers and prospective mortgagees of Condominium units.

Section 11 Reserve for Major Repairs and Replacement. The Board of Directors shall maintain a reserve fund for major repairs and replacement of Common Elements in an amount equal to at least ten percent (10%) of the Association's current annual budget on a non-cumulative basis. Monies in the reserve fund shall be used only for major repairs and replacement of Common Elements. **THE MINIMUM STANDARDS REQUIRED BY THIS SECTION MAY PROVE INADEQUATE FOR A PARTICULAR PROJECT.** The Association of members 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.

Section 12 Statement of Unpaid Assessments. Pursuant to the provisions of the Act, the purchaser of any unit may request a statement from the Association as to the outstanding amount of

any unpaid assessments thereon, whether regular or special. Upon written request to the Association accompanied by a copy of the executed purchase agreement pursuant to which the purchaser holds a right to acquire a unit, the Association shall provide a written statement of such unpaid assessments as may exist or a statement that none exists which statement shall be binding upon the Association for the period stated therein. Upon the payment of that sum within the period stated, the Association's lien for assessments as to such unit shall be deemed satisfied; provided, however, that the failure of a purchaser to request such statement at least five (5) days prior to the closing of the purchase of such unit shall render any unpaid assessments and the lien securing the same fully enforceable against such purchaser and the unit itself.

Section 13 Relocation of Boundaries. The boundaries of adjoining condominium units may be relocated, subject to the approval of an affected mortgagee, upon written application to the Association by and at the expense of the co-owner (s) wishing to relocate their mutual boundaries. Upon such written application, the principal officer of the Association shall forthwith prepare and execute an amendment to the Master Deed duly relocating the boundaries pursuant to the agreement of the co-owners and in accordance with Section 48 of the Michigan Condominium Act, M.C.L.A. 559.101 et. seq. as the same may have been amended.

ARTICLE VI

Insurance, Repair or Replacement; Condemnation; Construction Liens; Termination

Section 1 Extent of Coverage. The Association shall, to the extent appropriate in light of the nature of the General Common Elements and Common Improvements of the Project, carry all risk insurance coverage and liability insurance (in a minimum amount to be determined by the Developer or the Association in its discretion, but in no event less than \$1,000,000 per occurrence),

officers' and directors' liability insurance, and workmen's compensation insurance, if applicable, and any other insurance the Association may deem applicable, desirable or necessary, pertinent to the ownership, use and maintenance of the General Common Elements and Common Improvements and such insurance shall be carried and administered in accordance with the following provisions:

A. Responsibilities of Association. All such insurance shall be purchased by the Association for the benefit of the Association, the Developer 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.

B. Insurance of Common Elements. All General Common Elements and Common Improvements of the Condominium Project shall be insured against fire and other perils covered by a standard extended coverage endorsement, if applicable and appropriate, in an amount equal to the current insurable replacement value, excluding foundation and excavation costs, if any, as determined annually by the Board of Directors of the Association. The Association shall not be responsible for maintaining insurance with respect to individual units or any Limited Common Elements.

C. Premium Expenses. All premiums on insurance purchased by the Association pursuant to these Bylaws shall be expenses of administration.

D. Proceeds of Insurance Policies. 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, whenever repair or reconstruction of the Condominium shall be required, as provided in Sections 6-8 of this Article VI of these Bylaws, the proceeds of any insurance received by the

Association as a result of any loss requiring repair or reconstruction shall be applied for such repair or reconstruction.

Section 2 Authority of Association to Settle Insurance Claims. Each Co-owner, by ownership of a 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 fire and extended coverage, vandalism and malicious mischief, liability insurance and workmen's compensation insurance, if applicable, pertinent to the Condominium Project and the General Common Elements and Common Improvements 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 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 Responsibilities of Co-owners. Each Co-owner shall be responsible for obtaining all risk insurance coverage with respect to a Co-owner's Condominium Unit and for personal property located therein or thereon or elsewhere on the Condominium Project. There is no responsibility on the part of the Association to insure any of such improvements whatsoever. Each Co-owner also shall be obligated to obtain insurance coverage for a Co-owner's personal liability for occurrences within the perimeter of the Owner's Unit (naming the Association and the Developer as additional insureds), and also any other personal insurance coverage that the Co-owner wishes to

carry. Each Co-owner shall deliver certificates of insurance to the Association from time to time to evidence the continued existence of all insurance required to be maintained by the Co-owner hereunder. In the event of the failure of a Co-owner to obtain such insurance or to provide evidence thereof to the Association, the Association may, but is not required to, obtain such insurance on behalf of such Co-owner and the premiums thereof shall constitute a lien against the Co-owner's Unit which may be collected from the Co-owner in the same manner that Association assessments may be collected in accordance with Article V hereof. Each Co-owner shall also be obligated to obtain insurance from an insurer designated by the Association in the event the Association elects to make such designation.

The Association shall under no circumstances have any obligation to obtain any of the insurance coverage described above in this Section 3 or have any liability to any person for failure to do so. The Association may elect, however, through its Board of Directors, to undertake the responsibility for obtaining the insurance described in this Section 3, or any portion thereof, exclusive of insurance covering the contents located within a Co-owner's residence, and the cost of the insurance shall be included as an expense item in the Association's budget. All Co-owners shall be notified of the Board's election to obtain the insurance at least sixty days prior to its effective date which notification shall include a description of the coverage and the name and address of the insurer. Each Co-owner shall also be provided a certificate of insurance as soon as it is available from the insurer. Co-owners may obtain supplementary insurance but in no event shall any such insurance coverage undertaken by a Co-owner permit a Co-owner to withhold payment of the share of the association assessment that relates to the equivalent insurance carried by the Association. The Association also shall not reimburse Co-owners for the cost of premiums resulting from the early

cancellation of an insurance policy. To the extent a Co-owner does or permits anything to be done or kept on Co-owner's Unit and/or the adjoining or appurtenant Common Elements or Common Improvement that will increase the rate of insurance 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 shall be charged to the Co-owner responsible for such activity or condition.

Section 4 **Waiver of Right of Subrogation.** The Association and all Co-owners shall use their best efforts to cause all property and liability insurance carried by the Association or any Co-owner to contain appropriate provisions whereby the insurer waives its right of subrogation as to any claims against any Co-owner or the Association.

Section 5 **Indemnification.** Each Co-owner shall indemnify and hold harmless every other Co-owner, the Developer and the Association for all damages and costs, including attorneys fees, which such 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 such Co-owner's Unit and shall carry insurance to secure this indemnity if so required by the Association (or the Developer during the Sales and Development Period). This Section 5 shall not be construed to give any insurer any subrogation right or other right or claim against any Co-owner, however.

Section 6 **Association Responsibility for Repair.** Subject to Articles V and VI of the Master Deed, the Association shall be responsible for the reconstruction, repair and maintenance of the General Common Elements and Common Improvements. Immediately after the occurrence of a casualty causing damage to a General Common Element, the Association shall obtain reliable and detailed estimates of the cost to place 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 cost 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 cost thereof are insufficient, assessment 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.

Section 7 Timely Reconstruction and Repair. If damage to the General Common Elements or Common Improvements adversely affects the appearance or utility of the Project, the Association shall proceed with replacement of the damaged property without delay.

Section 8 Co-owner's Responsibility for Repair. Each Co-owner shall be responsible for all reconstruction, repair and replacement required within his Unit or the Limited Common Element appurtenant thereto resulting from damage and shall diligently, in good faith and as quickly as is reasonable complete the work necessary to repair the damage incurred.

Section 9 Eminent Domain. The following provisions shall control upon any taking by eminent domain:

A. Taking of Unit or Improvements Thereon. In the event of any taking of all or any portion of a Unit or any improvements thereon by eminent domain, the award for such taking shall be paid to the Co-owner of such Unit and the mortgagee thereof, as their interests may appear, notwithstanding any provision of the Act to the contrary. If a Co-owner's entire Unit is taken by eminent domain, such Co-owner and his mortgagee shall, after acceptance of the condemnation award therefor, be divested of all interest in the Condominium Project.

B. Taking of General Common Elements. If there is any taking of any portion of the General Common Elements, the condemnation proceeds relative to such taking shall be paid to the

Co-owners and their mortgagees in proportion to their respective interests in the Common Elements and the affirmative vote of more than 60 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.

C. Continuation of Condominium After Taking. In the event the Condominium Project continues after a taking of some portion thereof by eminent domain, then the remaining portion of the Condominium Project shall be re-surveyed and the Master Deed amended accordingly, and, if any Unit shall have been taken, then Article VI of the Master Deed shall also be amended to reflect such taking and to proportionately readjust the percentages of value of the remaining Co-owners so that the total percentage of value of all Units continues to be 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. Notification of Mortgagees. In the event any Unit in the Condominium, or any portion thereof, or the Common Elements or any portion thereof, is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, the Association promptly shall so notify each institutional holder of a first mortgage lien on any of the Units in the Condominium.

E. Applicability of the Act. To the extent not inconsistent with the foregoing provisions. Section 133 of the Act shall control upon any taking by eminent domain.

Section 10 Construction Liens. The following provisions shall control the circumstances under which construction liens may be applied against the Condominium or any unit thereof:

A. Except as provided below, a construction lien for work performed on a Condominium

unit or upon a limited common element may attach only to the unit upon or for the benefit of which the work was performed.

B. A construction lien for work authorized by the Developer and performed upon the Common Elements may attach only to units owned by the Developer at the time of recording of the claim of lien.

C. A construction lien for work authorized by the Association may attach to each unit only to the proportional extent that the member owning the unit is required to contribute to the expenses of administration as provided by the Condominium Documents.

D. A construction lien may not arise or attach to a unit for work performed on the Common Elements not contracted for by the Developer or the Association. If a member is advised or otherwise learns of a purported construction lien contrary to the foregoing, he shall immediately notify the Board of Directors. Upon learning of the purported construction lien, the Board shall take appropriate measures to remove any cloud on the title of units improperly affected thereby.

Section 11 Mortgagees. Nothing contained in the Condominium Documents shall be construed to give a Condominium unit owner, or any other party, priority over any rights of mortgagees of Condominium units pursuant to their mortgages in the case of a distribution to Condominium unit owners of insurance proceeds or condemnation awards for losses to or a taking of Condominium units, Common Elements or both.

Section 12 Termination. The Condominium Project may be terminated only by agreement of the Developer and unaffiliated co-owners of units to which 2/3 of the votes in number and value in the Association appertain. Such agreement among the co-owners shall be evidenced by their execution of a termination agreement or a ratification thereof, and the recording thereof.

Upon recordation of the termination agreement the property constituting the Condominium Project shall be owned by the co-owners as tenants-in-common in proportion to their respective undivided interests in the General Common Elements immediately before recordation. As long as such tenancy-in-common lasts, each co-owner or his heirs, successors or assigns, shall have an exclusive right of occupancy of that portion of the property which formerly constituted the condominium unit.

