

Act No. 59
Public Acts of 1978
Approved by Governor
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STATE OF MICHIGAN
79TH LEGISLATURE
REGULAR SESSION OF 1978

Introduced by Reps. Thomas H. Brown, Owen, Sietsema, Spaniola, Welborn, Roy Smith, Binsfeld, Engler, Campbell, Law, McNamee, Van Singel, Armbruster, Fessler, Porter, Bennane, Geake, Holmes, Hollister, Siljander, Fredricks, Sheridan, Dodak, Kelsey, Griffin, Rocca, Symons, Mathieu, Conlin, Dutko, Gerald, Tim, Rhaddeas C. Stopczynski, Geerlings, Builard, Bennett, Conroy, Holcomb, Clodfelter, Hertel, Joseph F. Young, Jondahl, Nash, Montgomery, Mahalak, Brotherton, Bennett, Powell, McCollough, Anderson, Cushingberry, Gast, Mary C. Brown, Wilson, Burkhalter, Evans, Legel, Keith, Gingrass, Maynard, Sharpe, Prescott and Mowat

ENROLLED HOUSE BILL NO. 4126

AN ACT relative to condominiums and condominium projects; to prescribe powers and duties of the administrator; to prescribe remedies and penalties; and to repeal certain acts and parts of acts.

The People of the State of Michigan enact:

Sec. 1. This act shall be known and may be cited as the "condominium act"

Sec. 2. For the purposes of this act, the words and phrases defined in sections 3 to 10 shall have the meanings respectively ascribed to them in those sections.

Sec. 3. (1) "Administrator" means the department of commerce or an authorized designee.

(2) "Association of co-owners" means the person designated in the condominium documents to administer the condominium project.

(3) "Common elements" means the portions of the condominium project other than the condominium units.

(4) "Condominium bylaws" means the required set of bylaws for the condominium project attached to the master deed.

(5) "Condominium documents" means the master deed, recorded pursuant to this act, and any other instrument referred to in the master deed or bylaws which affects the rights and obligations of a co-owner in the condominium.

Sec. 4. (1) "Condominium project" means a plan or project consisting of not less than 2 condominium units if established and approved in conformance with this act.

(2) "Condominium subdivision plan" means the site, survey and utility plans; floor plans; floodplain plans; and sections, as appropriate, showing the existing and proposed structures and improvements including the location thereof on the land. The condominium subdivision plan shall show the size, location, area, and horizontal boundaries of each unit as well as vertical boundaries and volume for each unit comprised of enclosed air space. A number shall be assigned to each condominium unit. The condominium subdivision plan shall include the nature, location, and approximate size of common elements.

(3) "Condominium unit" means that portion of the condominium project designed and intended for separate ownership and use, as described in the master deed, regardless of whether it is intended for residential, office, industrial, business, recreational, or any other type of use as approved by the administrator.

(4) "Consolidating master deed" means the final amended master deed for a contractable condominium project, an expandable condominium project, or a condominium project containing convertible land or convertible space, which final amended master deed fully describes the condominium project as completed.

Sec. 5. (1) "Contractable condominium" means a condominium project from which any portion of the submitted land or buildings may be withdrawn pursuant to express provision in the condominium documents and in accordance with this act.

(2) "Conversion condominium" means a condominium project containing condominium units some or all of which were occupied before the establishment of the condominium project.

(3) "Convertible area" means a unit or a portion of the common elements of the condominium project referred to in the condominium documents within which additional condominium units or general or limited common elements may be created pursuant to express provision in the condominium documents and in accordance with this act.

Sec. 6. (1) "Co-owner" means a person, firm, corporation, partnership, association, trust, or other legal entity or any combination thereof, who owns a condominium unit within the condominium project.

(2) "Developer" means a person engaged in the business of developing a condominium project but does not include the following:

(a) A real estate broker acting as agent for the developer in selling condominium units.

(b) Other persons exempted from this definition by rule or order of the administrator.

(3) "Expandable condominium" means a condominium project to which additional land may be added pursuant to express provision in the condominium documents and in accordance with this act.

(4) "General common elements" means the common elements other than the limited common elements.

Sec. 7. (1) "Leasehold condominium" means a condominium project in which each co-owner owns an estate for years in all or any part of the condominium project if the leasehold interests will expire naturally at the same time.

(2) "Limited common elements" means a portion of the common elements reserved in the master deed for the exclusive use of less than all of the co-owners.

(3) "Mobile home condominium project" means a condominium project in which mobile homes as defined in section 30a of Act No. 300 of the Public Acts of 1949, being section 257.30a of the Michigan Compiled Laws, are intended to be located upon separate sites which constitute individual condominium units.

Sec. 8. "Master deed" means the condominium document recording the condominium project as approved by the administrator to which is attached as exhibits and incorporated by reference the approved bylaws for the project and the approved condominium subdivision plan for the project. The master deed shall include all of the following:

(a) An accurate legal description of the land involved in the project.

(b) A statement designating the condominium units served by the limited common elements and clearly defining the rights in the limited common elements.

(c) A statement showing the total percentage of value for the condominium project and the separate percentages of value assigned to each individual condominium unit identifying the condominium units by the numbers assigned in the condominium subdivision plan.

(d) Other matter which is appropriate for the project.

Sec. 9. (1) "Percentage of value" means the percentage assigned to each condominium unit in the condominium master deed. The percentage shall total 100% in the project. Percentages of value shall be determinative only with respect to those matters to which they are specifically deemed to relate either in this act or in the condominium documents. Percentages of value for each condominium unit shall be determined with reference to reasonable comparative characteristics. A master deed shall state the method or formula used by the developer in the determination of percentage of value. Factors which may be considered in determining percentage of value are any of the following comparative characteristics as determined by the developer and approved by the administrator:

- (a) Market value.
 - (b) Size.
 - (c) Location.
 - (d) Allocable expenses of maintenance.
- (2) "Person" means an individual, firm, corporation, partnership, association, trust, or other legal entity; or any combination thereof.
- (3) "Preliminary reservation agreement" means an agreement to afford a prospective purchaser an opportunity to purchase a particular condominium unit for a limited period of time upon sale terms to be later determined. Under a preliminary reservation agreement a prospective purchaser may make monetary deposits so long as the same are fully refundable within 2 business days, without penalty, upon request of the prospective purchaser.
- (4) "Purchase agreement" means an agreement under which a developer agrees to sell and a person agrees to purchase a condominium unit. The purchase agreement shall be used only after a permit to sell is issued.

Sec. 10. (1) "Reservation and subscription agreement" means an agreement containing the necessary terms of purchase and sale regarding a particular condominium unit. A purchaser is not bound under a reservation and subscription agreement until 10 days after a permit to sell covering the condominium unit is issued and the condominium documents and disclosure documents are served upon the purchaser unless the purchaser waives the waiting period pursuant to this act. An approved reservation and subscription agreement may be used as a purchase agreement after a permit to sell is issued.

(2) "Record" means to record pursuant to the laws of this state relating to the recording of deeds, but the provision of Act No. 288 of the Public Acts of 1967, as amended, being sections 560.101 to 560.293 of the Michigan Compiled Laws, shall not control divisions made for any condominium project.

(3) "Size" means the number of cubic feet, or the number of square feet of ground or floor space, within each condominium unit as computed by reference to the condominium subdivision plan and rounded off to a whole number. Certain spaces within the condominium units including, without limitation, attic, basement, and garage space may be omitted from the calculation or partially discounted by the use of a ratio, so long as the same basis of calculation is employed for all condominium units in the condominium project and so long as that basis is used for each condominium unit in the condominium project and disclosed in appropriate condominium documents furnished the co-owner.

(4) "Transitional control date" means the date on which a board of directors for an association of co-owners takes office pursuant to an election in which the votes which may be cast by eligible co-owners unaffiliated with the developer exceed the votes which may be cast by the developer.

Sec. 21. (1) A condominium unit located within or without this state may not be offered for its initial sale in this state unless the offering is made under a permit to take reservations or a permit to sell which is issued pursuant to this act or an outstate condominium registered under the land sales act, Act No. 286 of the Public Acts of 1972, as amended, being sections 565.801 to 565.835 of the Michigan Compiled Laws, or the offering is exempt by rule or order of the administrator.

(2) In addition to other liabilities and penalties a developer who violates this section is subject to section 115.

(3) A condominium project or condominium unit which was approved under Act No. 229 of the Public Acts of 1963, as repealed, may be offered for sale without further compliance with the enabling sections of this act except as provided in subsections (4) and (5).

(4) A developer of a condominium project which was approved under Act No. 229 of the Public Acts of 1963, as repealed, shall do all of the following:

- (a) Provide a disclosure booklet pursuant to section 84(3).
 - (b) Provide documents as provided in section 89.
 - (c) Provide disclosure statements as provided in section 101 or 102.
 - (d) Establish an escrow account if required by the administrator pursuant to section 103.
 - (e) Provide notice of conversion pursuant to section 104 if the condominium project is a conversion condominium project.
 - (f) Disclose the warranty as prescribed in section 110.
- (5) An association of co-owners of a condominium project approved under Act No. 229 of the Public Acts of 1963, as repealed, shall comply with section 68.

- Sec. 31. If the condominium project contains any convertible area, the master deed shall contain the following:
- (a) A reasonably specific reference to the convertible area within the condominium project.
 - (b) A statement of the maximum number of condominium units that may be created within the convertible area.
 - (c) A general statement describing what types of condominium units may be created on the convertible area.
 - (d) A statement of the extent to which a structure erected on the convertible area will be compatible with structures on other portions of the condominium project.
 - (e) A general description of improvements that may be made on the convertible area within the condominium project.
 - (f) A description of the developer's reserved right, if any, to create limited common elements within any convertible area, and to designate common elements therein which may subsequently be assigned as limited common elements.
 - (g) A time limit approved by the administrator, upon which the election to use this option expires.
- Sec. 32. If the condominium project is an expandable condominium project, the master deed shall contain the following:
- (a) The explicit reservation of an election on the part of the developer or its successors to expand the condominium project.
 - (b) A statement of any restrictions on that election, including, without limitation, a statement as to whether the consent of any co-owners is required, and if so, a statement as to the method whereby the consent is ascertained; or a statement that the limitations do not exist.
 - (c) A time limit approved by the administrator, based on size and nature of the project, from the recording of the master deed upon which the election to expand the condominium project expires.
 - (d) A description of the land that may be added to the condominium project. The description shall be a legal description by metes and bounds or by reference to subdivided land unless the land to be added can be otherwise specifically described.
 - (e) A statement as to whether, if any of the additional land is added to the condominium project, all of it or any particular portion of it must be added, and if not, a statement of any limitations as to what portions may be added.
 - (f) A statement as to whether portions of the additional land may be added to the condominium project at different times, together with appropriate restrictions fixing the boundaries of those portions by legal descriptions setting forth the metes and bounds thereof and regulating the order in which they may be added to the condominium project. If the order in which portions of the additional land may be added is not restricted, then a statement shall be included that the restrictions do not exist.
 - (g) A statement of the specific restrictions, if any, as to the locations of any improvements that may be made on any portions of the additional land added to the condominium project.
 - (h) A statement of the maximum number of condominium units that may be created on the additional land. If portions of the additional land may be added to the condominium project and the boundaries of those portions are fixed in accordance with subdivision (f), the master deed shall state the maximum number of condominium units that may be created on each portion added to the condominium project.
 - (i) A statement, with respect to the additional land and to the portion or portions thereof that may be added to the condominium project of the maximum percentage of the aggregate land and floor area of all condominium units that may be created thereon that may be occupied by condominium units not restricted exclusively to residential use.
 - (j) A statement of the extent to which any structures erected on any portion of the additional land added to the condominium project are compatible with structures on the land included in the original master deed.
 - (k) A description of improvements that shall be made on any portion of the additional land added to the condominium project or a statement of any restrictions as to what other improvements may be made thereon.
 - (l) A statement of any restrictions as to the types of condominium units that may be created on the additional land.
 - (m) A description of the developer's reserved right, if any, to create limited common elements within any portion of the original condominium project or additional land added to the condominium project and to designate common elements therein which may subsequently be assigned as limited common elements.

(n) A statement as to whether the condominium project shall be expanded by a series of successive amendments to the master deed, each adding additional land to the condominium project as then constituted, or whether a series of separate condominium projects shall be created within the additional land area, all or some of which shall then be merged into an expanded condominium project or projects by the ultimate recordation of a consolidating master deed.

(o) A description of the developer's reserved right, if any, to create easements within any portion of the original condominium project for the benefit of land outside the condominium project.

Sec. 33. If the condominium project is a contractable condominium project, the master deed shall contain the following:

(a) The explicit reservation of an election on the part of the developer or its successors to contract the condominium project.

(b) A statement of the restrictions on that election, including, without limitation, a statement as to whether the consent of any co-owners are required, and if so, a statement as to the method whereby the consent shall be ascertained.

(c) A time limit approved by the administrator, commencing from the recording of the master deed, upon which the election to contract the condominium project expires, together with a statement of the circumstances, if any, which terminate that option before the expiration of the specified time limit.

(d) A legal description of the land which may be withdrawn from the condominium project.

(e) A statement as to whether portions of the land may be withdrawn from the condominium project at different times, together with the restrictions fixing the boundaries of those portions by legal descriptions setting forth the metes and bounds thereof and regulating the order in which they may be withdrawn from the condominium project.

Sec. 34. (1) If a leasehold condominium project is submitted, the administrator shall review the condominium project documentation and ascertain that the terms of the lease are and shall be fair, just, and equitable to prospective co-owners. The administrator shall not issue a permit to a leasehold condominium project which does not meet this criteria.

(2) If the condominium project is a leasehold condominium project, then with respect to any ground lease or other leases the expiration or termination of which shall or may terminate or contract the condominium project the master deed shall identify precisely the location of the leased property and the master deed shall contain the following:

(a) The date upon which each lease is due to expire.

(b) A statement as to whether any land and improvements will be owned by the co-owners in fee simple, and if so then any of the following:

(i) A description of the same, including without limitation a legal description by metes and bounds of the land.

(ii) A statement of any rights the co-owners shall have to remove the improvements within a reasonable time after the expiration or termination of the lease involved.

(iii) A statement of the rights the co-owners shall have to redeem the reversion or any of the reversions, or a statement that they shall not have the rights.

(3) After the recording of the master deed, a lessor who consented in writing to the master deed or a successor in interest to the lessor may not terminate any part of the leasehold interest of a co-owner who makes timely payment of the share of the rent to the person or persons designated in the master deed for the receipt of the rent and who otherwise complies with all covenants which, if violated, would entitle the lessor to terminate the lease.

Sec. 35. Where fulfillment of the purposes of sections 31, 32, 33 or any other sections of this act reasonably requires the creation of easements, then the easements shall be created in the condominium documents or in other appropriate instruments and shall be reasonably described in the condominium documents. The easements shall contain the following:

(a) A description of the permitted use.

(b) If less than all co-owners are entitled to utilize the easement, a statement of the relevant restrictions on the utilization of the easement.

(c) If any persons other than those entitled to the use of the condominium units may utilize an easement, a statement of the rights of others to utilization of the same and a statement of the obligations, if any, of all persons required to contribute to the financial support of the easement.

