

## **DISCLOSURE STATEMENT**

### **Deer Ridge, a site condominium**

Developer: Deer Ridge Development, Inc.  
296 S. Main Street, Suite 220  
P.O. Box 6391  
Plymouth, Michigan 48170

Deer Ridge is an eleven (11) unit single-family residential building site project which may be further expanded to a total of forty-nine (49) units in size. Each building site constitutes a unit.

THIS DISCLOSURE STATEMENT IS NOT A SUBSTITUTE FOR THE MASTER DEED, THE CONDOMINIUM BUYER'S HANDBOOK OR OTHER APPLICABLE LEGAL DOCUMENTS, AND BUYERS SHOULD READ ALL SUCH DOCUMENTS TO FULLY ACQUAINT THEMSELVES WITH THE PROJECT AND THEIR RIGHTS AND RESPONSIBILITIES RELATING TO THE PROJECT.

IT IS RECOMMENDED THAT PROFESSIONAL ASSISTANCE BE SOUGHT PRIOR TO PURCHASING A UNIT.

Effective date: February 23, 2016

## **Deer Ridge, a site condominium**

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## **DISCLOSURE STATEMENT**

### **Deer Ridge, a site condominium**

#### **I. INTRODUCTION**

Condominium development in Michigan is governed largely by statute. Prior to July 1, 1978, condominium development was regulated under Act 229 of the Michigan Public Acts of 1963, and since that date has been governed by Act 59 of the Michigan Public Acts of 1978 (the Michigan Condominium Act).

This Disclosure Statement, together with copies of the legal documents required for the creation and operation of the project, are furnished to each purchaser pursuant to the requirement of Michigan law that the Developer of a building site condominium project disclose to prospective purchasers the characteristics of the units which are offered for sale.

#### **II. THE SITE CONDOMINIUM PROJECT**

A site condominium is a method of subdividing, describing and owning real property. A condominium unit has the same legal attributes as any other form of real property under Michigan law and may be sold, mortgaged or leased subject only to such restrictions as are contained in the project documents.

Each owner receives a warranty deed to his individual unit. Each owner owns, in addition to his unit, an undivided interest in the common facilities ("common elements") which service the project. Title to the common elements is included as part of, and is inseparable from, title to the individual units. Each owner's proportionate share of the common elements is equal.

All portions of the project not included within the units constitute the common elements. Limited common elements are those common elements which are set aside for use by less than all unit owners. General common elements are all common elements other than limited common elements.

The desire to create and maintain a high quality project dictates that certain restrictions and obligations be imposed on each owner for the mutual benefit of all owners. Such restrictions and obligations are contained in the By-Laws which are recorded as part of the Master Deed. All of the project documents are prepared with the goal of allowing each owner a maximum amount of individual freedom and discretion without allowing any one owner to infringe upon the rights and interests of the group at large. All owners and residents must be familiar with and abide by such documents if a project is to be an enjoyable place to live.

The management and administration of a project is the responsibility of the Association, which is a non-profit corporation of which all owners automatically are members. One of the primary tasks of the Board of Directors of any Association is to enforce the provision requiring each owner to pay annual

assessments to the Association to meet expenses of administration of the project. Pursuant to the provisions of Michigan law and the Condominium documents, such assessments constitute a lien against the owner's unit and, in the event an owner fails to pay the annual assessments attributable to his unit, the Board of Directors may cause the lien to be foreclosed. The Board of Directors is also obligated to enforce the other provisions of the project documents and is given broad remedial rights in the event such provisions are violated, including the right to sue for money damages and for injunctive relief.

Except for the year in which the project is established or, in the case of units added to a project by amendment to the Master Deed, the year in which any such amendment is recorded, real property taxes and assessments are levied individually against each unit in the project. The separate taxes and assessments cover the unit and its proportionate share of the common elements. No taxes or assessments are levied independently against the common elements. In the year in which the project is established or in which an amendment adding units is recorded, the taxes and assessments for the units covered by the Master Deed or expansion amendment usually are billed to the Developer and are paid by the owners of such units in equal portions.

Deer Ridge is different from most condominium projects in this area because the condominium units in this project consist of only the individual building sites, and the common elements do not include the buildings and other improvements to be constructed on the sites. Each condominium unit consists of only the land and air space included within the perimeter of a condominium unit, both above and below the ground elevation. In the more traditional form of condominium project, the units consist of the air space enclosed within each of the buildings and the common elements include the exterior structural components of the buildings. In Deer Ridge, each owner holds an absolute and undivided title to his unit and to the building and other improvements located thereon (to the extent such improvements are not designated in the Master Deed as common elements). Unlike the usual condominium project, each owner in this project will be responsible for maintaining "all risk" insurance coverage on his unit and the building and other improvements located thereon, as well as personal property, liability and other personal insurance coverage. The Association will maintain only liability insurance coverage for occurrences on the common elements and such other insurance on the common elements and otherwise as is specified in the project documents.

Although the foregoing is generally accurate as applied to most condominium developments, the details of each development may vary substantially. Accordingly, each purchaser is urged to carefully review all of the documents contained in the document packet that has been delivered to the purchaser in connection with this development. Any purchaser having questions pertaining to the legal aspects of the project is advised to consult his own lawyer or other professional advisor.

### **III. DESCRIPTION OF THE PROJECT**

A. General. Deer Ridge is an eleven (11) unit subdivision development where each unit consists of a building site as delineated on the Condominium Subdivision Plan, and upon which is to be constructed a building and related improvements.