Also upon recordation of the termination agreement, the co-owners shall have rights in the assets of the Association in proportion to their undivided interests in the General Common Elements immediately before recordation.

ARTICLE VII

Use and Occupancy Restrictions; Enforcement

All of the Units in the Condominium shall be held, used and enjoyed subject to the following limitations and restrictions. Any modification, change, alteration or improvement to a unit must be reviewed and approved by the City of Royal Oak and the Developer before it can be made.

Section 1 Residential Use. No Unit in the Condominium shall be used for other than single-family residential purposes and the Common Elements shall be used only for purposes consistent with single-family residential use.

Section 2 Architectural Control. An Architectural Control Process has been established to assure that Normandy Place Condominiums is maintained in the highest quality manner consistent with the design goals for the Condominium Project. No modification, change, alteration or improvement shall be made to any Condominium Unit or elsewhere within the Condominium Project unless such modification, change, alteration or improvement has been approved by the

Developer in accordance with the Architectural Approval Process described in the Rules and Regulations of the Condominium Documents, unless waived in writing. The Developer reserves the right to assign, delegate or otherwise transfer its rights and powers of approval as provided herein including, without limitation, any assignment of such rights and powers to the Association.

Section 3 Preparation of Plans. All plans and specifications for any modification, change, alteration or improvement to a Unit shall be prepared by an architect or engineer, as appropriate, licensed to practice in the State of Michigan. Prior to Final Approval, the owner shall submit proof of professional liability insurance carried by each professional associated with plan preparation in amounts reasonably satisfactory to the Developer.

Section 4 Exterior of Units. No changes to the exterior walls of the Units shall be permitted. Any such changes shall be made by the Association so as to ensure uniformity of appearance of the exterior of the Condominium Project.

Section 5 Air Conditioning Units. No window or wall mounted air conditioners are permitted. All exterior air conditioning equipment shall be located as to minimize noise to adjacent Units.

Section 6 Mailboxes. A mailbox for each Unit is provided adjacent to each Unit. No other mailboxes (including receptacles for newspapers, circulars, etc.) will be permitted without Association approval.

Section 7 Construction Regulations. Construction activities are subject to the provisions described in the Rules and Regulations. Once commenced, all construction activity shall be prosecuted and carried out with all reasonable diligence, and must be completed as soon as practicable after construction commences and in any event within twelve (12) months after such

commencement, except where such completion is impossible or would result in exceptional hardship due to strikes, fires, national emergencies or natural calamities.

Section 8 Standard for the Developer's Approvals; Exculpation from Liability.

In reviewing and passing upon the plans, drawings, specifications, submissions and other matters to be approved or waived by the Developer, the Developer intends to ensure that the Units meet the requirements set forth in the Condominium Documents; however, the Developer reserves the right to waive or modify such restrictions or requirements pursuant to Section 8 of this Article. In addition to ensuring that all Units comply with the requirements and restrictions of the Condominium Documents, the Developer (or the Association, to the extent approval powers are assigned to it by the Developer) shall have the right to base its approval or disapproval of any plans, designs, specifications, submissions or other matters on such factors, including completely aesthetic considerations, as the Developer (or the Association) in its sole discretion may determine appropriate or pertinent. The Developer currently intends to take into account the design goals for the Condominium in passing upon plans, designs, drawings, specifications and other submissions. In no event shall either the Developer (or the agents, officers, employees or consultants thereof), or the Association have any liability whatsoever to anyone for any act or omission contemplated herein including, without limitation, the approval or disapproval of plans, drawings or specifications, whether such alleged liability is based on negligence, tort, express or implied contract, fiduciary duty or otherwise. In no event shall any party have the right to impose liability on, or otherwise contest judicially, the Developer or any other person for any decision of the Developer (or alleged failure of the Developer to make a decision) relative to the approval or disapproval of a proposed modification, change, alteration or improvement as to which the Developer reserves the right to

approve or waive under the Master Deed. The approval of the Developer (or the Association, as the case may be) of a modification, change, alteration or improvement shall not be construed as a representation or warranty that such modification, change, alteration or improvement is properly designed or that it is in conformity with the ordinances or other requirements of the City of Royal Oak or any other governmental authority. Any obligation or duty to ascertain any such non-conformities, or to advise the Owner or any other person of the same (even if known), is hereby disclaimed.

Section 9 Developer's Right to Waive or Amend Restrictions. Notwithstanding anything herein to the contrary, the Developer reserves the right to waive any restriction or requirement, if in the Developer's sole discretion such is appropriate in order to maintain the atmosphere, architectural harmony, appearance and value of the Condominium and the Units therein, or to relieve the Owner of a Unit or a contractor from an undue hardship or expense.

Section 10 Alterations and Modifications of Common Elements. No Co-owner shall make alterations, modifications or changes in any of the Common Elements without the express written approval of the Developer including, without limitation, the erection of antennas, lights, aerials, awnings, flag poles or other exterior attachments or modifications. No Co-owner shall in any way restrict access to any utility line, or any other element that must be accessible to service the Common Elements and Common Improvements or any element which affects an Association responsibility in any way. No lawn ornaments, sculptures or statues shall be placed or permitted to remain on any Unit or surrounding Limited Common Element, except that holiday decorations shall be permitted subject to the Rules and Regulations of the Association as they may from time to time be amended, unless approved in writing by the Developer.

Section 11 Activities. No immoral, improper, unlawful, noxious or offensive activity shall be carried on in any Unit or upon the Common Elements nor shall anything be done which may be or become an annoyance or a nuisance to the Co-owners of the Condominium. No unreasonably noisy activity shall occur in or on the Common Elements or in any Unit at any time and disputes among Co-owners, arising as a result of this provision which cannot be amicably resolved, shall be arbitrated by the Association. No Co-owner shall do or permit anything to be done or keep or permit to be kept in his Unit or on the Common Elements anything that will increase the rate of insurance on the Condominium without the written approval of the Association, 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 if approved. Activities which are deemed offensive and are expressly prohibited include, but are not limited to, the following: any activity involving the use of firearms, air rifles, pellet guns, B-B guns, bows and arrows, or other similar dangerous weapons, projectiles or devices, burning of trash or leaves, installation or operation of noise-making electronic insect killers or operation of flood or other bright lights which are an annoyance to an adjacent resident.

Section 12 Pets. No animals, other than household pets weighing less than fifteen (15) pounds at a maximum of two (2) per species, shall be maintained by any Co-owner. No animal may be kept or bred for any commercial purpose and all animals shall have such care and restraint so as not to be obnoxious or offensive on account of noise, odor or unsanitary conditions. All animals shall be properly licensed. No animal may be permitted to run loose at any time and any animal shall at all times be leashed and attended by some responsible person while on the Common Elements. No savage or dangerous animal shall be kept and any Co-owner who causes any animal 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 animal on the premises, whether or not the Association has given its permission therefor. The Co-owner shall be responsible for collection and disposition of all fecal matter deposited by any pet maintained by such Co-owner. No dog which barks and can be heard on any frequent or continuing basis shall be kept in any Unit or on the Common Elements even if permission was previously granted to maintain the pet on the premises. The Association may charge all Co-owners maintaining animals a reasonable additional assessment to be collected in the manner provided in Article V of these Bylaws in the event that the Association determines such assessment necessary to defray the maintenance cost to the Association of accommodating animals within the Condominium. The Association may, without liability to the Owner thereof, remove or cause to be removed any animal from the Condominium which it determines to be in violation of the restrictions imposed by this Section. The Association shall have the right to require that any pets be registered within and may adopt such additional reasonable rules and regulations with respect to animals as it may deem proper. In the event of any violation of this Section, the Board of Directors of the Association may assess fines for such violation in accordance with these Bylaws and in accordance with duly adopted Rules and Regulations of the Association.

Section 13 Aesthetics. The Common Elements shall not be used for storage of supplies, materials, personal property or trash or refuse of any kind, except as provided in duly adopted Rules and Regulations of the Association. No exterior radio, television aerial, antenna, satellite dish or other reception or transmission device shall be placed, constructed, altered or maintained on any Unit or surrounding Limited Common Element without the prior written consent of the Developer,

which the Developer may withhold in its sole discretion. Trash shall be stored out of sight in standard receptacles specified by the Developer, and placed at the curb for trash pickup no sooner than the evening before the collection day. Trash receptacles shall be removed from the curb and returned to their storage place no later than the evening of collection day. The City of Royal Oak has contracted for the removal of trash collection. If trash containers are stored outside, the storage location must be visually screened and approved by the Developer in writing. No refuse pile or other unsightly or objectionable materials shall be allowed to remain on the Condominium Premises. Refuse, ashes, building materials, garbage or debris of any kind shall be treated in such manner as not to be offensive and visible to any other Co-owners in the Condominium. 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 a Co-owner, either in his Unit or upon the Common Elements, which is detrimental to the peace of the Condominium. Without written approval by the Association, no Co-owner shall change in any way the exterior appearance of a Unit and other improvements and appurtenances located within his Unit. Thus, in connection with any maintenance, repair, replacement, decoration or redecoration of such Unit, no Co-owner shall modify the design, material or color of any such item including, without limitation, windows, doors, screens, roofs, siding or any other component which is visible from a Common Element or other Unit. No unsightly condition shall be maintained upon any porch, deck or patio and only furniture and equipment consistent with ordinary porch, deck or patio furniture shall be permitted to remain there during seasons when porches, decks or patios are reasonably in use, and no furniture or equipment of any kind shall be stored on porches, decks or patios permanently.

Section 14 **Vehicles**. No house trailers, trucks, pick-up trucks, commercial vehicles, boat

trailers, aircraft, boats, camping vehicles, camping trailers, motorcycles, all-terrain vehicles, snowmobiles, passenger vans, snowmobile trailers or vehicles, other than automobiles or vehicles used primarily for general personal transportation purposes, may be parked upon the premises of the Condominium. No inoperable vehicles of any type may be stored under any circumstances. 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. Co-owners shall, if the Association shall require, register with the Association all cars maintained on the Condominium Premises. No motorcycles, snowmobiles or vehicles designed primarily for off-road use shall be used, maintained or operated in the Condominium or on Normandy Drive.

Section 15 Advertising. No signs or other advertising devices of any kind shall be displayed which are visible from the exterior of a Unit or on the Common Elements, including "For Sale" signs, without written permission from the Association and, during the Sales and Development Period, from the Developer except as follows: During the Construction of a dwelling, the Developer may permit one sign to be erected on the Unit so as to identify the Unit number, the name of the builder and the address of the Unit, but only if the Developer provides written authority for the erection of the sign. The Developer may withhold such authority in its sole discretion. The size, location, color and content of any sign permitted by the Developer shall be as specified by the Developer.