Sec. 36. The master deed may provide that undivided interests in land may be added to the condominium project as common elements in which land the co-owners may be tenants in common, joint tenants, or life tenants with other persons. A condominium unit shall not be situated on the lands. The master deed, or any amendment to master deed under which the land is submitted to the condominium project shall include a legal description thereof and shall describe the nature of the co-owners' estate therein.

Sec. 37. (1) The master deed may allocate to each condominium unit an undivided interest in the common elements proportionate to its percentage of value assigned as provided in this act.

(2) If an equal percentage of value is allocated to each condominium unit, the master deed may simply state that fact and need not express the fraction or percentage so allocated.

(3) If an equal percentage of value is not assigned, the percentage of value allocated to each condominium unit shall be reflected by a table in the master deed or by an exhibit or schedule accompanying the master deed and recorded simultaneously therewith. The table shall identify the condominium units, listing them serially or grouping them together in the case of condominium units to which identical percentages of value are allocated, and setting forth the respective percentages relative to the several condominium units. The master deed or the exhibit or schedule shall set forth, with reasonable clarity, the formula upon which the percentages were allocated in the original master deed and the basis upon which the same will be reallocated in any modification of the master deed by which condominium units will be added, withdrawn, or modified, which basis may provide for reasonable flexibility if different types of condominium units are introduced into the condominium project in subsequent phases thereof.

(4) A convertible space shall be allocated a percentage of value in accordance with the formula used to derive the original percentage of value.

(5) Except to the extent otherwise expressly provided by this act, the undivided interest in the common elements allocated to any condominium unit shall not be altered, and any purported transfer, encumbrance, or other disposition of that interest without the condominium unit to which it appertains is void.

(6) The common elements shall not be subject to an action for partition unless the condominium project is terminated.

Sec. 38. Interests in the common elements shall not be allocated to condominium units to be created within convertible land or within additional land until the master deed is duly amended and an amended condominium subdivision plan depicting the new condominium units is recorded. The amendment to the master deed shall contain a revised schedule of undivided interests in the common elements so that the condominium units depicted on the amended condominium subdivision plan shall be allocated undivided interests in the common elements in accordance with the formula for allocation of the undivided interests as described in the original master deed.

Sec. 39. (1) Assignments and reassignments of limited common elements shall be reflected by the original master deed or an amendment thereof. A limited common element shall not be assigned or reassigned except in accordance with this act and the condominium documents.

(2) Unless expressly prohibited by the condominium documents, a limited common element may be reassigned upon written application of the co-owners concerned to the principal officer of the association of co-owners or to other persons as the condominium documents may specify. The officer or persons to whom the application is duly made shall promptly prepare and execute an amendment to the master deed reassigning all rights and obligations with respect to the limited common element involved. The amendment shall be delivered to the co-owners of the condominium units concerned upon payment by them of all reasonable costs for the preparation and approval thereof.

(3) A common element not previously assigned as a limited common element shall be so assigned only in pursuance of the provisions of the condominium documents and of this act. The amendment to the master deed making the assignment shall be prepared and executed by the principal officer of the association of co-owners or by other persons as the condominium documents specify.

Sec. 40. To the extent that a condominium unit or common element encroaches on any other condominium unit or common element, whether by reason of any deviation from the plans in the construction, repair, renovation, restoration, or replacement of any improvement, or by reason of the settling or shifting of any land or improvement, a valid easement for the encroachment shall exist.

Sec. 41. (1) The developer may convert all or any portion of any convertible area into condominium units or common elements, including, without limitation, limited common elements, subject to the restrictions which the condominium documents may specify.

(2) The developer shall promptly prepare, execute, and record an amendment to the master deed describing the conversion. The amendment shall assign an identifying number to each condominium unit formed out of convertible area and shall allocate to each condominium unit a portion of the undivided interest in the common elements appertaining to that area. The amendment shall describe or delineate any limited common elements formed out of the convertible area, showing or designating the condominium unit or condominium units to which each is assigned.

Sec. 43. An expansion, contraction, or conversion of land or space in accordance with this act and the condominium documents shall be deemed to have occurred at the time of recording of an amendment to the master deed approved by the administrator embodying all essential elements of the expansion, contraction, or conversion. At the conclusion of expansion of a condominium project a consolidating master deed shall be prepared and recorded by the developer in accordance with the provisions of this act and the condominium documents.

Sec. 44. Subject to any restrictions the condominium documents may specify, the developer has a transferable easement over and on the common elements for the purpose of making improvements on the submitted land and any additional land pursuant to the provisions of those documents and of this act, and for the purpose of doing all things reasonably necessary and proper in connection therewith.

Sec. 45. The developer and its duly authorized agents, representatives, and employees may maintain offices, model units and other facilities on the submitted land and may include provisions in the condominium documents relative to the facilities as may reasonably facilitate development and sale of the project. The developer shall pay all costs related to the condominium units or common elements while owned by developer, and restore the facilities to habitable status upon termination of use.

Sec. 46. The developer or a co-owner may impose reasonable restrictions or covenants running with the land upon a condominium unit in the condominium project, in addition to the reasonable restrictions and covenants as may be contained in the condominium documents, so long as such restrictions and covenants are not otherwise prohibited by law and as long as they are consistent with the condominium documents. The restrictions and covenants may include provisions governing the joint or common ownership of condominium units in the condominium project and the basis upon which the usage of the condominium unit or condominium units may be shared from time to time by the joint or common owners thereof.

Sec. 47. (1) Subject to the prohibitions and restrictions in the condominium documents, a co-owner may make improvements or alterations within a condominium unit that do not impair the structural integrity of a structure or otherwise lessen the support of a portion of the condominium project. A co-owner shall not do anything which would change the exterior appearance of a condominium unit or of any other portion of the condominium project except to the extent and subject to the conditions as the condominium documents may specify.

(2) If a co-owner acquires an adjoining condominium unit, or an adjoining part of a condominium unit, then the co-owner may remove all or part of an intervening partition or create doorways or other apertures therein, notwithstanding that the partition may in whole or in part be a common element, so long as a portion of any bearing wall or bearing column is not weakened or removed and a portion of any common element other than that partition is not damaged, destroyed, or endangered. The creation of doorways or other apertures shall not be deemed an alteration of condominium unit boundaries.

Sec. 48. (1) If the condominium documents expressly permit the relocation of boundaries between adjoining condominium units, then the boundaries between the condominium units may be relocated in accordance with this section and any restrictions not otherwise unlawful which the condominium documents may specify. The boundaries between adjoining condominium units shall not be relocated unless the condominium documents expressly permit it. A relocation of boundaries shall not occur without approval of an affected mortgagee.

(2) If the co-owners of adjoining condominium units whose mutual boundaries may be relocated desire to relocate the boundaries, then the principal officer of the association of co-owners or other persons as the condominium documents may specify, shall, upon written application of the co-owners, forthwith prepare and execute an amendment to the master deed duly relocating the boundaries pursuant to the condominium documents and this act.

(3) An amendment to the master deed shall identify the condominium units involved and shall state that the boundaries between those condominium units are being relocated by agreement of the co-owners thereof, which amendment shall contain conveyancing between those co-owners. If the co-owners of the condominium units involved have specified in their written application a reasonable reallocation as between

the condominium units involved of the aggregate undivided interest in the common elements appertaining to those condominium units, the amendment to the master deed shall reflect that reallocation.

(4) If the co-owners of the condominium units involved have specified in their written application a reasonable reallocation as between the condominium units involved of the aggregate number of votes in the association of co-owners allocated to those condominium units, an amendment to the bylaws shall reflect that reallocation and a proportionate reallocation of liability for expenses of administration and rights to receipts of administration as between those condominium units.

Sec. 49. (1) If the condominium documents expressly permit the subdivision of any condominium units, then the condominium units may be subdivided in accordance with this section and any restrictions not otherwise unlawful which the condominium documents may specify. A condominium unit shall not be subdivided unless the condominium documents expressly permit it.

(2) If the co-owner of a condominium unit which may be subdivided desires to subdivide the condominium unit, then the principal officer of the association of co-owners or other persons as the condominium documents specify, shall, upon written application of the co-owner, prepare and execute an amendment to the master deed duly subdividing the condominium unit pursuant to the condominium documents and this act.

(3) An amendment to the master deed shall assign new identifying numbers to the new condominium units created by the subdivision of a condominium unit and shall allocate to those condominium units, on a reasonable basis, all of the undivided interest in the common elements appertaining to the subdivided condominium unit. The new condominium units shall jointly share all rights, and shall be equally liable, jointly and severally for all obligations, with regard to any limited common elements assigned to the subdivided condominium unit except to the extent that an amendment shall provide that portions of any limited common element assigned to the subdivided condominium unit exclusively should be assigned to any, but less than all, of the new condominium units.

(4) An amendment to the bylaws shall allocate to the new condominium units, on a reasonable basis, the votes in the association of co-owners allocated to the subdivided condominium unit, and shall reflect a proportionate allocation to the new condominium units of the liability for expenses of administration and rights to receipts of administration formerly appertaining to the subdivided condominium unit.

Sec. 50. If there is no co-owner other than the developer, the developer, with the consent of any interested mortgagee, may unilaterally terminate the condominium project or amend the master deed. A termination or amendment under this section shall become effective upon the recordation thereof if executed by the developer.

Sec. 51. (1) If there is a co-owner other than the developer, then the condominium project shall be terminated only by the agreement of the developer and unaffiliated co-owners of condominium units to which 4/5 of the votes in the association of co-owners appertain, or a larger majority as the condominium documents may specify.

(2) If none of the condominium units in the condominium project are restricted exclusively to residential use, then the condominium documents may specify voting majorities less than the minimums specified by subsection (1).

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

(4) Upon recordation of an instrument terminating a condominium project 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 common elements immediately before recordation. As long as the tenancy in common lasts, each co-owner or the heirs, successors, or assigns thereof shall have an exclusive right of occupancy of that portion of the property which formerly constituted the condominium unit.

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

Sec. 52. (1) The administrator may require that the master deed contain provisions:

(a) Requiring a time within which the eligible co-owners shall be entitled to vote for the election of the directors of the association of co-owners.

(b) Stating a date acceptable to the administrator, when an advisory committee of nondeveloper co-owners shall be established to meet with the condominium project board of directors, appointed by the

developer, for the purpose of facilitating communication and aiding the administration of the association of co-owners.

(2) A consolidating master deed and plans showing the condominium as built shall be filed not later than 180 days after completion of construction and promptly recorded after approval, to consolidate all phases or amendments of a condominium project. A copy of the recorded consolidating master deed shall be filed with the administrator.

Sec. 53. The administration of a condominium project shall be governed by bylaws recorded as part of the master deed, or as provided in the master deed. An amendment to the bylaws of any condominium project may not eliminate the mandatory provisions required by section 54. A copy of the original bylaws and every amendment thereto duly adopted shall be filed with the administrator and recorded in property records, and the same shall be inoperative until so filed and recorded.

Sec. 54. (1) The bylaws shall contain provisions for the designation of persons to administer the affairs of the condominium project and shall require that the persons shall keep books and records with a detailed account of the expenditures and receipts affecting the condominium project and its administration specifying the operating expenses of the project.

(2) The bylaws shall provide that the person designated to administer the affairs of the project shall be assessed as the person in possession for any tangible personal property of the project owned or possessed in common by the co-owners. Personal property taxes based thereon shall be treated as expenses of administration.

(3) The bylaws shall contain specific provisions directing the courses of action to be taken in the event of partial or complete destruction of the building or buildings in the project.

(4) The bylaws shall provide that expenditures affecting the administration of the project shall include costs incurred in the satisfaction of any liability arising within, caused by, or connected with, the common elements or the administration of the condominium project, and that receipts affecting the administration of the condominium project shall include all sums received as the proceeds of, or pursuant to, a policy of insurance securing the interest of the co-owners against liabilities or losses arising within, caused by, or connected with the common elements or the administration of the condominium project.

(5) The bylaws shall provide that the association of co-owners shall prepare and distribute to each owner at least 2 times per year a financial statement, the contents of which shall be defined by the association of co-owners.

(6) The bylaws shall provide an indemnification clause for the board of directors of the association of co-owners. The indemnification clause shall require that 10 days notice, before payment under the clause, be given to the co-owners. The indemnification clause shall exclude indemnification for wilful and wanton misconduct and for gross negligence.

(7) The bylaws may allocate to each condominium unit a number of votes in the association of co-owners proportionate to the percentage of value appertaining to each condominium unit, or an equal number of votes in the association of co-owners.

Sec. 55. (1) A service contract which exists between the association of co-owners and the developer or affiliates of the developer and a management contract with the developer or affiliates of the developer is voidable by the board of directors of the association of co-owners on the transitional control date or within 90 days thereafter, and on 30 days' notice at any time thereafter for cause.

(2) To the extent that any management contract extends beyond 1 year after the transitional control date, the excess period under the contract may be voided by the board of directors of the association of co-owners by notice to the management agent at least 30 days before the expiration of the 1 year.

Sec. 56. The bylaws may contain provisions:

(a) As are deemed appropriate for the administration of the condominium project not inconsistent with this act or any other applicable laws.

(b) For restrictions on the sale, lease, license to use, or occupancy of condominium units.

(c) For insuring the co-owners against risks affecting the condominium project, without prejudice to the right of each co-owner to insure his condominium unit or condominium units on his own account and for his own benefit.

Sec. 57. The books, records, and contracts concerning the administration and operation of the condominium project shall be available for examination by any of the co-owners and their mortgagees at

convenient times and all books and records shall be audited or reviewed by independent accountants annually. Such audits need not be certified.

Sec. 58. If the mortgagee of a first mortgage of record or other purchaser of a condominium unit obtains title to the condominium unit as a result of foreclosure of the first mortgage, such person, its successors and assigns, is not liable for the assessments by the administering body chargeable to the unit which became due prior to the acquisition of title to the unit by such person. The unpaid assessments are deemed to be common expenses collectible from all of the condominium unit owners including such persons, its successors and assigns.

Sec. 59. Property upon which there is a mortgage of record shall not be submitted to a condominium project without the written consent of the mortgagee.

Sec. 60. Actions on behalf of and against the co-owners shall be brought in the name of the association of co-owners. The association of co-owners may assert, defend, or settle claims on behalf of all co-owners in connection with the common elements of the condominium project.

Sec. 61. Upon the establishment of a condominium project each condominium unit, together with and inseparable from its appurtenant share of the common elements, shall be a sole property subject to ownership, mortgaging, taxation, possession, sale, and all types of juridical acts, *inter vivos* or *causa mortis* independent of the other condominium units.

Sec. 62. A condominium unit may be jointly or commonly owned by more than 1 person.

Sec. 63. Each co-owner has an exclusive right to his condominium unit and has such rights to share with other co-owners the common elements of the condominium project as are designated by the master deed.

Sec. 64. Conveyances and other instruments affecting title to any condominium unit in a condominium project shall describe the same by reference to the condominium unit number of the condominium subdivision plan and the caption thereof, together with a reference to the liber and page of the county records in which the master deed is recorded. The conveyances and other instruments are recordable.

Sec. 65. Each unit co-owner, tenant, or nonco-owner occupant shall comply with the master deed, bylaws, and rules and regulations of the condominium project and this act.

Sec. 66. (1) The condominium subdivision plan for each condominium project shall be prepared by an architect, land surveyor, or civil engineer licensed to practice and shall bear the signature and seal of such architect, land surveyor, or civil engineer. The condominium subdivision plan submitted shall be reproductions of original drawings.

(2) A complete condominium subdivision plan shall include, as required by the administrator:

(a) A cover sheet.

(b) A survey plan.

(c) A floodplain plan when the condominium lies within or abuts a floodplain area.

(d) A site plan.

(e) A utility plan.

(f) Floor plans.

(g) Building sections.

(3) Condominium subdivision plans shall be numbered consecutively when recorded by the register of deeds and shall be designated _____ of _____ county condominium subdivision plan number _____

Sec. 67. A change shall not be made in any condominium project as set forth in the recorded master deed without first obtaining the approval of the administrator. The administrator shall require that approved changes in a condominium project are reflected in appropriate amendments to the master deed and the amendments to the master deed shall not become effective until recorded. The administrator may by rule provide for automatic effectiveness of an amendment filing. If a change involves a change in the boundaries of a condominium unit, or the addition or elimination of condominium units, a replat of the condominium subdivision plan shall be prepared and recorded assigning a condominium unit number to each condominium unit in the amended project. The replat of the condominium subdivision plan shall be designated replat number _____ of _____ county condominium subdivision plan

number _____, using the same plan number assigned to the original condominium subdivision plan.

Sec. 68. An association of co-owners shall keep current copies of the approved master deed, all amendments to the master deed, and other condominium documents for the condominium project, available at reasonable hours to co-owners, prospective purchasers, and prospective mortgagees of condominium units in the condominium projects.

Sec. 69. (1) Except to the extent that the condominium documents provide otherwise, common expenses associated with the maintenance, repair, renovation, restoration, or replacement of a limited common element shall be specially assessed against the condominium unit to which that limited common element was assigned at the time the expenses were incurred. If the limited common element involved was assigned to more than 1 condominium unit, the expenses shall be specially assessed against each of the condominium units equally so that the total of the special assessments equals the total of the expenses, except to the extent that the condominium documents provide otherwise.

(2) To the extent that the condominium documents expressly so provide, any other unusual common expenses benefiting less than all of the condominium units, or any expenses incurred as a result of the conduct of less than all those entitled to occupy the condominium project or by their licensees or invitees, shall be specially assessed against the condominium unit or condominium units involved, in accordance with reasonable provisions as the condominium documents may provide.

(3) The amount of all common expenses not specially assessed pursuant to subsections (1) and (2) shall be assessed against the condominium units in proportion to the number of votes in the association of co-owners appertaining to each condominium unit.

(4) A co-owner shall not be exempt from contributing as provided in this act by nonuse or waiver of the use of any of the common elements or by abandonment of his condominium unit.

Sec. 70. The administrator shall promptly review the filing, and if approval is not granted, the administrator shall specifically state the reasons for the rejections and statutory basis therefore.

Sec. 71. (1) Before filing an application for a permit to take reservations with the administrator, written notice of the intent to construct a condominium project shall be provided to the appropriate city, village, township, or county, and the appropriate county road commission and county drain commissioner.

(2) Condominium projects shall comply with applicable local law, ordinances, and regulations and the administrator may require evidence of compliance before issuing a permit to sell.

Sec. 72. A condominium project for any property shall be established upon the recording of an approved master deed.

Sec. 73. An approved master deed and the order by the administrator approving the master deed shall be recorded in the same manner and subject to the same provisions of law as are other deeds. A master deed shall not be recorded without a certification by the treasurer collecting the property taxes and special assessments that all property taxes and current installments of special assessments which became a lien on the property involved in the project are paid in full. Amendments to the master deed and orders by the administrator approving amendments shall be recorded. When recorded, a copy of the master deed and a copy of any subsequently amended master deed or amendment shall be filed with the local supervisor or assessing officer.

Sec. 74. (1) When the approved master deed is properly recorded as required by section 72 and a certified copy returned to the administrator, a permit to sell shall be issued and reviewed annually. Before the commencement of proceedings to revoke a permit to sell, the administrator shall give notice of the intended action and a hearing shall be held not later than 60 calendar days after the date of notice. This action shall be pursuant to Act No. 306 of the Public Acts of 1969, as amended, being sections 24.201 to 24.315 of the Michigan Compiled Laws.

(2) The permit to sell shall be recorded at the same register of deeds office as the master deed.

(3) The condominium subdivision plan of a size as provided by rule or order of the administrator, shall be delivered to and retained by the local register of deeds office.

(4) A consolidating master deed shall be recorded at the register of deeds office. The register of deeds shall not deny recording of a consolidating master deed because the property taxes and special assessments are not paid in full.

Sec. 81. (1) An applicant for a permit to take reservations or permit to sell under this act other than a domestic corporation, shall file with the administrator, in such form as it prescribes, an irrevocable consent appointing the administrator to be its attorney to receive service of lawful process in any noncriminal action or proceeding against it or its successor, executor, or administrator, which arises under this act or a rule or order promulgated or issued under this act after the consent is filed, with the same force and validity as if served personally on the person filing the consent.

(2) When a person, including a nonresident of this state, engages in conduct prohibited or made actionable by this act or a rule or order promulgated or issued under this act, whether or not he filed a consent to service of process, and personal jurisdiction over him cannot otherwise be obtained in this state, that conduct shall be considered equivalent to his appointment of the administrator to be his attorney to receive service of a lawful process in any noncriminal action or proceeding against him or his successor, executor, or administrator which grows out of that conduct and which is brought under this act or any rule or order promulgated or issued under this act, with the same force and validity as if served on him personally.

(3) Service under subsection (1) or (2) may be made by filing a copy of the process in the office of the administrator together with a \$25.00 fee. Service is not effective unless the plaintiff, which may be the administrator in an action or proceeding instituted by it, forthwith sends notice of the service and a copy of the process by registered or certified mail to the defendant or respondent at his last known address or takes other steps which are reasonably calculated to give actual notice and the plaintiff's affidavit of compliance with this section is filed in the case on or before the return day of the process, if any, or within such further time as the court allows.

Sec. 82. All funds paid by a prospective purchaser shall be deposited in an escrow account in accordance with an escrow agreement approved by the administrator and shall be released only upon conveyance of the condominium unit to the prospective purchaser or upon the conditions set forth in the rules promulgated under this act. The escrow agent shall be a bank, savings and loan association, or title insurance company, licensed or authorized to do business in this state.

Sec. 83. A preliminary reservation agreement may be used by a developer to reserve a condominium unit for a prospective purchaser. A preliminary reservation agreement may not be used before a permit to take reservations is issued by the administrator. A fee, deposit, or other payment shall not be received or required by a developer before a permit to take reservations is issued.

Sec. 84. (1) A reservation and subscription agreement shall provide that all funds paid by the prospective purchaser shall be deposited in an escrow account in accordance with an escrow agreement approved by the administrator and that the prospective purchaser may withdraw from the agreement without cause and without penalty, at any time before a permit to sell and notice thereof is issued, and that the subscriber's funds shall be promptly refunded. The escrow agent shall be a bank, savings and loan association, or title insurance company, which is licensed or authorized to do business in this state.

(2) When a permit to sell is issued, the prospective purchaser has 10 days or such additional time as required by federal law after receiving a copy of the documents required by section 89 in which to withdraw from an agreement.

(3) At the time a permit to take reservations is issued, an authorized disclosure booklet shall be available at the condominium project to all prospective purchasers. The reservation and subscription agreement shall contain a clause that the prospective purchaser received the disclosure booklet before signing the agreement.

Sec. 85. A provision in an agreement for liquidated damages in case of default shall be limited to a reasonable percentage of the purchase price of the condominium unit, approved by the administrator. However, this shall not prevent the developer from recovering actual damages. An agreement shall not permit the developer to receive escrowed funds until conveyance of title to the subscriber, except as approved by the administrator.

Sec. 86. (1) A developer desiring to advertise a proposed condominium project or to take reservations for purchase of a condominium unit before issuance of a permit to sell shall prepare a request for a permit to take reservations complying with the requirements established by the administrator by rule or order, and file the request for a permit to take reservations with the administrator, together with a \$25.00 fee. A proposed condominium project may not be advertised nor reservations for purchase of a condominium unit may not be taken before a permit to sell or a permit to take reservations is issued. The permit to take reservations shall be effective for 1 year following the date of issuance. A request for an extension shall be accompanied by a fee of \$25.00 and shall be in the form and contain the information the administrator requires.

(2) A condominium project shall not be advertised or represented as a condominium project until a permit to take reservations or permit to sell is issued to the developer. Advertising shall be filed with the administrator within 5 days after use.

Sec. 87. (1) A developer desiring to establish a condominium project for any property shall prepare a master deed complying with this act and shall forward the proposed master deed to the administrator together with an \$80.00 fee, plus \$15.00 for each condominium unit in the proposed master deed. A subsequent amendment to the master deed increasing the number of condominium units included in the master deed shall be accompanied by an \$80.00 fee, plus \$15.00 for each condominium unit in the proposed amendment to the master deed. The developer may at the same time, or subsequently, make application to the administrator for a permit to sell condominium units in the condominium project. Upon the approval of the proposed master deed the administrator shall attach thereto its certificate of approval. If a proposed master deed is disapproved, the administrator shall promptly notify the developer in writing of the disapproval setting forth its reasons therefor.

(2) The proposed master deed and the application for a permit to sell shall be in the form and shall be accompanied by such reports, questionnaires, and other material or data as the administrator may by rule or order reasonably require. This includes the financial information regarding the developer's ability to fulfill its obligation to the project. The administrator may require that forms, permits, reports, or other required data be updated, renewed, extended, or revised.

(3) After the filing of a proposed condominium project with the administrator, the administrator may make inspections and investigations as it deems necessary to insure that the project is being offered in accordance with this act, the permit to sell, or permit to take reservations. The administrator is not obligated to make any inspections nor investigations. The administrator may charge the developer for costs of investigations and inspections in conjunction with inspections outside this state.

Sec. 88. (1) A condominium unit in a condominium project shall not be sold by or on behalf of the developer before the issuance by the administrator of a permit to sell the condominium units in such project. Upon receipt of the application for a permit to sell condominium units in any condominium project the administrator shall promptly examine the application and conduct on-site inspections, if deemed appropriate. If satisfied that the proposal to sell is consistent with the master deed as approved and recorded for the project and clearly and fairly represents the property offered for sale and will not tend to work a fraud or imposition on purchasers or the public, the administrator shall issue its permit to sell. The permit to sell may contain such reasonable conditions as the administrator prescribes.

(2) When a permit to sell is issued for the initial phase of an expandable or convertible condominium project, then the developer may offer for sale and enter into a binding purchase agreement with respect to any condominium unit proposed to be included within the additional land of the expandable condominium or within the convertible land, even though a permit to sell is not issued for the condominium unit, if all of the following occur:

(a) The condominium unit is one which the developer may properly include in the condominium project.

(b) There is a site plan showing the location of the unit.

(c) A substantially identical condominium unit was already included within the project for which a permit to sell was issued, or plans for the condominium unit which describe the physical characteristics of the unit exist and are appended to the purchase agreement.

(d) The purchase agreement states that the condominium unit shall be conveyed to the prospective purchaser within 1 year after the execution of the purchase agreement. If conveyance is not made within that time the agreement is voidable under the conditions set forth in the agreement.

(e) A permit to sell shall be issued within 6 months after the date of the purchase agreement.

(3) On-site inspections, regarding construction standards of all condominium projects developed in this state, whether fully constructed or in any stage of construction are the responsibility of the local authorities or where appropriate the responsibility of the construction code commission in accordance with the state construction code.

Sec. 89. (1) After a permit to sell is issued by the administrator and at least 10 days before a condominium unit is conveyed or 10 days before a purchase agreement or a reservation and subscription agreement becomes a binding agreement, the developer shall provide to the prospective purchaser copies of the following documents relative to the condominium project:

(a) The master deed.

(b) The bylaws of the association.

(c) Disclosure statements as prescribed by the administrator.

(d) Other documents as prescribed by the administrator.

(2) This time limit may be waived in exceptional cases, by a purchaser who is provided all of the aforementioned documents and waives in writing on a form approved by the administrator, the purchaser's right to the protection provided by the advance review time. The form shall include the language of this section. The developer shall file a copy of the waiver with the administrator within 10 days after sale. This exemption may be revoked as to future sales by the administrator upon a finding of violation of the provisions of this act or rules promulgated under this act.

(3) The form signed by a purchaser, acknowledging receipt of the documents, is prima facie evidence that the documents were received and understood by purchaser. A separate instruction sheet, advising the co-owners of this section shall be provided to the co-owners contemporaneously with the documents required in subsection (1).

(4) In addition to other liabilities and penalties, a developer who violates this section is subject to section 115.

Sec. 90. (1) The condominium documents may be amended for a proper purpose, without consent of co-owners, mortgagees, and other interested parties, including the modification of the types and sizes of unsold condominium units and their appurtenant limited common elements as long as the administrator determines that the amendments do not materially alter or change the rights of the co-owners, mortgagees, or other interested parties.

(2) The condominium documents may be amended for a proper purpose, even if the amendment will materially alter or change the rights of the co-owners, mortgagees, or other interested parties with the approval of the administrator and the consent of 2/3 of the votes of the co-owners. A co-owner's condominium unit dimensions or appurtenant limited common elements may not be modified without his consent. Co-owners and mortgagees of record shall be notified of proposed amendments, under this subsection, before filing with the administrator.

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

(4) A master deed amendment, including the consolidating master deed, dealing with the addition, withdrawal, or modification of units or other physical characteristics of the project shall comply with the standards prescribed in this act for preparation of an original condominium subdivision plan for the project.

Sec. 91. An amendment to the master deed shall not be effective unless approved by the administrator. A copy of the recorded amendment shall be on file with the administrator and a copy delivered to each co-owner of the project.

Sec. 92. The fees and charges collected under this act shall be credited to the general fund of the state.

Sec. 93. The administrator may, after opportunity for hearing pursuant to section 158, refuse to issue a permit to sell or a permit to take reservations if any of the following conditions exist and the administrator finds that the existence of any of the conditions would work or tend to work a fraud or deception on prospective co-owners in the condominium project:

(a) The developer does not have financial resources adequate to fulfill its obligations in relation to the development of the condominium project. The administrator may upon request retain financial information as confidential.

(b) The developer is found to have violated a statute or rule in a proceeding by an administrative agency relating to his competency or integrity.

(c) The developer is declared bankrupt or filed for bankruptcy.

(d) The developer is subject to a currently effective injunctive or restrictive order relating to business activity as a result of an action brought by a public agency or department.

(e) The developer was convicted of a felony, pleaded nolo contendere to a felony charge, or was held liable or enjoined in a civil action by final judgment if the felony or civil action involved fraud, embezzlement, fraudulent conversion, or misappropriation of property.