Section 16 Right of Access of Association. The Association or its duly authorized agents shall have access to each Unit and any Limited Common Elements appurtenant thereto from time to time, during reasonable working hours, upon notice to the Co-owner thereof, as may be necessary to carry out any responsibilities imposed on the Association by the Condominium Documents. The

Association or its agents shall also have access to Units and Limited Common Elements appurtenant thereto as may be necessary to respond to emergencies. 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 Unit and any Limited Common Elements appurtenant thereto caused thereby. This provision, in and of itself, shall not be construed to permit access to the interiors of residences or other structures.

Section 17 **Snow Removal.** The Association shall contract for the removal of snow from common use roadways and sidewalks located within General Common Element and easement areas.

Section 18 **Rules and Regulations.** It is intended that the Board of Directors of the Association may make Rules and Regulations from time to time to reflect the needs and desires of the majority of the Co-owners in the Condominium. Reasonable regulations consistent with the Act, the Master Deed and these Bylaws concerning the use of the 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) prior to the Transitional Control Date. Copies of all such rules, regulations and amendments thereto shall be furnished to all Co-owners.

Section 19 **Common Element Maintenance.** Sidewalks, yards, landscaped areas and driveways, shall not be obstructed nor shall they be used for purposes other than that for which they are reasonably and obviously intended. No bicycles, vehicles, chairs or other obstructions may be left unattended on or about the Common Elements.

Section 20 **Co-owner Maintenance.** Each Co-owner shall maintain his Unit and any Limited Common Elements appurtenant thereto for which he has maintenance responsibility in a safe, clean and sanitary condition. Each 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 Common Elements in any Unit which are appurtenant to or which may affect any other Unit. 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, 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 limited 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 responsible Co-owner in the manner provided in Article V hereof.

Section 21 Reserved Rights of the Developer.

A. Reserved Approval by the Developer. During the Development and Sales Period, no modification, change, alteration or improvements shall be commenced, erected, maintained, nor shall any addition to, or change or alteration to any Unit be made (including in color or design), except interior alterations which do not affect structural elements of any Unit, until plans and specifications, acceptable to the Developer, showing the nature, kind, shape, height, materials, color scheme, location and approximate cost of such modification, change, alteration or improvement shall have been submitted to and approved in writing by the Developer, its successors or assigns, and a copy of said plans and specifications, as finally approved, deposited permanently with the Developer. The Developer shall have the right to refuse to approve any such plan or specifications, which are not suitable or desirable in its opinion for aesthetic or other reasons; and in passing upon such plans or specifications, it shall have the right to take into consideration the

suitability of the proposed modification, change, alteration or improvement, the site upon which it is proposed to effect the same, and the degree of harmony thereof with the Condominium as a whole. The purpose of this Section is to assure the continued maintenance of the Condominium as a beautiful and harmonious residential development, and shall be binding upon both the Association and upon all Co-owners.

B. The Developer's Rights in Furtherance of Development and Sales. None of the restrictions contained in this Article VII shall apply to the commercial activities or signs or billboards, if any, of the Developer during the Sales and Development Period or of the Association in furtherance of its powers and purposes set forth herein and in its Articles of Incorporation, as the same may be amended from time to time. Notwithstanding anything to the contrary elsewhere herein contained, but subject to prior approval of the City of Royal Oak, the Developer shall have the right to maintain a sales office, model units, advertising display signs, storage areas and reasonable parking incident to the foregoing and such access to, from and over the Project as may be reasonable to enable sale and development of the entire Project by the Developer.

C. Enforcement of Bylaws. The Developer and the Association, as their interests may appear, shall have the responsibility and the obligation to enforce the provisions contained in these Bylaws including the Restrictions set forth in Article VII. 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 having an interest 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 the Developer, or any person to whom 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 Bylaws and charge the cost thereof to the Association as an expense of administration. The Developer shall have the right to enforce these Bylaws throughout the Sales and Development Period and, if the Association fails to act, for five years after the expiration of the Sales and Development Period, which right of enforcement shall include (without limitation) an action to restrain the Association or any Co-owner from any activity prohibited by these Bylaws.

D. Right of First Refusal. Until such time as an occupancy permit has been issued with respect to a Unit, the Developer shall have a right of first refusal to purchase any Unit on the same terms and conditions as the Unit owner is offering to any other prospective purchaser. Prior to selling a Unit, the Unit Owner shall provide the Developer with written notice of the proposed sale, including all terms and conditions thereof. The Developer shall have five (5) days thereafter to notify the Unit Owner in writing as to whether or not it intends to exercise its right of first refusal. If it fails or declines to exercise its right of first refusal, the Unit Owner may proceed to sell the Unit on the same terms and conditions as were stated in the notice. Any change in the terms and conditions of a proposed sale shall require that the Unit Owner give new notice to the Developer of the proposed sale. In any event, any purchaser shall acquire the Unit subject to the Developer's right of first refusal with respect to any future sale. If the Developer indicates its intention to exercise its right of first refusal, the Unit Owner shall promptly provide the Developer with an appropriate title insurance commitment in the amount of the proposed purchase price for the Unit, confirming that the Unit Owner can grant the Developer good and marketable title. Closing shall occur within thirty (30) days of the date the Developer and the Unit Owner receive a satisfactory title commitment.

E. Right to Approve Contractors. The Developer reserves the right to approve or disapprove, in its sole discretion, any or all contractors for modification, change, alteration or improvement to a Unit, for the purpose of regulating construction activities and promoting high quality construction standards. No Owner shall contract with any contractor who has not been pre-approved by the Developer without the express written consent of the Developer and without submitting the appropriate materials in order to allow the Developer to determine the suitability and qualifications of a non-pre-approved contractor, as detailed in the Rules and Regulations.

Section 22 **Leasing and Rental.**

A. Right to Lease. A Co-owner may lease or sell his unit for the same purposes set forth in Section 1 of this Article VII; provided, that, written disclosure of such lease transaction is submitted to the Board of Directors of the Association in the manner specified in subsection (B) below. Co-Owners shall make every effort to ensure that the prospective tenant is of good character, financially responsible and is familiar with and willing to abide by all provisions of the Condominium Documents including the Rules and Regulations. With the exception of a lender in possession of a Unit following a default of a first mortgage, foreclosure or deed or other arrangement in lieu of foreclosure, no Co-owner shall lease less than an entire Unit in the Condominium and no tenant shall be permitted to occupy except under a lease the initial term of which is at least six months unless specifically approved in writing by the Association. The terms of all leases, occupancy agreements and occupancy arrangements shall incorporate, or be deemed to incorporate, all of the provisions of the Condominium Documents. The Developer may lease any number of Units in the Condominium in its sole discretion, free of the restrictions set forth in this

Section 22.

B. Leasing Procedures. The leasing of Units in the Project shall conform to the following provisions:

- (1) A Co-owner, including the Developer, desiring to rent or lease a Unit, shall disclose that fact in writing to the Association at least 10 days before presenting a lease form to a potential lessee and, at the same time, shall supply the Association with a copy of the exact lease form for its review for its compliance with the Condominium Documents. If the Developer desires to rent Units before the Transitional Control Date, he shall notify either the Advisory Committee or each Co-owner in writing.
- (2) Tenants and non-owner occupants shall comply with all of the conditions of the Condominium Documents and all leases and rental agreements shall so state.
- (3) If the Association determines that the tenant or non-owner occupant has failed to comply with the conditions of the Condominium Documents, the Association shall take the following action:
 - (a) The Association shall notify the Co-owner by certified mail advising of the alleged violation by the tenant.
 - (b) The Co-owner shall have 15 days after receipt of such notice to investigate and correct the alleged breach by the tenant or advise the Association that a violation has not occurred.
 - (c) If after 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 eviction against the tenant or non-owner occupant and simultaneously for money damages in the same action against the Co-owner and tenant or non-owner occupant for breach of the conditions of the Condominium Documents. The relief provided for in this subparagraph may be by summary proceedings. The Association may hold both the tenant and the Co-owner liable for any damages to the Common Elements caused by the Co-owner or tenant in connection with the Unit or Condominium Project.
- (4) When a Co-owner is in arrears to the Association for assessments, the

Association may give written notice of the arrearage to a tenant occupying a Co-owner's 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 deductions shall not constitute a breach of the rental agreement or lease by the tenant.

Section 23 **Notification of Sale.** A Co-owner intending to make a sale of his Unit shall notify the Association in writing at least 21 days before the closing date of the sale and shall furnish the name and address of the intended purchaser and such other information as the Association shall reasonably require. The purpose of this Section is to enable the Association to be aware at all times of the identities of all persons owning or occupying a Unit and to facilitate communication with all such persons regarding the rights, obligations and responsibilities under the Condominium Documents. Under no circumstances shall this provision be used for purposes of discrimination against any owner, occupant or prospective owner on the basis of race, color, creed, national origin, sex or other basis prohibited by law.

Section 24 **Relocation of Unit Boundaries.** No Co-owner shall cause his Unit to be subdivided, consolidated with any other Unit, or otherwise modified by the relocation of Unit boundaries without the written approval of the Association or, during the Sales and Development Period, the Developer. All requests for subdivision, consolidation or modification shall be submitted in writing together with all necessary plans, surveys and other pertinent information. Requests for modification of Unit boundaries shall be evaluated on the expected beneficial or adverse impact on the community. Approvals are subject to all applicable governmental regulations and the requirements of Article VIII of the Master Deed.

Section 25 **Enforcement.** Failure to comply with any of the terms of the Act, the Master

Deed, these Condominium Bylaws, the Articles of Incorporation, Bylaws or Rules and Regulations of the Association, shall be grounds for relief, which may include, without limitation, an action to recover sums due for such damages, injunctive relief, and any other remedy that may be appropriate to the nature of the breach. The failure of the Association to enforce any right, provision, covenant or condition which may be granted by the Act, the Master Deed, these Bylaws, the Articles of Incorporation, or the Bylaws or Rules and Regulations of the Association, shall not constitute a waiver of the right of the Association to enforce such right, provision, covenant or condition in the future.

ARTICLE VIII

Mortgages

Section 1 Mortgage of Units. No member owning any unit may mortgage his unit or any interest therein without the approval of the Association except to a bank, pension fund, insurance company, savings and loan association, credit union or other institutional lender. The approval of any other mortgagee may be arbitrarily withheld; provided, however, that nothing herein shall be construed to prevent the Developer from accepting a purchase money mortgage as a part of the purchase price of a unit nor prevent a member from accepting a purchase money mortgage from a subsequent approved purchaser.

Section 2 Notice of Mortgage. A member who mortgages a unit shall notify the Association of the name and address of his mortgagee and shall file a conformed copy of the note and mortgage with the Association, which shall maintain such information in a book entitled "Mortgages of Units."

Section 3 Notice of Default. The Association shall give to the holder of any mortgage

covering any unit in the project written notification of any default in the performance of the obligations of the member owning such unit that is not cured within sixty (60) days.