(f) The developer is the subject of a permanent or temporary injunction entered under any federal or state act applicable to the project.

Sec. 94. The developer shall furnish a purchaser buying a condominium unit from the developer a title insurance policy, in the amount of the purchase price, by a title insurance company licensed to do business in the state.

Sec. 95. If the condominium subdivision plan is revised, subsequent to the administrator's approval and the revisions would alter the percentage of value per condominium unit when applied to the formula used to derive the percentage of value, then the percentage of value shall be altered to reflect the revisions only after approval by the administrator. If the percentage of value is not altered to reflect these revisions, then the administrator may require revisions in the percentage of value per condominium unit, without the consent of the co-owners, mortgagees, or other interested parties, as it determines to be fair, just, and equitable in accordance with the basic formula used to originally establish the percentage of value for the project.

Sec. 101. (1) The developer of a condominium project shall submit with its application for permit to sell or request for extension for permit to sell or at such other time as required by the administrator, a disclosure statement for delivery to prospective purchasers, setting forth the material information about the condominium project and the developer as the administrator requires. The disclosure statement shall contain an explanation of the association of co-owners' possible liability pursuant to section 58 of this act.

(2) The developer shall promptly amend the disclosure statement to reflect any material change in the information contained in the disclosure statement as originally submitted, amended, or renewed.

Sec. 102. The administrator may accept, in lieu of the disclosure statement meeting the requirements set forth in section 101, a disclosure statement form required by a federal or state governmental agency or a disclosure statement form approved by an association of state regulatory agencies which the administrator determines by rule or order to encompass disclosure requirements similar to those required in section 101.

Sec. 103. The administrator may require the developer of a condominium project to escrow a portion of the sales price of each condominium unit, or to provide other acceptable adequate security, to cover the cost of construction of recreational facilities and other common elements to be determined by the administrator. Appropriate escrow funds shall be released to the developer upon completion of each recreational facility or other common elements for which the escrow fund was established. The escrow requirement under this section shall not impair any contractual right of any first mortgagee to repayment of its loan from the proceeds of the sale of condominium units.

Sec. 104. (1) The developer of a conversion condominium project shall notify each existing tenant of any unit in the condominium project that the project is proposed to be converted to a condominium project. The notice shall be physically delivered or sent by first class mail to each unit addressed to the tenant thereof. A tenancy in a conversion condominium, whether month to month or otherwise, may not be terminated without cause within 120 days of such notice.

(2) The disclosure statement for a conversion condominium project shall state the year or years of completion of construction of the building or buildings in the project.

Sec. 105. A reserve fund for major repairs and replacement of common elements shall be maintained by the associations of co-owners. The administrator may by rule establish minimum standards for reserve funds.

Sec. 106. A default by a co-owner shall entitle the association of co-owners to the following relief:

(a) Failure to comply with any of the terms or provisions of the condominium documents shall be grounds for relief, which may include without limitations, an action to recover sums due for damages, injunctive relief, foreclosure of lien if default in payment of assessment, or any combination thereof.

(b) In a proceeding arising because of an alleged default by a co-owner, the association of co-owners, if successful, may recover the costs of the proceeding and such reasonable attorneys' fees as may be determined by the court.

(c) Such other reasonable remedies the condominium documents may provide including but without limitation the levying of fines against co-owners after notice and hearing thereon and the imposition of late charges for non-payment of assessments as provided in the condominium bylaws or rules and regulations of the condominium.

Sec. 107. A co-owner may maintain an action against the association of co-owners and its officers and directors to compel these persons to enforce the terms and provisions of the condominium documents. A co-owner may maintain an action against any other co-owner for injunctive relief or for damages or any

combination thereof for noncompliance with the terms and provisions of the condominium documents or this act.

Sec. 108. (1) Sums assessed to a co-owner by the association of co-owners which are unpaid constitute a lien upon the unit or units in the project owned by the co-owner at the time of the assessment before other liens except tax liens on the condominium unit in favor of any state or federal taxing authority and sums unpaid on a first mortgage of record except that past due assessments which are evidenced by a notice of lien, recorded as set forth in subsection (3), have priority over a first mortgage recorded subsequent to the recording of the notice of lien. The lien upon each condominium unit owned by the co-owner shall be in the amount assessed against the condominium unit, plus a proportionate share of the total of all other unpaid assessments attributable to condominium units no longer owned by the co-owner but which became due while the co-owner had title to the condominium units. The lien may be foreclosed by an action or by advertisement by the association of co-owners in the name of the condominium project on behalf of the other co-owners.

(2) A foreclosure shall be in the same manner as a foreclosure under the laws relating to foreclosure of real estate mortgages by advertisement or judicial action.

(3) A foreclosure proceeding may not be commenced without recordation and service of notice of lien in accordance with the following:

(a) Notice of lien shall set forth:

(i) The legal description of the condominium unit or condominium units to which the lien attaches.

(ii) The name of the co-owner of record thereof.

(iii) The amounts due the association of co-owners at the date of the notice, exclusive of interest, costs, attorney fees and future assessments.

(b) The notice of lien shall be in recordable form, executed by an authorized representative of the association of co-owners and may contain other information as the association of co-owners may deem appropriate.

(c) The notice of lien shall be recorded in the office of register of deeds in the county in which the condominium project is located and shall be served upon the delinquent co-owner by first class mail, postage prepaid, addressed to the last known address of the co-owner at least 10 days in advance of commencement of the foreclosure proceeding.

(4) The association of co-owners, acting on behalf of all co-owners, unless prohibited by the master deed or bylaws, may bid in at the foreclosure sale, and acquire, hold, lease, mortgage, or convey the condominium unit.

(5) An action to recover money judgments for unpaid assessments may be maintained without foreclosing or waiving the lien.

(6) An action for money damages and foreclosure may be combined in 1 action.

(7) A receiver may be appointed in an action for foreclosure of the assessment lien and may be empowered to take possession of the condominium unit, if not occupied by the co-owner and to lease the condominium unit and collect and apply the rental therefrom.

Sec. 109. Neither the association of co-owners nor the co-owners, other than the developer, shall be liable for torts caused by the developer or his agents or employees of the developer within the common elements.

Sec. 110. The developer shall disclose in the disclosure statement and reservation and subscription agreement or the master deed, the warranty relating to the condominium project and individual condominium units. The warranty shall be in a form and manner approved by the administrator.

Sec. 111. (1) Upon the sale or conveyance of a condominium unit, all unpaid assessments against a condominium unit shall be paid out of the sale price or by the purchaser in preference over any other assessments or charges or whatever nature except the following:

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

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

(2) A purchaser or grantee is entitled to a written statement from the association of co-owners setting forth the amount of unpaid assessments against the seller or grantor and the purchaser or grantee is not liable for, nor is the condominium unit conveyed or granted subject to a lien for any unpaid assessments against the seller or grantor in excess of the amount set forth in the written statement. Unless the purchaser

or grantee requests a written statement from the association of co-owners as provided in this act, at least 5 days before sale, the purchaser or grantee shall be liable for any unpaid assessments against the condominium unit together with interest, costs, and attorney fees incurred in the collection thereof.

Sec. 112. (1) A co-owner, including the developer, desiring to rent or lease a condominium unit, shall disclose that fact in writing to the association of co-owners at least 21 days before leasing the condominium unit and shall supply the association of co-owners with a copy of the exact lease form for its review for its compliance with the condominium documents. A developer proposing to rent condominium units before the transitional control date, shall notify either the advisory committee or each co-owner in writing.

(2) Subsection (1) shall apply only to those master deeds which are approved by the administrator after the effective date of this act.

(3) Tenants or nonco-owner occupants shall comply with all of the conditions of the condominium documents of the condominium project and all leases and rental agreements shall so state.

(4) If the association of co-owners determines that the tenant or nonco-owner occupant failed to comply with the conditions of the condominium documents, the association of co-owners shall take the following action:

(a) The association of co-owners shall notify the co-owner by certified mail advising of the alleged violation by tenant.

(b) The co-owner shall have 15 days after receipt of the notice to investigate and correct the alleged breach by the tenant or advise the association of co-owners that a violation has not occurred.

(c) If after 15 days the association of co-owners 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 of co-owners, if it is under the control of the developer, an action for eviction against the tenant or nonco-owner occupant and simultaneously for money damages in the same action against the co-owner and tenant or nonco-owner occupant for breach of the conditions of the condominium documents. The relief set forth in this section may be by summary proceeding. The association of co-owners may hold both the tenant and the co-owner liable for any damages caused by the co-owner or tenant in connection with the condominium unit.

(5) When a co-owner is in arrearage to the association of co-owners for assessments, the association of co-owners may give written notice of the arrearage to a tenant occupying a co-owner's condominium unit under a lease or rental agreement, and the tenant, after receiving the notice, shall deduct from rental payments due the co-owner the arrearage and future assessments as they fall due and pay them to the association of co-owners. The deductions shall not be a breach of the rental agreement or lease by the tenant.

Sec. 113. A developer or sales agent shall not require that a prospective purchaser of a condominium unit obtain financing from a specific financial institution exclusively.

Sec. 114. The laws of this state relating to the exemption of homestead property from levy and execution shall be applicable to condominium units occupied as homesteads.

Sec. 115. A developer who offers or sells a condominium unit in violation of section 21 or 89 is liable to the person purchasing the condominium unit for damages.

Sec. 121. The establishment, operation, and regulation of mobile home condominium projects shall comply with this act, rules promulgated under this act, and with the following:

(a) A mobile home located on a mobile home condominium site shall be contained entirely within that site. The mobile home condominium master deed shall set forth the minimum and maximum size of a mobile home that may be located on the mobile home condominium site, subject to approval by the administrator.

(b) The association of co-owners may remove a mobile home from a mobile home condominium site if the mobile home does not conform to the reasonable standards set forth by the association of co-owners in the bylaws.

(c) Upon completion of foreclosure of a lien of the association of co-owners for nonpayment of assessments on a condominium unit pursuant to section 108, the association of co-owners may remove a mobile home and other personal property from the condominium unit and cause the same to be stored at the expense of the co-owner thereof.

(d) The minimum and maximum size set forth pursuant to subdivision (a), the standards set forth pursuant to subdivision (b), and the method of removal of a mobile home prescribed in subdivision (c) shall

be consistent with Act No. 419 of the Public Acts of 1976, being sections 125.1101 to 125.1147 of the Michigan Compiled Laws.

Sec. 122. The developer of a mobile home condominium project shall disclose, in a manner and form to be set forth by the administrator, to a prospective mobile home condominium purchaser, an affiliation between the developer and the seller of skirting and the seller of the mobile home, if the purchaser as a condition to buying a site must also purchase a mobile home or skirting from the developer or an affiliate of the developer. The administrator may prohibit required purchases of skirting from the developer or a source designated by the developer, as prescribed in Act No. 419 of the Public Acts of 1976.

Sec. 123. A developer or an affiliate of a developer shall not develop a mobile home condominium project which involves, as a condition of sale, leasing agreements covering the recreational facilities, amenities, other common elements, or mobile home condominium sites.

Sec. 124. (1) A mobile home condominium co-owner shall receive good and marketable title to his particular mobile home condominium site together with an undivided interest in the common elements.

(2) A mobile home condominium co-owner may remove a mobile home from the mobile home condominium site, and sell his rights and interest in the mobile home condominium site, but may not remove any of the common elements.

Sec. 125. Subject to local zoning ordinances, the administrator may set standards for the spacing of mobile homes and minimum green space consistent with Act No. 419 of the Public Acts of 1976.

Sec. 126. (1) Mobile home condominium projects shall comply with applicable local law, ordinances, and regulations and the administrator may require evidence of compliance before issuing a permit to sell.

(2) The administrator shall cooperate with other agencies administering mobile home regulatory statutes and may promulgate rules to assist in achieving compliance with other statutes and rules of these agencies.

Sec. 127. (1) An applicant for a permit to sell a mobile home condominium shall comply with Act No. 419 of the Public Acts of 1976. The administrator shall not impose requirements relating to density, zoning, layout, or construction inconsistent with rules regarding density, zoning, layout, or construction promulgated under Act No. 419 of the Public Acts of 1976.

(2) The applicant shall pay the filing fee prescribed under Act No. 419 of the Public Acts of 1976 in place of the fee prescribed in this act.

Sec. 131. Special assessments and property taxes shall be assessed against the individual condominium units identified as units of the condominium subdivision plan and not on the total property of the project or any other part thereof, except for the year in which the condominium project was established subsequent to the tax day. Taxes and special assessments which become a lien against the property in that year subsequent to the establishment of the condominium project shall be expenses of administration of the project and paid by the co-owners as provided in section 69. The taxes and special assessments shall not be divided or apportioned on the tax roll any provision of any law to the contrary notwithstanding. Special assessments and property taxes in any year in which the property existed as an established condominium project on the tax day shall be assessed against the individual condominium unit, notwithstanding any subsequent vacation of the condominium project. Condominium units shall be described for such purposes by reference to the condominium unit number of the condominium subdivision plan and the caption thereof together with the liber and page of the county records in which the approved master deed is recorded. Assessments for subsequent real property improvements to a specific condominium unit shall be assessed to that condominium unit description only. For property tax and special assessment purposes each condominium unit shall be treated as a separate single unit of real property and shall not be combined with any other unit or units and no assessment of any fraction of any unit or combination of any unit with other units or fractions thereof shall be made, nor shall any division or split of the assessment or taxes of any single condominium unit be made notwithstanding separate or common ownership thereof.

Sec. 132. A mechanic's lien otherwise arising under Act No. 179 of the Public Acts of 1891, being sections 570.1 to 570.30 of the Michigan Compiled Laws, shall be subject to the following limitations:

(a) Except as provided in this section a mechanic's lien for work performed upon a condominium unit or upon a limited common element may attach only to the condominium unit upon which the work was performed.

(b) A mechanic's lien for work authorized by the developer or principal contractor and performed upon the common elements may attach only to condominium units owned by the developer at the time of recording of the statement of account and lien.

(c) A mechanic's lien for work authorized by the association of co-owners may attach to each condominium unit only to the proportionate extent that the co-owner of the condominium unit is required to contribute to the expenses of administration as provided by the condominium documents.

(d) A mechanic's lien may not arise or attach to a condominium unit for work performed on the common elements not contracted by the developer or the association of co-owners.

Sec. 133. (1) If any portion of the common elements is taken by eminent domain, the award therefor shall be allocated to the co-owners in proportion to their respective undivided interests in the common elements. The association of co-owners, acting through its board of directors, may negotiate on behalf of all co-owners for any taking of common elements and any negotiated settlement approved by more than 2/3 of co-owners based upon assigned voting rights shall be binding on all co-owners.

(2) If a condominium unit is taken by eminent domain, the undivided interest in the common elements appertaining to the condominium unit shall thenceforth appertain to the remaining condominium units, being allocated to them in proportion to their respective undivided interests in the common elements. The court shall enter a decree reflecting the reallocation of undivided interests produced thereby, and the award shall include, without limitation, just compensation to the co-owner of the condominium unit taken for his undivided interest in the common elements as well as for the condominium unit.

(3) If portions of a condominium unit are taken by eminent domain, the court shall determine the fair market value of the portions of the condominium unit not taken. The undivided interest for each condominium unit in the common elements appertaining to the condominium units shall be reduced in proportion to the diminution in the fair market value of the condominium unit resulting from the taking. The portions of undivided interest in the common elements thereby divested from the co-owners of a condominium unit shall be reallocated among the other condominium units in the condominium project in proportion to their respective undivided interests in the common elements. A condominium unit partially taken shall receive the reallocation in proportion to its undivided interest as reduced by the court under this subsection. The court shall enter a decree reflecting the reallocation of undivided interests produced thereby, and the award shall include just compensation to the co-owner of the condominium unit partially taken for that portion of the undivided interest in the common elements divested from the co-owner and not re-vested in the co-owner pursuant to subsection (4), as well as for that portion of the condominium unit taken by eminent domain.

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

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

Sec. 134. Recreational facilities and other amenities, whether on condominium property or on adjacent property with respect to which the condominium has an obligation of support, shall comply with requirements prescribed by rule or order of the administrator, to assure equitable treatment of all users.

Sec. 135. A mortgagee or any affiliate owned or controlled by the mortgagee which acquires title to the lesser of 10 units or 75 percent of the units in the condominium project, by foreclosure, deed in lieu of foreclosure or similar transaction, shall obtain a permit to sell from the administrator prior to selling any such units. The administrator may condition the issuance of a permit to sell upon compliance by such mortgagee or affiliate with the provisions of sections 86 and 101 of this act, and any other provisions of the act as may be required by rule in order to insure that the condominium project will not work or tend to work a fraud or deception on prospective co-owners. The mortgagee or affiliate shall not be required to assume and shall not otherwise be liable for, any contractual obligations of its predecessor in title. A person who acquires title to any condominium unit from a mortgagee or its affiliate shall be considered a mortgagee for purposes of this section.

Sec. 136. A successor developer other than as provided in section 135 shall agree to assume all of the written contractual obligations, including warranty obligations, which are filed with administrator of the previous developer, to the current co-owners of the condominium units in the project. This document shall be provided to the administrator before a permit to sell may be issued to the successor.

Sec. 137. The obligations of the developer to condominium unit purchasers and to the association of co-owners shall not be affected by the transfer of the developer's interest in the condominium project.

Sec. 138. The developer of a condominium project shall promptly report to the administrator any change in mortgagee of a mortgage designed for the creation of the project or a phase of a project and encompasses 50% or more of the condominium units in the project or phase.

Sec. 139. A co-owner may not assert in an answer, or set off to a complaint brought by the association for non-payment of assessments the fact that the association of co-owners or its agents have not provided the services or management to a co-owner(s).

Sec. 140. (1) Upon request and at such reasonable charges as it prescribes, the administrator shall furnish to any person photostatic or other copies, certified under the seal of office if requested, of a document which is retained as a matter of public record. The administrator shall not charge or collect a fee for photostatic or other copies of a document furnished to public officials for use in their official capacity.

(2) In a judicial or administrative proceeding or prosecution, a copy so certified is prima facie evidence of the contents of the document certified and may be used for all purposes in lieu of the original.

(3) When the administrator is charged with the legal custody of a paper, document, record, or application and when an officer or employee of the administrator certifies that a diligent search was made in the files for the paper, document, record, or application, and the paper, document, record, or application does not exist, the certification shall be prima facie evidence of the facts so certified, in all causes, matters, and proceedings in the same manner and with the like effect as if the officer or employee personally testified to the same in the court or hearing.

Sec. 141. A zoning or other land use regulation shall not prohibit a condominium project as such by reason of the form or ownership inherent therein. A condominium project shall not be treated differently by any zoning or other land use ordinance which would permit a similar project or development under a different form of ownership.

Sec. 142. The administrator may promulgate rules, forms, and orders as are necessary to implement this act or which are necessary for the establishment of unusual forms of condominium projects; and may define any terms necessary in administration of the act. The rules and definition of terms shall be promulgated pursuant to Act No. 306 of the Public Acts of 1969, as amended, being sections 24.201 to 24.315 of the Michigan Compiled Laws.

Sec. 151. The administrator in its discretion may:

(a) Make private investigations within or without this state as it deems necessary to determine if a person violated or is about to violate this act or a rule promulgated or order issued under this act, and may publish information concerning the violation of this act or rule or order.

(b) Require a developer to file a written statement in response to complaints received by the administrator and forwarded to the developer. The statement shall set forth the facts and circumstances concerning the matter raised in the complaint. Failure to respond to a letter requiring information within 15 days after its receipt shall be ground for issuance of immediate order directing a response.

Sec. 152. (1) For the purpose of an investigation or proceeding under this act, the administrator or its authorized representative upon making application to the circuit court and showing of cause that a violation may occur or has occurred and obtaining order of said court, may administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, and require the production of books, papers, correspondence, memoranda, agreements, or other documents or records which the administrator deems relevant or material to the inquiry.

(2) The administrator or any of its officers or employees shall not disclose to the public any investigative information which is filed with, or obtained by, the administrator and which is not made public under this act. This act shall not be construed to authorize the administrator or any of its officers or employees to disclose investigative information except among themselves or when necessary or appropriate in a proceeding or investigation under this act, or to federal, state, local, or foreign governmental agencies for

their official use. This act shall not be construed to create or derogate a privilege which exists at common law or otherwise when documentary or other evidence is sought under subpoena directed to the administrator or any of its officers or employees.

Sec. 153. If the administrator has reason to believe that a person is in violation of this act, the administrator shall notify the person and the developer of the investigation and the possibility of administrative or civil action at least 10 days before commencement of the proceeding. Before commencement of administrative proceedings the administrator may issue a nonpublic statement of intent to commence proceedings to persons who are subjects of an investigation relating to possible violations of the act. The notice shall provide that the subjects of the investigation shall have opportunity to show why proceedings should not be commenced against them. If a response satisfactory to the administrator is received, then further proceedings under this act shall not be required.

Sec. 154. The administrator may issue an order to show cause why an order denying, suspending, or revoking a permit to sell or a permit to take reservations or barring or suspending a person from condominium development, sales or management, should not issue if it finds that the order is in the public interest and that actions which materially endanger or have endangered the public interest or the interest of condominium co-owners exist and said actions are enumerated and limited to the following:

(a) An application filed pertaining to a permit, the disclosure statement, the master deed, or a related document filed with the administrator in connection with a condominium project, is incomplete in any material respect or contains a statement which is false or misleading in the light of the circumstances under which it is made.

(b) This act, or a rule, order, or condition lawfully imposed under this act, has not been complied with or was violated in connection with the offering by the person filing the document; the developer; a partner, officer, director, proprietor, or manager of the developer; or a person directly or indirectly controlling, or directly controlled by, the developer.

(c) The condominium project worked or tended to work a fraud, deception, or imposition, or would so operate, or the condominium project would create an unreasonable risk to prospective co-owners, as defined by rules promulgated by the administrator.

(d) The developer, a partner, officer, director, proprietor, or manager of the developer, or a person directly or indirectly controlling or directly controlled by the developer, or a person identified in the application for a permit to take reservations or the application for a permit to sell, or the disclosure statement, was convicted of an offense under this act within the past 10 years, is the subject of an administrative order under this act, or has had a civil judgment entered against him as a result of a violation of this act or a rule or order promulgated pursuant to this act; and said judgment has not been satisfied and the administrator determines that the involvement of the person in the sale or development of the condominium project creates an unreasonable risk to prospective co-owners.

(e) The developer, a partner, officer, director, proprietor, or manager of the developer, or a person directly or indirectly controlling or directly controlled by the developer, or a person identified in the application for a permit to sell or the application for a permit to take reservations, or the disclosure statement, was:

(i) Convicted of a violation.

(ii) Had a civil judgment entered and has not satisfied said judgment as a result of a violation of a statute: regulating the offering of securities or franchises or licensing or regulating builders, real estate brokers, or real estate salesmen; or as a result of a violation of Act No. 286 of the Public Acts of 1972, as amended, being sections 565.801 to 565.835 of the Michigan Compiled Laws, or a rule promulgated or order issued thereunder.

(f) The developer's method of business, construction, development, or sales includes or would include activities which are illegal.

(g) The developer failed to pay the proper fee.

(h) The applicant failed to diligently process his application with the administrator, or failed to diligently seek or was denied appropriate zoning, building, public health, or environmental permits.

Sec. 155. (1) When the administrator has cause to believe that a person engaged in an act or practice constituting a violation of this act or a rule promulgated or order issued under this act, the administrator may issue a notice to show cause why a cease and desist order should not be issued.

(2) After 10 days' notice and opportunity for hearing the administrator may stop construction as to part or all of a condominium project when the continuous building would cause irreparable harm to co-owners of the condominium project.

(3) If the administrator knows or has cause to believe that funds of individual co-owners or the association of co-owners were misapplied, converted by the developer, or that the developer understated maintenance or other fees for the purpose of enticing purchasers, or otherwise failed to meet financial obligations to the project, the administrator may require an appropriate escrow of funds from sales of condominium units pending resolution of the matter provided, however, that the escrow requirement under this section shall not impair any contractual rights of any first mortgagee to repayment of its loan from the proceeds of the sale of condominium units.

Sec. 156. A person may not represent that the fact that an application under this act is filed or a permit is granted constitutes a finding by the administrator that a document filed under this act is true, complete, or not misleading. A person may not represent that the administrator passed upon the merits or qualifications of, or recommended or gave approval to, a person, developer, transaction, or condominium project.

Sec. 157. (1) Upon the entry of an order to show cause under this act, the administrator shall promptly notify the applicant and the mortgagee of record that the order has been entered and of the reasons therefore and the matter thereupon shall be set down for hearing to commence not sooner than 45 days after receipt of the order by the developer and the developer's mortgagee, unless such parties consent to an earlier date.

(2) The administrator may vacate or modify an administrative order, if, after notice and hearing, unless waived by all parties having an interest therein, the administrator finds that the conditions that caused the entry of the order have changed or that it is otherwise in the public interest to do so.

(3) All notices of hearing and hearings required or provided for in this act and all appeals from any action taken at such hearings, shall be in conformity with the provisions of Act No. 306 of the Public Acts of 1969, as amended.

(4) At the time and place fixed for the hearing, the person shall have an opportunity to be heard, to be represented by counsel and to show cause why an order should not be made by the administrator requiring the person to cease and desist from the acts, methods, or practices complained of. Upon showing by any person that he has an interest likely to be affected adversely, the administrator shall permit that person to intervene, appear and be heard at the hearing by counsel or in person.

(a) The burden of proof at the hearing shall be upon the agency or upon an intervenor who intervened in opposition to the person who is the subject of the proceeding.

(b) The administrator or his designee shall preside over the hearing, except that an independent hearing officer shall be designated the administrator if requested by the person who is subject of the proceedings or the administrator. The independent hearing officer shall be selected by the administrator from a list of individuals submitted by the American arbitration association qualified to conduct hearings on behalf of the administrator. A list of individuals shall be maintained by the administrator and shall be compiled pursuant to rules promulgated by the administrator. The rules shall set forth the qualifications, criteria, and procedures to utilize in the compilation of the list of independent hearing officers. The person subject to the proceedings may exercise 1 peremptory dismissal of the hearing officer selected, if exercised within 20 days after notification.

Sec. 158. A person who wilfully authorizes, directs, or aids in publication, advertisement, distribution, or circulation of a statement or representation concerning a condominium project which misrepresents the facts concerning the condominium project as set forth in the approved and recorded master deed or the application of a developer to the administrator for permission to sell; a person who, with knowledge that an advertisement pamphlet, prospectus, or letter concerning a condominium project contains a written statement that is false or fraudulent, issues, circulates, publishes, or distributes the same; a person who represents or causes or permits the representation of any property as a condominium project when the property was not approved and recorded as a condominium project under the terms of this act is guilty of a misdemeanor and shall be punished by a fine of not more than \$10,000.00, or imprisonment for not more than 1 year, or both. Each violation constitutes a separate offense, the terms of imprisonment may run consecutively, and the fines may be aggregated.

Sec. 159. In addition to any other penalty or remedy, the administrator may bring an action in a court of competent jurisdiction against a person to enjoin the person from engaging or continuing in a violation of this act or an order of the administrator.

Sec. 160. An action under section 158 or 159 shall be brought by the prosecuting attorney of the county in which the property is located or by the attorney general.

Sec. 170. This act does not impair or affect any act done, offense committed or right accruing, accrued or acquired, or a liability, penalty, forfeiture or punishment incurred before this act takes effect, but the same may be enjoyed, asserted and enforced, as fully and to the same extent as if this act had not been passed. Proceedings may be consummated under and in accordance with Act No. 229 of the Public Acts of 1963, as amended, being sections 559.1 to 559.31 of the Michigan Compiled Laws. Proceedings pending at the effective date of this act and proceedings instituted thereafter for any act, offense committed, right accruing, accrued or acquired, or liability, penalty, forfeiture or punishment incurred before the effective date of this act may be continued or instituted under and in accordance with Act No. 229 of the Public Acts of 1963, as amended.

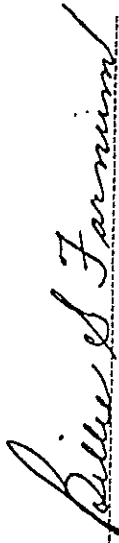
Sec. 171. Act No. 229 of the Public Acts of 1963, as amended, being sections 559.1 to 559.31 of the Compiled Laws of 1970, is repealed.

Sec. 172. This act shall take effect July 1, 1978. Requirements for the disclosure statement shall not take effect until October 1, 1978.

This act is ordered to take immediate effect.



Clerk of the House of Representatives.



Secretary of the Senate.

Approved.....

.....
Governor.