Section 4 **Notice of Insurance.** The Association shall notify each mortgagee appearing in said book of the name of each company insuring the Condominium against fire, perils covered by extended coverage, and vandalism and malicious mischief, and the amounts of such coverage.

Section 5 **Notice of Meetings.** Upon request submitted to the Association, any institutional holder of a mortgage lien on any unit in the Condominium shall be entitled to receive written notification of every meeting of the members of the Association and to designate a representative to attend such meeting.

Section 6 **Acquisition of Title by Mortgagee.** As provided in ARTICLE V, Section 6, any first mortgagee who obtains title to a unit pursuant to the remedies provided in the mortgage, or a deed in lieu thereof, shall not be liable for such unit's unpaid assessments which accrue prior to acquisition of title by the first mortgagee.

ARTICLE IX

Amendments

Section 1 **Proposal.** Amendments to these Bylaws may be proposed by the Board of Directors of the Association acting upon the vote of a majority of the Directors or by one-third (1/3) or more in number and value of the members by an instrument in writing signed by them.

Section 2 **Meeting to be Held.** If such an amendment is proposed, a meeting for consideration of the same shall be duly called in accordance with the provisions of the Condominium Documents.

Section 3 **Vote Required.** These Condominium Bylaws may be amended by an

affirmative vote of two-thirds 2/3 of all members in number and two-thirds (2/3) of all mortgagees at any regular meeting, or at a special meeting called for such purpose. For purposes of such voting, each mortgagee shall have one (1) vote for each mortgage held.

Section 4 **Amendments Not Materially Changing Condominium Bylaws.** The Board of Directors may enact amendments to these Condominium Bylaws without the approval of any member or mortgagee, provided that such amendments shall not materially alter or change the rights of a member or mortgagee or composition of the Board of Directors.

Section 5 **Amendments Concerning Leases.** Provisions in these Bylaws relating to the ability or terms under which a member may rent his unit may not be modified and amended without the consent of each affected member and mortgagee.

Section 6 **Effective Date.** Any amendment to these Bylaws (but not the Association Bylaws) shall become effective upon the recording of such amendment in the Office of the Register of Deeds in the county where the Condominium is located. Without the prior written approval of all holders of mortgage liens on any unit in the Condominium, no amendment to these Bylaws shall become effective which involves any change, direct or indirect, in ARTICLE I, Section 2; ARTICLE IV, Sections 2 and 3; ARTICLE V, Sections 3, 4, and 6; ARTICLE VI; ARTICLE VIII; and ARTICLE IX, Sections 3 and 6; or to any other provision hereof that alters or changes materially the rights of any member or mortgagee.

Section 7 **Notice; Copies of Amendment.** Members and mortgagees of record of Condominium units shall be notified of proposed amendments not less than ten (10) days before the amendment is recorded. A copy of each amendment to these Condominium Bylaws shall be furnished to every member after recording; provided, however, that any amendment to these Bylaws

that is adopted in accordance with this Article or the Act shall be binding upon all persons who have an interest in the project irrespective of whether such persons actually receive a copy of the amendment.

ARTICLE X

Definitions

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

ARTICLE XI

Remedies for Default

Section 1 **Relief Available.** Any default by a member shall entitle the Association or another member or members to the following relief:

A. Failure to comply with any of the terms or conditions of the Condominium Documents shall be grounds for relief, which may include, without limitation, an action to recover sums due for damages, for injunctive relief, for foreclosure of lien (if in default in payment of an assessment) or any combination thereof, and such relief may be sought by the Association, or, if appropriate, by an aggrieved member or members.

B. In any proceeding arising because of an alleged default by any member, the Association, if successful, shall be entitled to recover the costs of the proceeding and such reasonable attorneys' fees, (not limited to statutory fees) as may be determined by the Court, but in no event shall any member be entitled to recover such attorneys' fees.

C. Such other reasonable remedies as provided in the rules and regulations promulgated by the Board of Directors, including without limitation, the levying of fines against members after

notice and opportunity for hearing, as provided in the Association rules and regulations, and the imposition of late charges for nonpayment of assessments.

D. The violation of any of the provisions of the Condominium Documents shall also give the Association or its duly authorized agents the right, in addition to the rights set forth above, to enter, where reasonably necessary, upon the limited or general Common Elements, or into any unit, and summarily remove and abate, at the expense of the violating member, any structure, thing or condition existing or maintained contrary to the provisions of the Condominium Documents.

Section 2 **Failure to Enforce.** The failure of the Association or of any member 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 member to enforce such right, provision, covenant or condition in the future.

Section 3 **Rights Cumulative.** All rights, remedies and privileges granted to the Association or any member or members pursuant to any terms, provisions, covenants or conditions of the 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 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.

Section 4 **Hearing.** Prior to the imposition of any fine or other penalty hereunder, the offending member shall be given a reasonable opportunity to appear before the Board and be heard. Following any such hearing the Board shall prepare a written decision and place it in the permanent records of the Association.

ARTICLE XII

Arbitration

Section 1

Submission to Arbitration. Any dispute, claim or grievance arising out of or relating to the interpretation or application of the Master Deed, Bylaws or Management Agreement, if any, or to any disputes, claims or grievances arising among or between the members or between such members and the Association shall, upon the election and written consent of all the parties to any such dispute, claim or grievance, and written notice to the Association, be submitted to arbitration, and the parties thereto shall accept the arbiter's decision as final and binding. The Commercial Arbitration Rules of the American Arbitration Association, as amended and in effect from time to time hereafter, shall be applicable to such arbitration. The arbiter may be either an attorney acceptable to both parties or a panel of three (3) individuals, at least one (1) of whom shall be an attorney. The panel shall be composed of one (1) individual appointed by the member and (1) individual appointed by the Board of Directors of the Association. These two panelists will then promptly agree on the third member of the panel. No member who is a natural person may appoint himself or a member of his household to the panel. No corporate member may appoint one of its directors, officers or employees to the panel. Neither may a member serve on behalf of the Board. The arbitration costs shall be borne by the losing party to the arbitration. The arbiter may require a reasonable deposit to ensure payment of costs. Such deposit shall be placed in escrow in the name of the arbiter as trustee in the name of the matter at issue.

Section 2

Effect of Election. Election by members 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. Any appeal from an arbitration award shall be deemed a statutory

appeal.

Section 3 **Preservation of Rights.** No member shall be precluded from petitioning the Courts to resolve any dispute, claim or grievance in the absence of election to arbitrate.

ARTICLE XIII

Severability

If any of the terms, provisions, or covenants of these Bylaws or the Condominium Documents are held to be partially or wholly invalid or unenforceable for any reason whatsoever, 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.

ARTICLE XIV

Conflicting Provisions

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

- (1) The Master Deed, including the Condominium Subdivision Plan;
- (2) These Condominium Bylaws;
- (3) The Articles of Incorporation of the Association;
- (4) The Bylaws of the Association; and
- (5) The Rules and Regulations of the Association.

ARTICLE XV

ASSESSMENT OF FINES

Section 1 **General.** The violation by any Co-owner, occupant or guest of any provisions of the Condominium Documents, including any duly adopted Rules and Regulations, shall be grounds for assessment by the Association, acting through its duly constituted Board of Directors, of monetary fines against the involved Co-owner. Such Co-owner shall be deemed responsible for such violations whether they occur as a result of his personal actions or the actions of his family, guests, tenants or any other person admitted through such Co-owner to the Condominium Premises.

Section 2 **Procedures.** Upon any such violation being alleged by the Board, the following procedures will be followed:

 A. **Notice.** Notice of the violation, including the Condominium Document provision violated, together with a description of the factual nature of the alleged offense set forth with such reasonable specificity as will place the Co-owner on notice as to the violation, shall be sent by first class mail, postage prepaid, or personally delivered to the representative of said Co-owner at the address as shown in the notice required to be filed with the Association pursuant to Article II, Section 3 of the Bylaws.

 B. **Opportunity to Defend.** The offending Co-owner shall have an opportunity to appear before the Board and offer evidence in defense of the alleged violation. The appearance before the Board shall be at its next scheduled meeting but in no event shall the Co-owner be required to appear less than 10 days from the date of the Notice.

 C. **Default.** Failure to respond to the Notice of Violation constitutes a default.

 D. **Hearing and Decision.** Upon appearance by the Co-owner before the Board and

presentation of evidence of defense, or, in the event of the Co-owner's default, the Board shall, by majority vote of a quorum of the Board, decide whether a violation has occurred. The Board's decision is final.

Section 3 **Amounts.** Upon violation of any of the provisions of the Condominium Documents and after default of the offending Co-owner or upon the decision of the Board as recited above, the following fines shall be levied:

- A. **First Violation.** No fine shall be levied.
- B. **Second Violation.** Twenty-Five (\$25.00) fine.
- C. **Third Violation.** Fifty Dollars (\$50.00) fine.
- D. **Fourth Violation and Subsequent Violations.** One Hundred Dollars (\$100.00) fine.

Section 4 **Collection.** The fines levied pursuant to Section 3 above shall be assessed against the Co-owner and shall be due and payable on the first of the next following month. Failure to pay the fine will subject the Co-owner to all liabilities set forth in the Condominium Documents including, without limitation, those described in Article V and Article XI of the Bylaws.

OAKLAND COUNTY CONDOMINIUM SUBDIVISION
PLAN NUMBER
EXHIBIT B TO THE MASTER DEED OF

*Normandy Place
Condominiums*

CITY OF ROYAL OAK, OAKLAND COUNTY, MICHIGAN

LEGAL DESCRIPTION

LOTS 113 THROUGH 124, INCLUSIVE, OF THE MEYERING LAND COMPANY'S WOODWARD HILLS SUBDIVISION, ACCORDING TO THE PLAT THEREOF, AS RECORDED IN LIBER 35, PAGE 4 OF PLATS, OAKLAND COUNTY RECORDS.

BEING MORE PARTICULARLY DESCRIBED AS LYING IN THE N.E. 1/4 OF SECTION 6, T.1N., R.11E., CITY OF ROYAL OAK, OAKLAND COUNTY, MICHIGAN. BEGINNING AT THE NORTHWEST RIGHT-OF-WAY INTERSECTION OF NORMANDY ROAD (86 FEET WIDE) AND ELMWOOD AVENUE (60 FEET WIDE); THENCE ALONG THE NORTH RIGHT-OF-WAY LINE OF SAID NORMANDY ROAD N.89°54'30"W., 250.37 FEET (RECORDED AS: 250.00 FEET) TO THE SOUTHWEST RIGHT-OF-WAY INTERSECTION OF SAID NORMANDY ROAD AND COOPER AVENUE (60 FEET WIDE); THENCE ALONG THE EASTERLY RIGHT-OF-WAY OF SAID COOPER AVENUE N.01°20'04"W., 100.00 FEET (RECORDED AS: N.01°12'30"E.) TO THE SOUTHEAST RIGHT-OF-WAY INTERSECTION OF SAID COOPER AVENUE AND A PUBLIC ALLEY (20 FEET WIDE); THENCE ALONG THE SOUTH LINE OF SAID PUBLIC ALLEY S.89°54'25"E., 250.12 FEET (RECORDED AS: S.89°54'30"E., 250.00 FEET) TO THE SOUTHWESTERLY INTERSECTION OF SAID PUBLIC ALLEY AND ELMWOOD AVENUE; THENCE ALONG THE WEST LINE OF SAID ELMWOOD AVENUE S.01°28'47"E., 100.00 FEET (RECORDED AS: S.01°12'30"W.) TO THE POINT OF BEGINNING.