OUTLINE OF CONDOMINIUM ACT
Act No. 59, P. A. of 1978

- | SEC.
NO. | |
|-------------|---|
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| 21. | Initial offer to sell limits |
| 22-30. | Omitted |
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| 32. | Expandable condominium - master deed content* |
| 33. | Contractable condominium - master deed content* |
| 34. | Leasehold condominium - master deed content |
| 35. | Easements |
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| 37. | Allocation of interests - common elements* |
| 38. | Non-allocation of interests - future units |
| 39. | Assignment and reassignment of common elements |
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| 41. | Converting convertible area |
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| 47. | Condominium unit alterations |
| 48. | Relocation of condominium unit boundaries |
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| 51. | Termination of condominium project by co-owners |
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| 56. | Bylaw provisions |
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| 60. | Actions on behalf of and against co-owners |
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| 65. | Compliance to master deed and act by co-owner |
| 66. | Preparation of condominium subdivision plan* |
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or replat of project |

- SEC.
NO.
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 - 70. Administrator - review, approval or rejection
 - 71. Local government approval*
 - 72. Establishment of condominium project*
 - 73. Certification of taxes - master deed for assessor*
 - 74. Permit to sell
Subdivision plan | *
Consolidated master deed |
 - 75-80. Omitted
 - 81. Applicant for permits to file consent appointing administrator to receive service of process
 - 82. Escrow account - prospective purchaser
 - 83. Preliminary reservation agreement
 - 84. Reservation and subscription agreement
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 - 86. Permits to sell and to take reservations prerequisite to advertise proposed project.
 - 87. Filing proposed master deed*
 - 88. Permit to sell requirements
 - 89. Purchase agreement or reservation/subscription agreement requirements
 - 90. Amendment of condominium documents*
 - 91. Amendment to master deed filed with administrator* and co-owners
 - 92. Fees collected to general state fund
 - 93. Administrator rejection of permits to sell or take reservations
 - 94. Title insurance policy for condominium unit
 - 95. Condominium subdivision plan revision - percentage of value alteration
 - 96-100. Omitted
 - 101. Disclosure statement for prospective purchasers
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 - 103. Escrow fund for common elements
 - 104. Disclosure statement to tenants for conversion condominium project
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 - 106. Relief for default by a co-owner
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- SEC. NO. Homestead property laws applicable
114. Liability of developer on offer to sell, purchase or reservation agreements
115. Omitted
- 116-120. Mobile home condominium project - rules and * compliance
121. Disclosure of mobile home and skirting purchase conditions
122. Prohibition of common element leasing agreements in mobile home project development
123. Marketable title due co-owner of mobile home unit
124. Mobile home unit spacing set by administrator
125. Mobile home project to comply with local ordinances
126. Mobile home condominium permit to sell applicant - fee and compliance with Act No. 419, P. A. 1976
127. Omitted
- 128-130. Property taxes and special assessments on * individual units; property descriptions
131. Mechanic's lien
132. Takings by eminent domain
133. Recreational facilities and amenities to comply for equitable treatment of users
134. Permit to sell after foreclosure by mortgagee
135. Successor developer assumption of obligations
136. Obligations at transfer of developer's interest
137. Developer report of change in mortgagee
138. Co-owner reply to assessment default notice
139. Copies of documents furnished by administrator
140. Condominium project treatment by local zoning
141. Rules, forms and orders to implement act
142. Omitted
- 143-150. Administrator investigations of act violation
151. Administrator investigations - methods and disclosure
152. Administrator notice of investigation.
153. Administrator order for permit revocation
154. Administrator notice for cease and desist order
155. Misrepresentation of administrator .
156. Entry of order to show cause - notice, vacation, modification, requirements, time and place of hearing, interested parties, hearing officer
157. Misrepresentation of condominium project - penalties
158. Administrator court action for act violation
159. Actions of Sec. 158 & 159 by prosecuting attorney of situs county or attorney general
160. Omitted
- 161-169. Omitted

- SEC.
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114. Homestead property laws applicable
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- 128-130. Omitted
131. Property taxes and special assessments on * individual units; property descriptions
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156. Misrepresentation of administrator .
157. Entry of order to show cause - notice, vacation, modification, requirements, time and place of hearing, interested parties, hearing officer
158. Misrepresentation of condominium project - penalties
159. Administrator court action for act violation
160. Actions of Sec. 158 & 159 by prosecuting attorney of situs county or attorney general
- 161-169. Omitted

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Annual Report
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Certification & Copies
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STATE OF MICHIGAN



LIBER 8115 PAGE 89

WILLIAM G. MILLIKEN, Governor

DEPARTMENT OF COMMERCE

WILLIAM R. LUKENS, Acting Director

O R D E R

CERTIFICATE OF APPROVAL OF CONSOLIDATED MASTER DEED

In re: Application of Bert L. Smokler and Company, a Delaware corporation, 8th Floor, 17515 West Nine Mile Road, Southfield, Michigan, Developer, for a Certificate of Approval of Consolidated Master Deed for COUNTRY PLACE CONDOMINIUM, North of Eight Mile Road, Novi, Oakland County, Michigan (Our File No. 71-187.)

RECORDED
OAKLAND COUNTY MICHIGAN
REGISTERED DEEDS RECORDS

J. Allen
LYNN O. ALLEN
REGISTER OF DEEDS

PM 4 18

1. Application having been duly made and examined, and
2. A Certificate of Approval of Master Deed - Section 1, having been entered April 18, 1972, and recorded May 5, 1972, in Liber 5860, page 488; the Master Deed, having been recorded May 5, 1972, in Liber 5860, pages 474 through 542, in the records of the Oakland County Register of Deeds Office,
A Conditional Permit To Sell, having been entered May 9, 1972, and
3. A Certificate of Approval of Master Deed - Section 2, having been entered May 24, 1972, and recorded June 1, 1972, in Liber 5877, page 467; the Master Deed, having been recorded June 1, 1972, in Liber 5877, pages 468 through 516, in the records of the Oakland County Register of Deeds Office,
A Conditional Permit To Sell, having been entered June 9, 1972, and
4. An Approval of Amendment to Master Deed - Section 2, First Amendment, having been entered September 8, 1972, for the purpose of correcting errors in the Master Deed, and
5. A Certificate of Approval of Master Deed, Section 3, having been entered January 29, 1974, and recorded February 11, 1974, in Liber 6244, page 144; Master Deed, having been recorded February 11, 1974, in Liber 6244, pages 145 through 177, in the records of the Oakland County Register of Deeds Office, and
A Conditional Permit To Sell, having been entered February 12, 1974, and
6. A Certificate of Approval of Master Deed, Section 4, having been entered February 23, 1977, and recorded February 24, 1977, in Liber 6854, page 41; the Master Deed, having been recorded February 24, 1977, in Liber 6854, pages 42 through 76, in the records of the Oakland County Register of Deeds Office, and

A Conditional Permit To Sell, having been entered February 28, 1977, 7.00
Lansing Pick up PR-80768 *Z.*

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7. A Certificate of Approval of Amended Master Deed - Section 4, First Amendment, having been entered August 24, 1977, and recorded August 29, 1977, in Liber 6999, page 360; the Amended Master Deed, having been recorded August 29, 1977, in Liber 6999, pages 361 through 390 in the records of the Oakland County Register of Deeds Office,
 - A Conditional Permit To Sell, having been entered August 31, 1977, and
8. A Certificate of Approval of Amended Master Deed - Section 4, Second Amendment, having been entered June 22, 1978, and recorded June 26, 1978, in Liber 7236, page 677; the Amended Master Deed, having been recorded June 26, 1978, in Liber 7236, pages 678 through 718, in the records of the Oakland County Register of Deeds Office,
 - A Conditional Permit To Sell, having been entered June 26, 1978, and
9. A Certificate of Approval of Amended Master Deed - Section 4, Third Amendment, having been entered May 23, 1979, and recorded May 24, 1979, in Liber 7515, page 886; the Amended Master Deed, having been recorded May 24, 1979, in Liber 7515, pages 887 through 928, in the records of the Oakland County Register of Deeds Office,
 - A Conditional Permit To Sell, having been entered May 25, 1979, and
10. A Certificate of Approval of Master Deed - Section 5, having been entered May 21, 1974, and recorded May 28, 1974, in Liber 6297, page 486; the Master Deed, having been recorded May 28, 1974, in Liber 6297, pages 487 through 536, in the records of the Oakland County Register of Deeds Office,
 - A Conditional Permit To Sell, having been entered December 18, 1978.
11. Therefore, a Certificate of Approval of Consolidated Master Deed for the above condominium is hereby given to the developer, pursuant to Act 59, Public Acts of 1978, as amended, subject to the following conditions:
 - a) That all existing and future co-owners in the above condominium be supplied with copies of the Consolidated Master Deed.
 - b) That this order be recorded with the County Register of Deeds at the same time as the Consolidated Master Deed itself is so recorded.
 - c) That this Consolidated Master Deed supersede all previously recorded Master Deeds.

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12. This Certificate of Approval of Consolidated Master Deed becomes effective immediately upon recording.

MICHIGAN DEPARTMENT OF COMMERCE
William R. Lukens, Acting Director

By EC Mackey
E. C. Mackey, Director
Corporation & Securities Bureau

Dated: June 18, 1981
Lansing, Michigan

1981 NOV 30 PM 4 18

CONSOLIDATED MASTER DEED
COUNTRY PLACE CONDOMINIUM

(Act 229, Public Acts of 1963, as amended and
Act 59 of the Public Acts of 1978)

[Handwritten signature]

This Consolidated Master Deed is made and executed on this 29th day of September, 1981 by Bert L. Smokler and Company, a Delaware corporation, hereinafter referred to as "developer", whose office is situated at 9th floor, 17515 West Nine Mile Road, Southfield, Michigan, represented herein by one of its officers who is fully empowered and qualified to act on behalf of said corporation, in pursuance of the provisions of the Michigan Horizontal Real Property Act as amended (being Section 559.2 of the Compiled Laws of 1948 and Act 229 of the Public Acts of 1963), hereinafter referred to as the "Act" and pursuant to the provisions of Act 59 of the Public Acts of 1978.

WITNESSETH:

WHEREAS, the Developer has established Country Place Condominium, Sections 1, 2, 3, 4 and 5 as five separate condominium projects by recording separate Master Deeds for each of such Sections as follows:

Country Place Condominium Section No.	Liber and Page Oakland County Records	Condominium Subdivision Plan No.
1	Liber 5860, Page 474	72
2	Liber 5877, Page 450	87
3	Liber 6244, Page 145	167
4	Liber 6854, Pages 42-76	223
First Amendment,	Liber 6999, Pages 361-390	
Second Amendment,	Liber 7236, Pages 678-718	
Third Amendment,	Liber 7517, Page 887-928	
5	Liber 6297, Page 487	179
First Amendment,	Liber 6378, Page 864	
Second Amendment,	Liber 6452, Page 735	

WHEREAS, each of the Master Deeds described above provides that the Developer may execute a Consolidated Master Deed incorporating into one instrument and into one condominium project under the Act the several Sections established as separate condominium projects as hereinbefore described, and

WHEREAS, the Developer desires to add to the overall development certain recreational facilities not heretofore included within a section by a separate Master Deed, and

WHEREAS, the Developer now desires to effect such consolidation and amendment, to merge and bring all units within the Project and to adjust the percentage of value, to eliminate inconsistent and unnecessary language and to correct certain errors in the documents heretofore recorded, all as permitted by the several Master Deeds heretofore recorded, and

WHEREAS, the Developer intends by recording this instrument to replat and reconstitute the units as described in Country Place Condominium Sections 1, 2, 3, 4 and 5, being Oakland County Condominium Subdivision Plan Nos. 72, 87, 167, 223, and 179, respectively, into one condominium project under this Consolidated Master Deed, hereinafter to be known as Country Place Condominium, Replat "A" of Oakland County Subdivision Plan No. 72, 87, 167, 223, and 179, Oakland County Condominium Subdivision Plan No. 342.

397.00
[Handwritten signature]

ARTICLE I

TITLE AND NATURE

The Project shall be known as Country Place Condominium, Replat "A" of Oakland County Subdivision Plan Nos. 72, 87, 167, 223, and 179, Oakland County Condominium Subdivision Plan No. 342. The architectural plans for the Project were approved by the City of Novi, County of Oakland, State of Michigan. The Project is established in accordance with the Act. Each building in the Project contains individual apartments for residential purposes and each apartment is capable of individual utilization by reason of its having its own exit to and entrance from the common elements of the Project. The buildings and apartments contained in the Project, including the number, boundaries, dimensions, area and volume of each apartment therein, are set forth completely in the Condominium Subdivision Plan attached hereto as Exhibit "B". Each co-owner of an apartment in the Project shall have a particular and exclusive interest in the common elements of the Project, as set forth in this Superseding Consolidated Master Deed.

ARTICLE II

LEGAL DESCRIPTION

A. Composite Description of Project After Consolidation

The land that is submitted to the Project as established by this Consolidated Master Deed is more particularly described as follows (the following description hereinafter shall be referred to as the "composite description"):

"Part of the S.E. 1/4 of Section 35, T. 1 N., R. 8 E., City of Novi, Oakland County, Michigan described as: Beginning at a point distant N. 90°00'00" W. 1785.78 feet along the South line of said Section 35 and N. 00°10'57" W. 60.00 feet from the S.E. corner of said Section 35; thence from said point of beginning N. 90°00'00" W. 347.10 feet; thence N. 00°18'09" E. 354.00 feet; thence N. 90°00'00" W. 196.20 feet; thence N. 00°08'09" E. 2213.01 feet to a point on the E & W 1/4 line of said Section 35; thence along said line N. 89°37'40" E. 1481.03 feet; thence 160.03 feet along the arc of a curve to the left said curve having a radius of 680.00 feet, central angle 13°29'02", chord length 159.66 feet, chord bearing S. 07°06'51" E.; thence 377.74 feet along the arc of a curve to the left said curve having a radius of 584.28 feet, a central angle of 37° 02'29" Chord length 371.19 feet, chord bearing S. 55°47'03" W.; thence S. 37°15'48" W. 26.42 feet; thence 589.49 feet along the arc of a curve to the left said curve having a radius of 401.02 feet, central angle 84°13' 28" chord length 537.83 feet chord bearing S. 80°51'39" W.; thence 490.10 feet along the arc of a curve to the left said curve having a radius of 818.14 feet, central angle 34°19'21", chord length 482.80 feet, chord bearing N. 72°42'10" W.; thence N. 89°51'51" W. 186.61 feet; thence S. 00°08'09" W. 60.00 feet; thence S.89°51'51" E. 186.61 feet; thence 454.16 feet along the arc of a curve to the right said curve having a radius of 758.14 feet, a central angle of 34°19'21" a chord length 447.40 feet, chord bearing S. 72°42'10" E.; thence 222.54 feet along the arc of a curve to the left said curve having a radius of 401.02 feet, central angle 31°47'45" chord length 219.70 feet, chord bearing S. 14°16'13" W.; thence S. 01°37'40" E. 102.34 feet; thence 246.16 feet along the arc of a curve to the right said curve having a radius of 470.00 feet, central angle 30°00'30" Chord length 243.36 feet, chord bearing S. 13°22'35" W.; thence S. 28°22'51" W. 99.59 feet; thence N. 64°42'59" W. 161.20 feet; thence 256.76 feet along the arc of a curve to the left said curve having a radius of 585.00 feet,