CONTAINING 25,015 SQUARE FEET OR 0.57 ACRES.

ATTENTION: COUNTY REGISTER OF DEEDS

THE CONDOMINIUM SUBDIVISION PLAN NUMBER MUST BE ASSIGNED IN CONSECUTIVE SEQUENCE. WHEN A NUMBER HAS BEEN ASSIGNED TO THIS PROJECT, IT MUST BE PROPERLY SHOWN IN THE TITLE, SHEET 1 AND THE SURVEYOR'S CERTIFICATE, SHEET 2.

DEVELOPER

RAYPOINT PROPERTIES, L.L.C.
A MICHIGAN LIMITED LIABILITY COMPANY
4633 TWIN FAWN LANE
ORCHARD LAKE, MICHIGAN 48324

SURVEYOR

NOWAK AND FRAUS, P.L.L.C.
1310 N. STEPHENSON HWY.
ROYAL OAK, MICHIGAN 48067
PHONE: (248) 399-0886
FAX: (248) 399-0805

INDEX

- 1 TITLE SHEET
- 2 SURVEY-UTILITY PLAN
- 3 SITE PLAN
- 4 BUILDING "A" FIRST AND SECOND FLOOR PLAN
- 5 BUILDING "B" FIRST FLOOR PLAN
- 6 BUILDING "B" SECOND FLOOR PLAN
- 7 BUILDING "A" CROSS SECTION A-A
- 8 BUILDING "B" CROSS SECTION B-B AND C-C