central angle 25°08'52", chord length 254.71 feet, chord bearing N. 77°17'25" W. thence N. 89°51'51" W. 66.21 feet; thence S.00°08'09" W. 60.00 feet; thence S. 89°51'51" E. 66.21 feet; thence 230.43 feet along the arc of a curve to the right said curve having a radius of 525.00 feet, central angle 25°08'52", chord length 228.58 feet, chord bearing S.77°17'25" E.; thence S. 64°42'59" E. 161.29 feet; thence 409.08 feet along the arc of a curve to the left said curve having a radius of 400.00 feet, central angle 58°35'45", chord length 391.48 feet, chord bearing S. 08°18'56" E.; thence 81.45 feet along the arc of a curve to the left said curve having a radius of 670.00 feet, central angle 06°57'56", chord length 81.40 feet chord bearing S. 41°05'46" E.; thence 278.25 feet along the arc of a curve to the left said curve having a radius of 550.00 feet, central angle 28°59'09", chord length 275.29 feet, chord bearing S. 24°12'29" W.; thence 124.08 feet along the arc of a curve to the right said curve having a radius of 370.00 feet, central angle 19°12'51", chord length 123.50 feet, chord bearing N.69°24'39" W.; thence N. 59°48'14" W. 165.43 feet; thence 183.63 feet along the arc of a curve to the left said curve having a radius of 350.00 feet, central angle 30°03'37" chord length 181.53 feet, chord bearing N.74°50'02"W.; thence S.00°08'09" W. 60.00 feet; thence 152.15 feet along the arc of a curve to the right said curve having a radius of 290.00 feet, central angle 30°03'37", chord length 150.41 feet, chord bearing S.74°50'02" E.; thence S. 59°48'14" E. 165.43 feet; thence 148.82 feet along the arc of a curve to the left said curve having a radius of 430.00 feet, central angle 19°49'45", chord length 148.08 feet, chord bearing S.69°43'07" E.; thence 216.76 feet along the arc of a curve to the left said curve having a radius of 550.00 feet, central angle 22°34'49" chord length 215.36 feet, chord bearing S.07°50'41" E.; thence S.19°08'06" E. 161.86 feet; thence 187.02 feet along the arc of a curve to the right said curve having a radius of 560.00 feet central angle 19°08'06", chord length 186.15 feet, chord bearing S.09°34'03" E.; thence S.00°00'00"W. 50.30 feet; thence S.90°00'00" E. 60.00 feet; thence N.00°00'00" E. 50.30 feet; thence 207.06 feet along the arc of a curve to the left said curve having a radius of 620.00 feet, a central angle of 19°08'06" a chord length of 206.10 feet and a chord bearing of N.09°34'03" W.; thence N.70°51'54" E. 183.50 feet; thence S.18°41'17" E. 167.52 feet; thence S.00°00'00" W. 155.00 feet; thence S.90°00'00" E. 263.00 feet; thence N.00°00'00" E. 125.00 feet; thence 139.22 feet along the arc of a curve to the right said curve having a radius of 680.00 feet, central angle 11°43'51", chord length 138.98 feet, chord bearing N.05°51'55" E.; thence 372.70 feet along the arc of a curve to the left said curve having a radius of 515.00 feet, central angle 41°27'52", chord length 364.62 feet, a chord bearing N.09°00'05" W.; thence 101.31 feet along the arc of a curve to the left said curve having a radius of 642.23 feet, central angle 09°02'17", chord length 101.20 feet, chord bearing N.34°15'10" W.; thence N.45°41'09" E. 59.61 feet; thence 320.42 feet along the arc of a curve to the left, said curve having a radius of 435.00 feet, central angle 42°12'16", chord length 313.23 feet, chord bearing N.24°35'01"E.; thence N.03°28'52" E. 120.13 feet; thence 299.52 feet along the arc of a curve to the right said curve having a radius of 595.00 feet, central angle 28°50'32", chord length 296.37 feet, chord bearing N.17°54'09" E.; thence 459.11 feet along the arc of a

curve to the left, said curve having a radius of 814.09 feet, central angle 32°18'45", chord length 453.05 feet, chord bearing S.73°49'58" E.; thence N.00°00'40" E. 60.00 feet; thence 425.28 feet along the arc of a curve to the right said curve having a radius of 754.09 feet, central angle 32°18'45", chord length 419.66 feet, chord bearing N.73°49'58"W.; thence N.32°19'25" E. 102.09 feet; thence 638.04 feet along the arc of a curve to the left said curve having a radius of 450.00 feet, central angle 81°14'15", chord length 585.92 feet, chord bearing N.08°17'43"W.; thence N.37°15'48" E. 26.30 feet; thence 479.17 feet along the arc of a curve to the right, said curve having a radius of 524.28 feet central angle 52°21'54", chord length 462.66 feet, chord bearing N.63°26'45" E.; thence N.89°37'42" E. 4.67 feet; thence S.00°15'30" W. 288.72 feet; thence S.00°00'40" W. 1037.50 feet; thence N.89°44'02"W. 330.00 feet; thence S.00°10'57" E. 1055.32 feet; thence N.90°00'00" W. 280.00 feet; thence N.90°00'00" W. 60.00 feet; thence N.00°00'00" E. 125.00 feet; thence 151.51 feet along the arc of a curve to the right, said curve having a radius of 740.00 feet, a central angle 11°43'51", a chord length 151.24 feet, and a chord bearing of N.05°51'55" E.; thence 329.28 feet along the arc of a curve to the left said curve having a radius of 455.00 feet, a central angle 41°27'52", a chord length 322.14 feet, and a chord bearing N.09°00'05" W. thence 190.22 feet along the arc of curve to the left said curve having a radius of 345.00 feet, a central angle 31°35'29", a chord length 187.82 feet, and a chord bearing N.45°31'46" W.; thence N.61°19'30" W. 142.11 feet; thence 135.63 feet along the arc of a curve to the right, said curve having a radius of 670.00 feet; a central angle of 11°35'53", chord length 135.39 feet, and a chord bearing N.55°31'33"W.; thence 490.27 feet along the arc of a curve to the left, said curve having a radius of 490.00 feet, a central angle 57°19'38", a chord length 470.07 feet, and a chord bearing S.09°31'43" W.; thence S.19°08'06" E. 161.86 feet; thence 207.06 ft. along the arc of a curve to the right, said curve having a radius of 620.00 ft., central angle 19°08'06" chord length 206.10 ft., chord bearing S.09°34'03"E.; thence S.00°00'00" W. 50.30 ft.; thence N.90°00'00" W. 60.00 ft. to the point of beginning.

Community Building and Maintenance Garage

Part of the S.E. 1/4 of Section 35, T. 1 N., R. 8 E., City of Novi, Oakland County, Michigan, described as: Beginning at a point distant N. 90° 00'00" W. 990.00 feet along the South line of said Section 35 and N. 00° 10'57" W. 1090.32 feet and N. 80°40'14" W. 204.45 feet and N. 86°31'08" W. 60.00 feet from the S.E. corner of said Section 35; thence from said point of beginning S. 03°28'52" W. 30.00 feet; thence 276.23 feet along the arc of a curve to the right, said curve having a radius of 375.00 feet, central angle 42° 12' 16" chord length 270.03 feet, chord bearing S.24°35'01" W. thence S. 45°41'09" W. 56.61 feet; thence 226.37 feet along the arc of a curve to the left said curve having a radius 642.23 feet, central angle 20°11'42", Chord length 225.20 feet, chord bearing N. 54°13'51" W.; thence N. 64°19'42" W. 105.20 feet; thence 127.64 feet along the arc of a curve to the right, said curve having a radius of 273.74 feet, central angle 26°42'54", chord length 126.48 feet, chord bearing N. 50°58'15" W.; thence 225.68 feet along the arc of a curve to the right said curve having a radius of 340.00 feet, central angle 38°01'49", chord length 221.56 feet chord bearing N. 18°35'54" W.; thence 75.71 feet along the arc of a curve to the right, said curve having a radius of 340.00 feet, central angle 12°45'43", chord length 75.56 feet, chord bearing N.06°47'47" E.; thence S. 76°14'08" E. 132.17 feet; thence S. 13°45'52" W. 75.00 feet; thence S. 76°14'07" E. 153.87 feet; thence N. 13°45'53" E. 65.00 feet; thence S. 76°14'07" E. 100.00 feet; thence S. 81°05'09" E. 227.83 feet; thence S. 03° 28'52" W. 90.13 feet to the point of ending.

B. Description of Parcel Added to Project

(1) The Developer has heretofore conveyed to the Association by Warranty Deed recorded in Liber 6228, Page 344, Oakland County Records, the parcel upon which the Developer has constructed certain recreational and other community facilities; immediately prior to the recording of this Consolidated Master Deed the Association has reconveyed said parcel to the Developer subject to the easement in favor of Glen Haven Condominiums and easements and restrictions of record so that the Developer may include same in the project as a general common element and subject said parcel to the provisions of this Consolidated Master Deed and the easements and obligations contained herein. Said parcel is included in the composite legal description set forth above.

(2) The land area described in the composite description; above, is intended to be the total of (a) the parcels covered by the Master Deeds for the five separate sections described above, and (b) the parcel referred to in the Warranty Deed recorded in Liber 6228, Page 344, Oakland County Records, the community facilities.

C. Corrections to Previously Included Parcels

Due to survey errors or to other errors, there may be certain discrepancies between the land included in the composite description contained in Article II-A and the total of the land included in the previously included parcels. Further, the composite description treats the land covered by the conveyances described in Article II-B(1) as general common elements of the Project. Therefore, in order to provide certainty as to the precise description of the land included in the Project after consolidation, and uniformity of treatment of all land so included, for the benefit of all persons now or hereafter having any interest in, or otherwise dealing with the Project or any part thereof, the land included in the composite description, and only such land, hereafter shall be included in the Project as a general common element. Any land heretofore subjected to, or otherwise referred to in, any of the several Master Deeds for the separate Sections hereafter shall not be included in the Project unless such land is also included in the composite description. Any land included in the conveyance described in Article II-B(1) hereafter shall be included in the Project as a general common element and the Association shall have no ownership interest in any of such land. Any land that may be withdrawn from the Project by this Article II-C shall be deemed reconveyed to the Developer and hereafter shall not be subject to the terms hereof or to the terms of any of the Master Deeds for the several Sections, or to any of the terms affecting any of the previously included parcel, except to the extent such land is benefitted or burdened by easements more particularly described in Article VI hereof or elsewhere. The Association, for itself and each existing and future member thereof, and Bert L. Smokler and Company, a Delaware corporation, hereby join in this Consolidated Master Deed for the purpose of ratifying and confirming the foregoing. The Association also joins herein to confirm the grant described in Article II-B(1) hereof, and the inclusion of said land in the Project as a general common element. The purpose of this Article II-C is to confirm the nature and purposes of the conveyances described in Article II-B(1), to correct any survey and other errors that may result in the discrepancies described above, and to expressly confirm the legal description of the land included in the Project after consolidation. Any conveyance resulting from the terms hereof shall be deemed to have been made without any consideration whatever.

DEFINITIONS

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

- (a) The "Act" means the Michigan Horizontal Real Property Act, being Act 229 of the Public Acts of 1963, as amended.
- (b) "Association" means Country Place Condominium Association, the Michigan nonprofit corporation of which all co-owners shall be members, which corporation shall administer, operate, manage and maintain the condominium. Any action required of or permitted to the Association shall be exercisable by its Board of Directors unless specifically reserved to its members by the Condominium Documents or the laws of the State of Michigan.
- (c) "Condominium Bylaws" or "Bylaws I" means Exhibit "A" hereto, being the Bylaws setting forth the substantive rights and obligations of the co-owners and required by Section 2(k)(7) of the Act to be recorded as part of the Master Deed.
- (d) "Association Bylaws" or Bylaws II" means the corporate Bylaws of the Association.
- (e) "Consolidated Master Deed" means this amended Master Deed which describes Country Place Condominium as completed to this point in time by incorporating the five previously recorded Sections into one set of instruments. The term "Master Deed" wherever used in the Condominium Documents shall be deemed to include this Consolidated Master Deed.
- (f) "Superceding Consolidated Master Deed" means the final amended Master Deed which shall describe Country Place Condominium as a completed Condominium Project and shall reflect the entire land area added to the Condominium from time to time under Article IX hereof, and all apartments and common elements therein, and which shall express percentages of value pertinent to each apartment as finally readjusted. Such Superceding Consolidating Master Deed, when approved by the Michigan Department of Commerce and recorded in the Office of the Oakland County Register of Deeds, shall supersede all previously recorded Master Deeds for Country Place Condominium.
- (g) "Apartment" or "unit" each mean the enclosed space constituting a single complete residential unit in Country Place Condominium, as such space may be described on Exhibit "B" hereto, and shall have the same meaning as to the term "apartment" as defined in the Act.

(h) "Condominium Documents" wherever used means and includes this Consolidated Master Deed and Exhibits "A" and "B" hereto, the Articles of Incorporation, Bylaws and Rules and Regulations, if any, of the Association.

(i) "Condominium Project;" "Condominium" or "Project" each mean Country Place Condominium, as consolidated hereby, and as approved and established in conformity with the provisions of the Act.

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

(k) "Co-owner" means a person, firm, corporation, partnership, association, trust or other legal entity or any combination thereof who or which owns one or more units in the Project. The term "owner," whenever used, shall be synonymous with the term "co-owner."

(l) "Condominium Premises" means and includes the land and the buildings, all improvements and structures thereon, and all easements, rights and appurtenances belonging to Country Place Condominium.

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

(n) "Developer" shall mean Bert L. Smokler and Company, a Delaware corporation, which has made and executed this Consolidated Master Deed, its successors and assigns.

(o) "FHA" shall mean the Federal Housing Administration.

(p) "Regulatory Agreement" shall mean the Regulatory Agreement required to be entered into between the Association and the FHA as a condition of insurance of every individual apartment mortgage by the FHA.

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

ARTICLE IV

COMMON ELEMENTS

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

A. The general common elements are:

(1) The land described in Article II-A, including driveways, sidewalks, streets, roadways, and all unassigned parking spaces, together with and subject to certain easements, some of which are described generally in Article VI hereof.

(2) The electrical wiring and gas line networks throughout the general common elements of the Project, up to and including the pertinent utility meter for each apartment, but excluding any portion of such networks that is located within an apartment.

(3) The telephone wiring network throughout the general common elements of the Project, but excluding any portion of such network that is located within an apartment.

(4) The water distribution system, sanitary sewer system and storm sewer system throughout the general common elements of the Project, up to the point of connection with the service leads to each individual apartment, including sump pumps but excluding any other portion of any such networks that is located within an apartment.

(5) Foundations, supporting columns, unit perimeter walls (including windows, window screens and doors therein), roofs, ceilings, floor construction between unit levels and chimneys, all as more particularly indicated in Exhibit "B" hereto.

(6) Such other elements of the Project not herein designated as general or limited common elements which are not enclosed within the boundaries of an apartment, and which are intended for common use or necessary to the existence, upkeep and safety of the Project.

Some or all of the utility lines and the lift station (including mains and service leads) and equipment described in Article IV-B(2), (3) and (4) may be owned by the local municipal authority or by the company that is providing the pertinent utility service. Accordingly, such utility lines and equipment shall be general common elements only to the extent of the co-owner's interest therein, and Developer makes no warranty whatever with respect to the nature or extent of such interest, if any.

B. The limited common elements are:

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

(2) Each individual air conditioner and compressor, furnace and hot water heater shall be limited in use to the co-owner of the apartment which is served by such equipment.

(3) The interior of each garage, together with the garage door and any door opening mechanism, shall be limited in use to the co-owner of the apartment to which such garage is appurtenant.

(4) Each porch or patio and those access stairways designated as limited common elements on the Condominium Plan, Exhibit "B" hereto; said limited common elements are limited in use to the co-owner of the unit which is served by such limited common element.

(5) Electrical wiring, water distribution system, sanitary sewer system, storm sewer system, telephone lines, gas lines, and heating and air-conditioning ducts located within an apartment or within interior apartment walls, or in limited common elements or which pass through apartments which they do not service shall be limited common elements wherever so located and shall be appurtenant and limited in use to those apartments which they do service. Where any of the foregoing service more than one apartment, they shall be limited common elements appurtenant to the apartments which they service.

(6) Certain storage areas as indicated on Condominium Plan, Exhibit "B" hereto.

(7) The crawl space under certain buildings shall be limited in use to the co-owners of apartments located in any such building.

(8) The uncovered parking area immediately in front of each garage for a distance of 20 feet shall be limited in use to the co-owner of the garage which is immediately adjacent thereto.

(9) All storage areas beneath the stairwells (in those units having same) shall be limited in use to the co-owner of the unit served by said stairwell.

C. The respective responsibilities for maintenance, decoration, repair and replacement of the common elements referred to above are as follows:

(1) The cost of maintenance, repair and replacement of the windows, storms and/or screens, referred to in Article IV-B(2) and (3) above shall be borne by the owner of the apartment that is served by such limited common element.

(2) The cost of maintenance, repair and replacement of each limited common element described in Article IV-B(2) and (3) above shall be borne by the owner of the apartment that is served by such limited common element.

(3) The costs of decoration and maintenance of all surfaces referred to in Article IV-B(1) shall be borne by the co-owner of each apartment to which such limited common elements are appurtenant.

(4) The costs of maintenance, repair and replacement of all other general and limited common elements not described above shall be borne by the Association unless the maintenance, repair or replacement is necessitated by co-owner fault, in which case the co-owner at fault shall bear all such costs.

(5) In gaining access to the public utilities for reasonable installation, repair or maintenance of such services, any costs incurred in opening or repairing shall be borne by the Developer.

No co-owner shall use his apartment 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 or enjoyment of his apartment or the common elements, or local ordinances.

ARTICLE V

APARTMENT DESCRIPTION AND PERCENTAGE OF VALUE

A. Each apartment in the project is described in this paragraph with reference to the Condominium Subdivision Plan of Country Place Condominium as surveyed by Eugene F. Zeimet, Registered Engineer and attached hereto as Exhibit B. Each apartment shall include all that space contained within the interior finished, unpainted surfaces of the main walls and ceilings and from the interior surface of the finished subfloor of each unit or from the interior surface of the concrete basement floor with respect to those units which contain basements, all as shown on Exhibit "B" hereto delineated by heavy outlines. The dimensions shown on basement and foundation plan in Exhibit "B" have been physically measured by Eugene F. Zeimet.

In the event that the dimensions on the measured foundation plan of any specific unit differ from the dimensions on the typical foundation plan for such unit, such unit shall be deemed to be automatically changed for such specific unit in the same manner and to the same extent as the measured foundation plan. Building foundations are shown in detail in architectural plans on 35 millimeter microfilm aperture cards on file with the Michigan Department of Commerce.

B. The percentage of value assigned to each apartment is set forth in paragraph D below. The total value of the project is 100. The percentage of value allocated to each apartment may be changed only with the prior written approval of each institutional holder of a first mortgage lien on any unit in the project and with the unanimous consent of all of the co-owners expressed in an amendment to this Master Deed, duly approved and recorded, except as provided in Article IX hereof.

C. In establishing monthly assessments, the Association shall apply the following formula:

1. Water and sewercharges, contributions to reserves and insurance premiums shall be assessed in accordance with the percentage of value as set forth in paragraph D below.

2. All remaining expenses of the Association, shall be divided equally among the total condominium units in the Condominium.

D. Each apartment number as it appears on the Condominium Plan, and the percentage of value assigned to each apartment appear on Schedule A attached to this Master Deed and incorporated herein by reference. The percentages of value have been based on the square footages of the respective apartment units including garages assigned to each such unit.

ARTICLE VI

EASEMENTS

A. Maintenance and Repairs

In the event any portion of an apartment or common element encroaches upon another apartment or common element due to shifting, settling or moving of a building, or due to survey errors, construction deviations, reconstruction or repair, reciprocal easements shall exist for the maintenance of such encroachment for so long as such encroachment exists, and for maintenance thereof after rebuilding in the event of any destruction. There shall be easements to, through and over those portions of the land, structures, buildings, improvements and walls (including interior unit walls) contained therein for the continuing maintenance and repair of all utilities of the project. There shall exist easements of support with respect to any unit interior wall which supports a common element.

B. Easements Reserved by Developer

Developer reserves for the benefit of itself, its successors and assigns, perpetual easements for the benefit of itself, its successors and assigns and all future owners any other land contiguous to the condominium premises which may be now owned or hereafter acquired by the Developer, perpetual easements to utilize, tap and tie into all utility mains located on the condominium premises and, further, perpetual easements for the unrestricted use of all roads in the condominium for the purposes of ingress and egress to and from any other land contiguous to the condominium premises which may be now owned or hereafter acquired by the Developer. Developer further reserves for the benefit of itself, its successors and assigns, perpetual easement over all of the land described in Article II hereof for the purpose of entering thereon whenever reasonably convenient to perform any maintenance, repair, replacement of other obligations that the Developer may have to the Association or any member thereof and for a period of five years from the date hereof to perform such work including construction and development work as Developer may elect to perform upon any land that abuts any part of the project. In the event that Developer

utilizes this easement, Developer shall be obligated to pay all expenses reasonably necessary to restore the condominium premises to their condition immediately prior to such utilization.

Article VIII of the Condominium Bylaws attached hereto as Exhibit "A" provides that the Association exclusively shall be billed for water and sewer charges for the entire project during the construction period.

Condominium premises are subject to various easements granted to the City of Novi and to certain public utilities for a variety of purposes.

ARTICLE VII

RECREATIONAL FACILITIES

A portion of the land described in Article II has been devoted to recreational facilities upon which a community building, swimming pool, tennis court, shuffle board courts and baseball diamond have been constructed. Those recreational facilities shall be and are hereby designated as general common elements for the use and benefit of all of the co-owners of Country Place Condominium. Said recreational facilities are also subject to shared usage of Glen Haven Condominium, a separate condominium development adjoining Country Place Condominium. Said shared usage has been established pursuant to a declaration and grant of easements and licenses executed on February 4, 1980 between the Country Place Condominium Association and Bert L. Smokler & Company, the Developer of Glen Haven Condominium. Pursuant to said declaration of easements and licenses, the community facilities above referred to shall be subject to the following:

1. A perpetual easement and license for the benefit of present and future co-owners and occupants of condominium units in the Glen Haven Condominium, Oakland County Condominium Subdivision No. 313.
2. The foregoing easement is non-exclusive and perpetual.
3. The administration and expenses of said community facility shall be based upon the following:
 - (a) Glen Haven Condominium Association will contribute to the costs of maintenance, costs of repair, adequate replacement reserve and operation expenses of the foregoing community facilities as evidenced in the budget of the Association in the following manner:
 - (i) 90/590th of the cost shall be an expense paid to Country Place Condominium Association by the Glen Haven Condominium Association.
 - (ii) Said payments shall be made not less frequently than quarterly or on such other basis as may be mutually agreed upon from time to time by the Board of Directors of each of the subject Condominium Associations.
 - (iii) To effectuate the foregoing, Country Place Condominium Association covenants and agrees that it will maintain a separate "line item" in its budget for each of the foregoing expenses for the purpose of facilitating the calculation of that portion of the expenses to be paid by the Glen Haven Condominium Association. To that effect, a maximum effort will be made to cause said budget items to reflect actual anticipated expenses as accurately as possible.

(iv) Adjustments shall be made annually so that in the event actual expenses have exceeded the budget items, the Glen Haven Condominium Association shall increase its payment accordingly to cure such deficit or, alternatively, in the event that such budget items (and the consequent proportional payment thereof by the Glen Haven Condominium Association) shall exceed actual incurred expenses, appropriate downward adjustments for the succeeding period will be made.

(v) In the event that a dispute should arise pertaining to expenses to be paid by the respective parties pursuant to the foregoing formula, the matter shall be resolved by binding arbitration in accordance with the rules and provisions of the American Arbitration Association.

(b) The Glen Haven Condominium Association shall, likewise, contribute to the costs of snow plowing of the clubhouse parking lots, the clubhouse driveways, and the common streets listed herein: Glenn Haven Circle, East Glenn Haven Circle, West Glenn Haven Circle, Pelliston and Gladwin. Said snow plowing expenses shall be on the basis of 90/590ths to be paid by the Glen Haven Condominium Association; 500/590ths by the Country Place Condominium Association. The foregoing shall be governed by the following procedures:

(i) Country Place Condominium Association shall make every possible realistic effort to designate that portion of its total snow plowing contract applicable to the foregoing streets and roadways so as to exclude from the expenses to be shared by Glen Haven Condominium Association, that portion of the snow plowing expenses attributable to the private roads, driveways, and parking areas of the Country Place Condominium Association.

(ii) Disputes pertaining to the calculation of amounts shall be resolved in like manner as is set forth in paragraph (a)(iii) above.

(c) The Rules and Regulations shall be formulated by a committee consisting of six (6) members; one member shall be appointed by the Glen Haven Condominium Association, five (5) members appointed by the Country Place Condominium Association. This committee shall be advisory, however, and subject to the authority of the Board of Directors of the ASSOCIATION. It is agreed, however, that said Rules and Regulations shall be designed for the orderly operation of the recreational facilities for the mutual benefit of all of the parties and shall not be formulated so as to be discriminatory or exclusionary as to the co-owners of the Glen Haven Condominium.

ARTICLE VIII

AMENDMENTS

Except as provided in the Condominium Bylaws, the project shall not be terminated, abandoned, vacated or revoked, or any of the provisions herein amended (except that the Condominium Bylaws may be amended as therein provided) unless all of the co-owners and each institutional holder of a first mortgage lien covering an apartment in the project unanimously agree to such termination, abandonment, vacation or revocation or amendment by duly approved and recorded instruments.

ARTICLE IX

GENERAL

This Consolidated Master Deed is executed and recorded for the purposes, among others, of merging into one Condominium Project under the Act, several sections of Country Place Condominium, each of which is previously constituted as a separate Condominium and recorded in the Oakland County Records as set forth in the preamble hereto, all as described in Article II hereof. From and after the date of recording this Consolidated Master Deed, each of the previously recorded Master Deeds shall be deemed superseded, extinguished and terminated by virtue of the merger into a consolidation with one another effected by this Consolidated Master Deed. Except as set forth herein, this Consolidated Master Deed is not intended nor shall it impair or affect title to any apartment heretofore conveyed, mortgaged, hypothecated, incumbered or otherwise dealt with as real problems. However, subsequent to the recording of this Consolidated Master Deed, each unit in the Country Place Condominium shall be sold, mortgaged, hypothecated, leased and otherwise dealt with solely by reference to this Consolidated Master Deed and the replat effected hereby, without reference to any other instrument.

ARTICLE X

ASSOCIATION AND DEVELOPER AUTHORITY

A. Association Authority. Subject to the Developer's right described in Article X -B, Country Place Condominium Association, as agent for the co-owners and mortgagees of the Country Place Condominium, does hereby retain and shall hereafter be empowered: (a) to grant and release easements to public utilities and others over, under or through the Condominium Premises; (b) to dedicate roads, streets and ways to local units of government in furtherance of the purposes and interests of the Association (provided that the Association need not join in the dedication of any road within the project is the same is dedicated by the Developer pursuant to Article X -B); (c) to amend this Consolidated Master Deed or any Exhibit hereto without the consent of the co-owners or any other person, but subject to the approval of the Michigan Department of Commerce, to correct survey or other errors made in such documents, or to make such amendments thereto as do not materially affect any rights of any co-owner, mortgagee, or other person interested in the project, including, but not limited to, the amendments for the purpose of facilitating conventional mortgage loan financing for existing or prospective co-owners and to enable the purchase of such mortgage loans by the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation and/or any other agency or entity sponsored by the Federal government or the State of Michigan. Each present or future co-owner by the acceptance of an interest in an apartment, irrevocably constitutes and appoints the Association as their agent and attorney-in-fact for the foregoing purposes.

B. Developer Authority. The Developer hereby reserves the following rights, powers and authority:

1. The right, ending no later than ten (10) years from the date of recording this Consolidated Master Deed, to dedicate roads within the project and such easements as may be required in connection therewith, to the public. Developer shall bear all of the expenses of such dedication, including the cost of amendment of this Master Deed as necessary to reflect the same. Developer shall have no obligation, however, to dedicate any roads or ways.

2. The right, ending no later than ten (10) years from the recording of this Consolidated Master Deed, to dedicate any utility system or portion thereof in the project, including all hardware therein and such easements as may be required in connection therewith, to the pertinent public utility or governmental authority. Developer shall bear all expenses of such dedication, but Developer shall have no obligation to dedicate any of the foregoing.

3. The right to propose such amendments to the Master Deed and Condominium Bylaws as do not materially affect the rights or obligations of the Association or any member thereof. Any such amendments proposed by the Developer shall become effective upon approval thereof by the Board of Directors of the Association and the Michigan Department of Commerce. The right hereby reserved to the Developer shall terminate and be of no further force or effect at such time as Developer has no further ownership interest in the project.

The Developer shall have the right, power and authority to do any or all of the acts listed as 1 and 2 above (but not 3) without the consent of the Association, or of any co-owner, mortgagee or other person who now or hereafter has any interest in the Project ("Interested Persons"), but subject to the approval of the Michigan Department of Commerce. In the event that the consent, acknowledgment or joinder of any Interested Person is necessary or desirable to carry out the purposes hereof, the Developer may consent, acknowledge, execute, record and/or file any and all such documents and instruments, including instruments of conveyance, as may be necessary or desirable to carry out the foregoing purposes, and each of the Interested Persons irrevocably appoints the Developer, its successors and assigns, as their agent and attorney-in-fact to consent, acknowledge, execute, record and/or file any and all necessary or desirable documents and instruments for and in the name of each of them in pursuance of the provisions hereof. All Interested Persons acknowledge that the power of attorney hereby granted is coupled with an interest, and that the purposes for which this power is granted will confer a benefit upon the Interested Persons.

IN WITNESS WHEREOF, the undersigned has duly executed this Consolidated Master Deed the day and year first written above.

WITNESS:

BERT L. SMOKLER AND COMPANY,
a Delaware corporation

Rosalie Cox
Rosalie Cox

Bernice Schunter
Bernice Schunter

Catherine A. Roester
CATHERINE A. ROESTER

James W. Hoekstad
James W. Hoekstad
State of Michigan)

County of Oakland) ss.

BY: Raymond E. May
Raymond E. May

COUNTRY PLACE CONDOMINIUM ASSOCIATION

BY: Ernest G. Aruffo
Ernest G. Aruffo, President

On this 29th day of October, 19 81, the foregoing Consolidated Master Deed was acknowledged before me by Raymond E. May, the General Manager, of BERT L. SMOKLER AND COMPANY, a Delaware corporation, on behalf of the corporation.

Bernice Schunter
Bernice NOTARY PUBLIC Schunter
Macomb County acting in Oakland 3-17-85
DRAFTED BY AND WHEN RECORDED RETURN TO: Raymond Schunter
DAVID S. SNYDER, ESQ. - Snyder and Handler, P.C., 30600 Telegraph,
Suite 3190, Birmingham, Michigan 48010