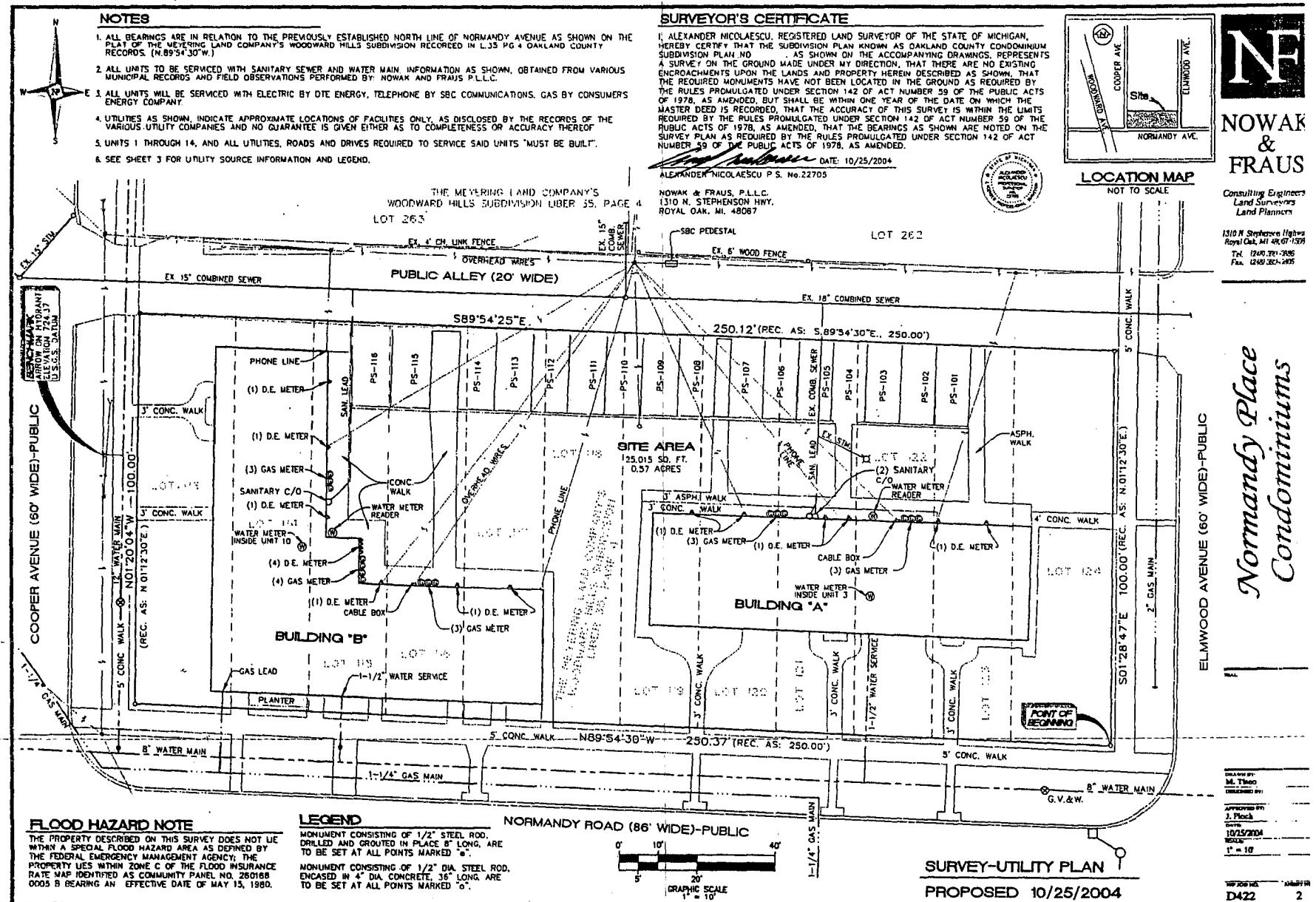
ISSUED 10/25/2004

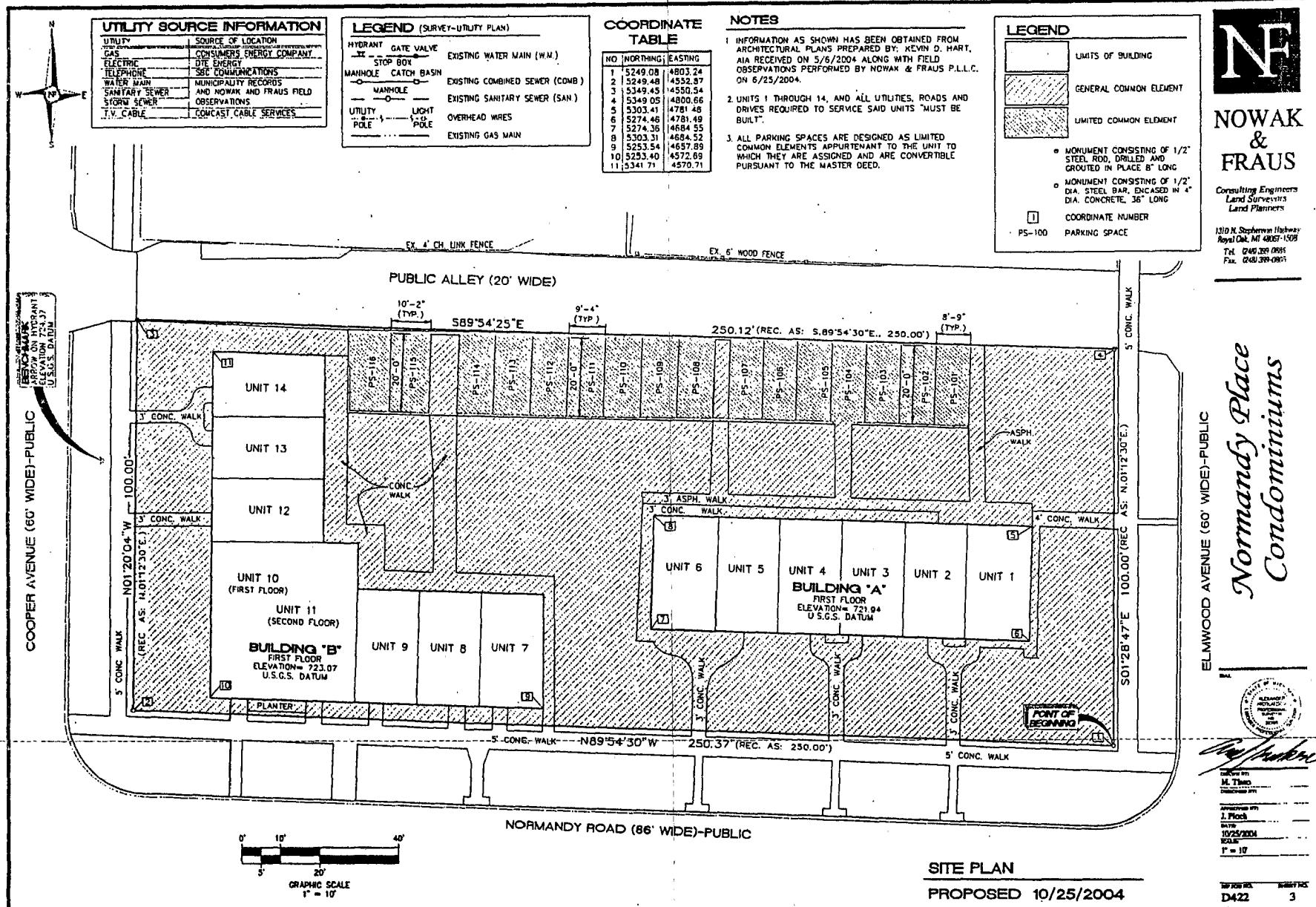
JOB No. D422

SHEET No. 1

TITLE SHEET

PROPOSED 10/25/2004





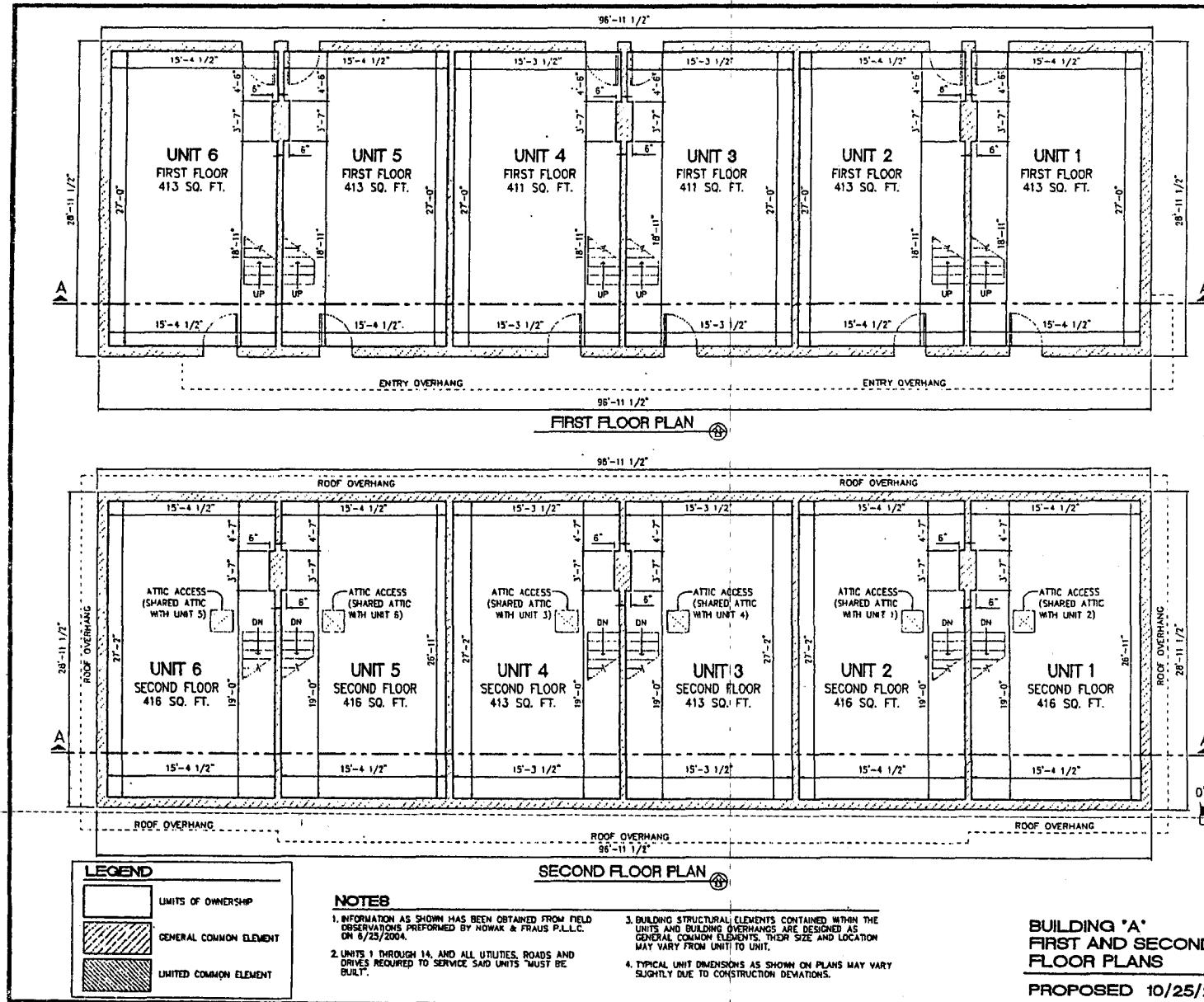


NOWAK
&
FRAUS

Consulting Engineers
Land Surveyors
Land Planners

1310 N. Stephenson Highway
Royal Oak, MI 48067-1508
Tel. (248) 399-0896
Fax. (248) 399-1505

Normandy Place Condominiums



SECOND FLOOR PLAN

LEGEND

The diagram consists of three rectangular boxes arranged vertically. The top box is white and labeled 'LIMITS OF OWNERSHIP'. The middle box is light blue with diagonal hatching and labeled 'GENERAL COMMON ELEMENT'. The bottom box is dark blue with diagonal hatching and labeled 'UNITED COMMON ELEMENT'.

NOTE

1. INFORMATION AS SHOWN HAS BEEN OBTAINED FROM FIELD OBSERVATIONS PERFORMED BY NOWAK & FRAUS P.L.L.C. ON 6/25/2004.
2. UNITS 1 THROUGH 14, AND ALL UTILITIES, ROADS AND DRIVES REQUERED TO SERVICE SAID UNITS "MUST BE BUILT".
3. BUILDING STRUCTURAL ELEMENTS CONTAINED WITHIN THE UNITS AND BUILDING OVERHANGS ARE DESIGNED AS GENERAL COMMON ELEMENTS, THEIR SIZE AND LOCATION MAY VARY FROM UNIT TO UNIT.
4. TYPICAL UNIT DIMENSIONS AS SHOWN ON PLANS MAY VARY SLIGHTLY DUE TO CONSTRUCTION DEVIATIONS.

**BUILDING 'A'
FIRST AND SECOND
FLOOR PLANS**

PROPOSED 10/25/2004

A circular stamp with a double-line border. The outer ring contains the text "ROYAL CANADIAN MOUNTED POLICE" in capital letters. The inner circle contains the text "POLICE DE MONTREAL" in capital letters.

SEARCHED
INDEXED
SERIALIZED
FILED
APPROVED BY
J. Fleck
DATE
10/25/2004
SCHOOL

173582-4

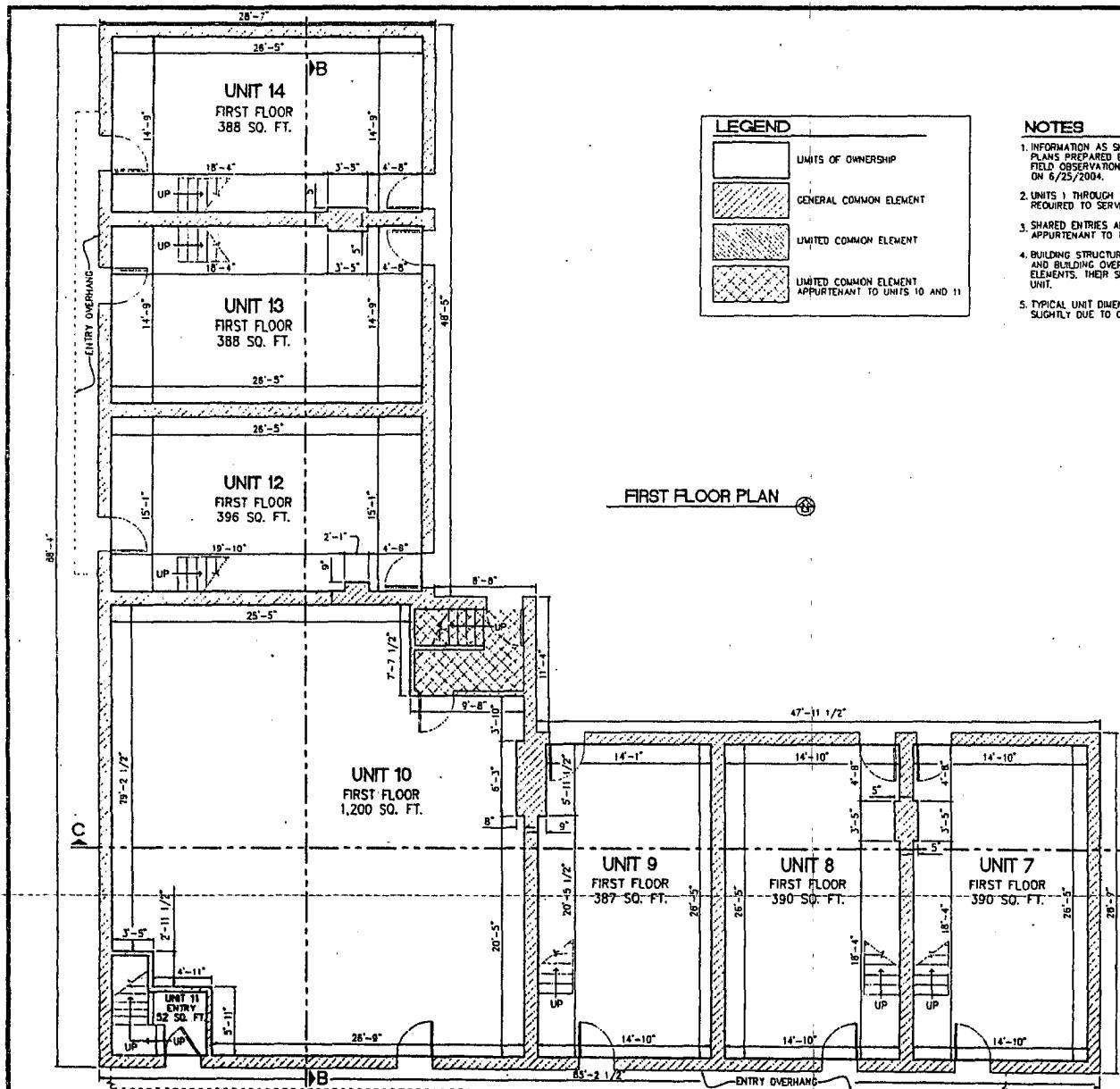
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NOWAK
&
FRAUS

Consulting Engineers
Land Surveyors
Land Planners

1810 K St., Ste. 1000, Washington, D.C. 20006
Royal Oak, MI 48067-3749
T: 202.289.1000 F: 202.289.1042

Normandy Place
Condominiums



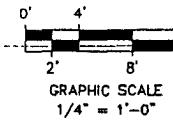
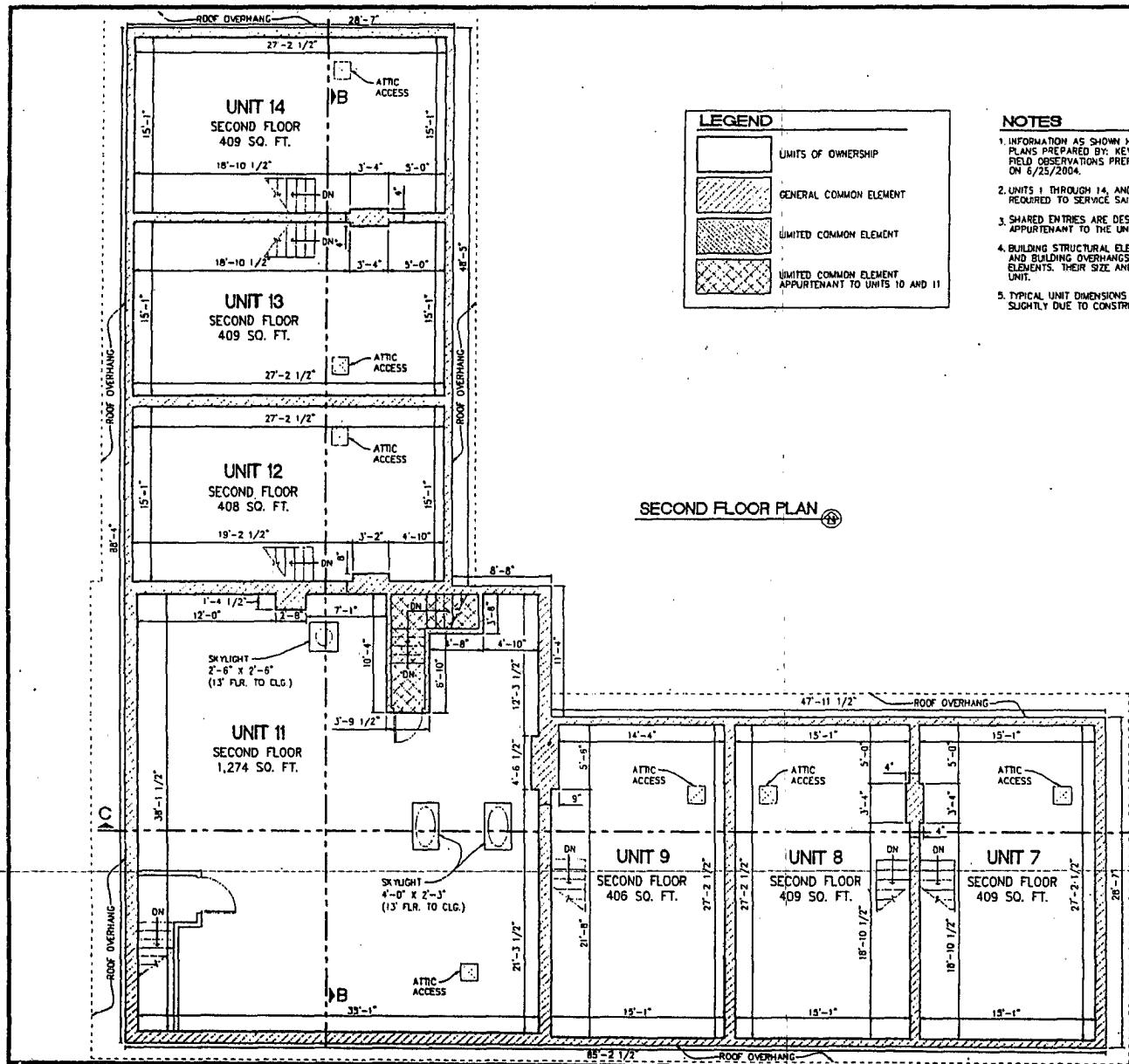
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NOWAK
&
FRAUS

Consulting Engineers
Land Surveyors
Land Planners

1310 N. Stephen Ave
Royal Oak, MI 48067-1549
Tel: (248) 399-0496
Fax: (248) 399-0497

Normandy Place
Condominiums



BUILDING 'B'
SECOND FLOOR PLAN
PROPOSED 10/25/2004

Architect: M. Timo
Surveyor: J. Poch
Date: 10/25/2004
Scale: 1/4" = 1'-0"
D422 6

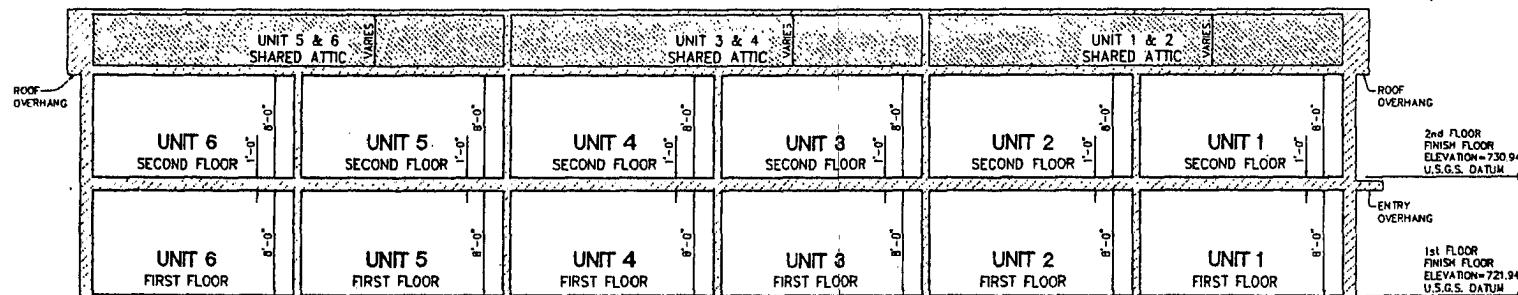
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NOWAK
&
FRAUS

Consulting Engineers
Land Surveyors
Land Planners

1310 K. Stephen's Highway
Royal Oak, MI 48237-1204
Tel: (248) 599-0966
Fax: (248) 599-1942

Normandy Place
Condominiums



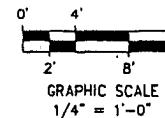
CROSS SECTION A-A

LEGEND

	LIMITS OF OWNERSHIP
	GENERAL COMMON ELEMENT
	LIMITED COMMON ELEMENT APPURTENANT TO THE UNITS WHICH IT SERVICES

NOTES

1. INFORMATION AS SHOWN HAS BEEN OBTAINED FROM FIELD OBSERVATIONS PERFORMED BY NOWAK & FRAUS PLLC ON 6/25/2004.
2. UNITS 1 THROUGH 14, AND ALL UTILITIES, ROADS AND DRIVES REQUIRED TO SERVICE SAID UNITS "MUST BE BUILT".
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4. TYPICAL UNIT DIMENSIONS AS SHOWN ON PLANS MAY VARY SLIGHTLY DUE TO CONSTRUCTION DEVIATIONS.



GRAPHIC SCALE
1/4" = 1'-0"

BUILDING 'A'
CROSS SECTION A-A

PROPOSED 10/25/2004



APPROVED BY
M. Tisch
RECORDED BY

APPROVED BY
J. Pisch
DATE
10/25/2004
SCALE
1/4" = 1'-0"

MAP NUMBER
D422

N

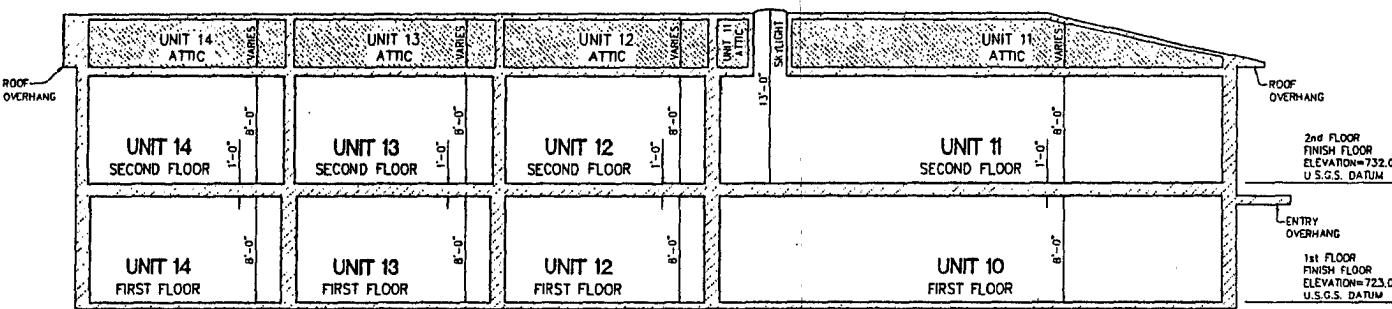
NOWAK
&
FRAUS

Consulting Engineers
Land Surveyors
Land Planners

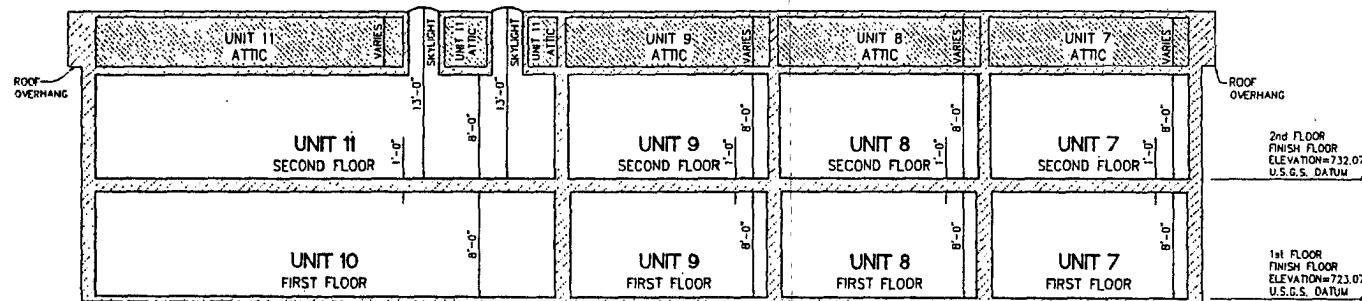
1310 N. Stephen Highway
Royal Oak, MI 48071-1506
Tel: (248) 399-1426
Fax: (248) 399-1447

Normandy Place
Condominiums

CROSS SECTION B-B



CROSS SECTION C-C

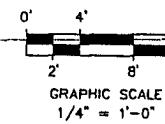


LEGEND

	LIMITS OF OWNERSHIP
	GENERAL COMMON ELEMENT
	LIMITED COMMON ELEMENT APPURTENANT TO THE UNITS WHICH IT SERVICES

NOTES

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GRAPHIC SCALE
1/4" = 1'-0"

BUILDING "B"
CROSS SECTION B-B AND C-C

PROPOSED 10/25/2004



DRAWN BY:
M. Timo
CHECKED BY:
J. P. Pach
DATE:
10/25/2004
SCALE:
1/4" = 1'-0"

APPROVED BY:
J. Pach
DATE:
10/25/2004
SCALE:
1/4" = 1'-0"

RECORDED BY:
D422
8

Michigan Department of Consumer and Industry Services

Filing Endorsement

This is to Certify that the ARTICLES OF INCORPORATION - NONPROFIT

for

NORMANDY PLACE CONDOMINIUMS, INC.

ID NUMBER: 788357

received by facsimile transmission on April 26, 2004 is hereby endorsed filed on April 27, 2004 by the Administrator. The document is effective on the date filed, unless a subsequent effective date within 90 days after received date is stated in the document.

In testimony whereof, I have hereunto set my hand and affixed the Seal of the Department, in the City of Lansing, this 27th day of April, 2004.



Andrew S. Metzger
, Director

Bureau of Commercial Services

BCS/CD-602 (Rev. 12/03)

MICHIGAN DEPARTMENT OF LABOR & ECONOMIC GROWTH
BUREAU OF COMMERCIAL SERVICES

Date Received

(FOR BUREAU USE ONLY)

This document is effective on the date filed, unless a subsequent effective date within 90 days after received date is stated in the document.

Name

Charles O. Houston III

Address

24900 Harper Avenue

City

St. Clair Shores

State

MI

Zip Code

48080

EFFECTIVE DATE:

Document will be returned to the name and address you enter above.
 If left blank document will be mailed to the registered office.

ARTICLES OF INCORPORATION

For use by Domestic Nonprofit Corporations

(Please read information and instructions on the last page)

Pursuant to the provisions of Act 162, Public Acts of 1982, the undersigned corporation executes the following Articles:

ARTICLE I

The name of the corporation is:

Normandy Place Condominiums, Inc.

ARTICLE II

The purpose or purposes for which the corporation is organized are: to manage and administer the affairs of and to maintain the condominium, all appurtenances thereto, and the common elements, common improvements, property and easements thereof (the "Condominium"); and to do anything required of or permitted to it as administrator of said Condominium by the Condominium Master Deed or Bylaws or by Act No. 59 of the Public Acts of 1978,

(continued)

ARTICLE III

Nonstock

1. The corporation is organized upon a _____ basis.
 (Stock or Nonstock)

2. If organized on a stock basis, the total number of shares which the corporation has authority to issue is

_____. If the shares are, or are to be, divided into classes, the designation of each class, the number of shares in each class, and the relative rights, preferences and limitations of the shares of each class are as follows:

ARTICLE III (cont.)

3. a. If organized on a nonstock basis, the description and value of its real property assets are: (if none, insert "none")
None

b. The description and value of its personal property assets are: (if none, insert "none")
None

c. The corporation is to be financed under the following general plan:
Assessment of members

d. The corporation is organized on a Membership basis.
(Membership or Directorship)

ARTICLE IV

1. The address of the registered office is:

3800 Normandy

(Street Address)

Royal Oak

(City)

, Michigan

48073

(ZIP Code)

2. The mailing address of the registered office, if different than above:

(Street Address or P.O. Box)

(City)

, Michigan

(ZIP Code)

3. The name of the resident agent at the registered office is:

Michael B. Margherio

ARTICLE V

The name(s) and address(es) of the incorporator(s) is (are) as follows:

Name

Residence or Business Address

Charles O. Houston III

24900 Harper Ave., St. Clair Shores, MI 48080

Use space below for additional Articles or for continuation of previous Articles. Please identify any Article being continued or added. Attach additional pages if needed.

continuation of Article II:

as amended by Act No. 538 of the Public Acts of 1982 and No. 113 of Public Acts of 1983; and in general, to enter into any kind of activity; to make and perform any contract and to exercise all powers necessary, incidental or convenient to the administration, management, maintenance, repair, replacement and operation of the Condominium and to the accomplishment of any of the purposes thereof not forbidden and with all powers conferred upon non-profit corporations by the laws of the State of Michigan.

ARTICLE VI

The names and address of the directors who shall constitute the first Board of Directors of the corporation are as follows:

Rita L. Margherio
Michael B. Margherio

4633 Twin Fawn Lane, Orchard Lake, MI 48324
1235 Chesterfield, Birmingham, MI 48009

ARTICLE VII

The term of the corporation shall be perpetual.

ARTICLE VIII

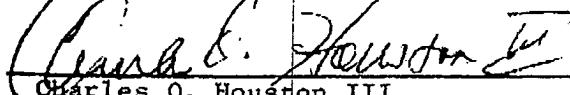
The qualification of members, the manner of their admission to membership in the corporation, the termination of membership and voting by members shall be as follows:

(a) Each co-owner (including the Developer) of a Condominium unit shall be a member of the corporation, and no other person or entity shall be entitled to membership.

(b) Membership in the corporation (except with respect to any non-co-owner incorporators, who shall cease to be members upon the qualification for membership of any co-owner) shall be established by the acquisition of legal or equitable title to a Condominium unit and by recording with the Register of Deeds in the county where the Condominium is located a deed or other instrument evidencing such title and the furnishing of evidence of same satisfactory to the corporation (except that the Developer of the Condominium

(see attached Rider for additional Articles)

I, (We), the incorporator(s) sign my (our) name(s) this 26th day of April, 2004


Charles O. Houston III

RIDER

Continuation of ARTICLE VIII, subparagraph (b):

shall become a member immediately upon establishing the Condominium), the new co-owner thereby becoming a member of the corporation, and the membership of the prior co-owner of such unit thereby being terminated.

(c) Neither membership nor the share of a member in the funds and assets of the corporation can be assigned, pledged or transferred in any manner, except as an appurtenance to a Condominium unit.

(d) Voting by members shall be in accordance with the provisions of the Bylaws of this corporation.

ARTICLE IX

No contract or other transaction between this corporation and any other corporation, firm, or association shall be voidable by the fact that any one or more of the directors or officers of this corporation are interested in or are directors or officers of such other corporation, firm, or association, and any director or officer individually may be a party to or may be interested in any contract or transaction of the corporation; provided, that the contract or other transaction is fair and reasonable to the corporation when it is authorized, approved or ratified, and that the material facts as to such relationship or interest are disclosed or known to the board or committee at the time it authorized, approved, or ratified the contract or transaction by a vote sufficient for the purpose without counting the person who may become a director or officer of the corporation who is hereby relieved from any liability which might otherwise exist from contracting with the corporation for the benefit of himself or any firm, association or corporation in which he may be otherwise interested as set forth herein.

ARTICLE X

When a compromise or arrangement or a plan of reorganization of this corporation is proposed between this corporation and its creditors or any class of them or between this corporation and its members, or any class of them, a court of equity jurisdiction within the state, on application of this corporation or of a creditor, or member of the corporation, or an application of a receiver appointed for the corporation, may order a meeting of the creditors or class of creditors or of the members or class of members to be affected by the proposed compromise or arrangement or reorganization, to be summoned in such manner as the court directs. If a majority in number representing seventy-five percent (75%) in value of the creditors or class of creditors, or of the members or class of members to be affected by the proposed

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compromise or arrangement or a reorganization, agree to a compromise or arrangement or a reorganization of this corporation as a consequence of the compromise or arrangement, the compromise or arrangement and the organization, if sanctioned by the court to which the application has been made, shall be binding on all the creditors or class of creditors, or on all of the members or class of members and also on this corporation.

ARTICLE XI

Any action required or permitted to be taken at an annual or special meeting or 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 thereon 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 XII

These Articles of Incorporation may be amended, altered, changed or repealed only by the affirmative vote of not less than seventy-five percent (75%) of the entire membership of the corporation; 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.

NORMANDY PLACE CONDOMINIUMS

RULES AND REGULATIONS

**NORMANDY PLACE CONDOMINIUMS
RULES AND REGULATIONS**

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NORMANDY PLACE CONDOMINIUMS RULES AND REGULATIONS

ARTICLE I INTRODUCTION

The Developer and the Board of Directors of Normandy Place Condominiums, Inc., as the governing body of the Condominium Association, has established these Rules and Regulations consistent with the Master Deed and Bylaws in order to provide guidelines for the development and management of Normandy Place Condominiums, Inc. as a premier residential community for the highest benefit and enjoyment of its residents.

It is the intent of these Rules and Regulations to insure that Normandy Place Condominiums is developed in the highest quality manner in harmony with the design goals for the project. Further, these Rules and Regulations are intended to ensure that the project is exceptionally well maintained, that the value of the units is enhanced, and that Normandy Place Condominiums is a very enjoyable place to live within the environment provided.

THE MASTER DEED AND BYLAWS FOR NORMANDY PLACE CONDOMINIUMS, INC. CONTAIN NUMEROUS PROVISIONS, RESTRICTIONS AND CONDITIONS WHICH MAY BE IN ADDITION TO THESE RULES AND REGULATIONS. ALL OWNERS SHOULD FAMILIARIZE THEMSELVES WITH THE TERMS SET FORTH IN THOSE DOCUMENTS.

ARTICLE II LANDSCAPING

As there is no portion of the project which is set aside for landscaping by unit owners, there is no landscaping by owners permitted.

ARTICLE III MAINTENANCE AND ACTIVITIES PROVISIONS

In order to assure a beautiful and pleasing environment for the residents of Normandy Place Condominiums, provisions for maintaining all elements of the community in excellent physical condition, including buildings and landscaping and all other improvements have been established. Additionally, activities which interfere with the enjoyment and rights of others are restricted so as to create a pleasant neighborhood for all residents and guests.

1. **Use.** No unit shall be used for other than the uses permitted by the ordinances and regulations of the City of Royal Oak, other applicable laws, the Master Deed, the Condominium and

Association Bylaws and these Rules and Regulations.

2. **Unit Maintenance.** Each unit owner shall maintain his or her unit and all improvements that it contains, in a first class and attractive condition so that an aesthetically pleasing appearance is presented to the community.

3. **Restricted Activities.** No noxious or offensive activity shall be conducted on any unit that will cause discomfort, annoyance or nuisance to the community or diminish the enjoyment of the residents in any manner whatsoever. Restricted activities include burning of trash or leaves, maintaining noisy or dangerous pets, maintaining skateboard ramps, any action or public sale, or any other device or activity which is noisy, unsightly, unpleasant or hazardous in nature.

4. **Vehicles.** No vehicles other than personal transportation automobiles, vans, sport/utility vehicles and pickup trucks may be parked within the project unless located in designated parking spaces. No boats or campers are permitted to be parked in the project. No vehicle maintenance or repair activities shall be performed.

5. **Aesthetics.** No portion of the project shall be used for storage of supplies, materials, personal property or trash or refuse of any kind, except as provided in the duly adopted Rules and Regulations.

6. **Trash.** Trash shall be stored out of sight and placed at the location designated for trash pickup no sooner than the evening before the collection day. Trash receptacles shall be removed as soon as possible after trash collection.

7. **Poisonous Substances.** No fertilizers, insecticides, pesticides or weed killers that can harm humans, birds or animals shall be used on any part of Normandy Place.

8. **Common Areas.** Normandy Place landscaped areas and other Common Improvements shall not be obstructed nor shall they be used for purposes other than that for which they are reasonably and obviously intended.

9. **Snow Clearing.** The Association shall be responsible for the removal of snow from drives and walks located on the project as soon as possible after snowfall.

10. **Antennas.** Exterior radio antennas, television aerials, satellite dishes or similar reception or transmission devices shall be prohibited unless specifically approved in writing by Developer or the Association.

11. **Signs.** No "For Sale" sign or any other sign may be erected within the project without permission from Developer or the Association.

12. **Bylaws.** The Bylaws and Master Deed for Normandy Place contain numerous additional provisions relating to maintenance and activities within the project. All residents should familiarize themselves with the terms set forth in those documents.

ARTICLE IV **TRANSFER OF RIGHTS**

The responsibilities, obligations and rights reserved to Developer in these Rules and Regulations will transfer to Normandy Place Condominium Association, Inc. on the Transitional Control Date as described in the Master Deed. After that time, the Board of Directors of the Association shall have the responsibility for enforcement and administration of all of the provisions in this document.

ARTICLE V **ENFORCEMENT**

The provisions and terms contained in any of the Condominium documents including these Rules and Regulations, the Master Deed and the Bylaws are enforceable by the actions described in Articles XI of the Bylaws and include, without limitation, legal action, recovery of costs, removal and abatement of a violating structure or condition, and assessment of fines.