B. Private Roads. Deer Ridge is accessed off of Judd Road by Whitetail Drive, a private road, and may eventually have a secondary connection to Londonderry Drive. Pursuant to the York Township Private Road Ordinance the Developer has recorded a Private Road Maintenance Agreement that will be amended to include private roads in future phases of the project.

Replacement, repair and resurfacing of the private road(s) will be necessary from time to time as circumstances dictate. It is impossible to estimate with any degree of accuracy future roadway repair or replacement costs. It is the Association's responsibility to inspect and to perform preventive maintenance of project roadways on a regular basis in order to maximize the life of project roadways and to minimize repair and replacement costs.

C. Utilities. Deer Ridge is serviced by private wells, septic tanks and drain fields, with storm water and detention areas maintained by the Association, and underground public electric, telephone, and natural gas utilities.

D. Recreational Facilities. This project does not contain any recreational facilities as general common elements.

E. Reserved Rights of Developer.

1. Expansion of Project. The Developer has reserved the right to include in the project as many as thirty-eight (38) additional units within a period ending no later than six (6) years after recording the initial Master Deed on December 17, 2015. Any or all of such units, if included, would be added on all or some portion of the land described in Article IX of the Master Deed. Although it is the Developer's intention at this time to create ultimately one building site condominium project containing forty-nine (49) units, there is no assurance that such will occur, and the Developer may elect to create more than one adjacent development of condominium or other form.

2. Easements for Use of Roads and Utilities. The Developer has reserved easements and rights of use in any main service roads in the project for the purpose of ingress and egress to and from the expansion land described in Article IX of the Master Deed. The Developer has similarly reserved easements to utilize, tap, tie into, extend, and enlarge all utility mains in the project in connection with the development of the expansion land. In the event that all or any portion of the expansion land is not included in the project, such easements would operate perpetually in favor of such land, the improvements thereon and the owners thereof.

3. Sole Right to Approve Improvements. No building or other improvement may be constructed in the project until the Developer has approved the plans and specifications therefor, nor may the exterior appearance of any existing improvement in the project be altered without the Developer's prior consent.

4. Conduct of Commercial Activities. Until all of the units in the project have been sold, the Developer has reserved the right to maintain on the premises a sales office, storage areas, reasonable parking incident to the use of such areas, and such access to, from and over the premises as may be

reasonable to enable development and sale of the entire project. The Developer is obligated to restore the areas so utilized to habitable status upon termination of use.

5. Right to Amend. The Developer has reserved the right to amend the Master Deed without approval from owners and mortgagees for the purpose of correcting errors and for any other purpose so long as the amendment would not materially change the rights of an owner or mortgagee. Further, the Master Deed cannot be amended without the Developer's approval.

6. Easements for Maintenance, Repair and Replacement. The Developer has reserved such easements over the project (including all of the land) as may be required to perform any of Developer's and the Association's maintenance, repair or replacement obligations.

7. Enforcement of By-Laws. The Developer has reserved the right to enforce the By-Laws as long as the Developer owns any unit in the project that it offers for sale.

8. General. In the project documents and the Condominium Act, certain rights and powers are granted or reserved to the Developer to facilitate the development and sale of the project, including the power to approve or disapprove a variety of proposed acts and uses and the power to secure representation on the Board of Directors of the Association.

#### **IV. LEGAL DOCUMENTATION**

A. General. Deer Ridge was established as a building site condominium project pursuant to the Master Deed for the project recorded in the Washtenaw County Records and contained in the Deer Ridge documents. The Master Deed includes the By-Laws as Exhibit "A" and the Condominium Subdivision Plan as Exhibit "B."

B. Master Deed. The Master Deed contains the definitions of certain terms used in the project documents, the percentage of value assigned to each unit in the project, a general description of the units and general and limited common elements included in the project, and a statement regarding the relative responsibilities for maintaining the common elements. Article IX reserves in favor of the Developer the right to amend the project documents to make immaterial changes therein, to provide for the correction of errors and to comply with the Michigan Condominium Act and the requirements of certain lending institutions.

C. By-Laws. The By-Laws contain provisions relating to the operation, management and fiscal affairs of the project and, in particular, set forth the provisions relating to assessments of Association members for the purpose of paying the costs of operation of the project. Article VI contains certain restrictions upon the ownership, occupancy and use of the project. Article VI also contains provisions permitting the adoption of rules and regulations governing the common elements. At the present time, rules and regulations that have been adopted by the Board of Directors of the Association are attached as Appendix II.

D. Condominium Subdivision Plan. The Condominium Subdivision Plan is a three dimensional survey depicting the physical location and boundaries of each of the units and all of the common elements in the project.

## **V. THE DEVELOPER**

A. Developer's Background and Experience. Deer Ridge Development, Inc., is a Michigan corporation that was formed in 2015 to develop this project. Its principal owner is Ronald E. Cook who has extensive experience in developing site condominiums in Washtenaw, Wayne, Oakland, and Monroe counties.

B. Legal Proceedings Involving the Project or the Developer. The Developer is not presently aware of any legal or administrative proceedings involving the project or the Developer.

## **VI. OPERATION AND MANAGEMENT OF THE PROJECT**

A. The Association. The project will be maintained and administered by the Deer Ridge Homeowners Association, which has been incorporated as a non-profit corporation under Michigan law. The Articles of Incorporation and By-Laws of the Association are contained in the document packet and govern the procedural operations of the Association. The Association is governed by its Board of Directors, whose initial members are designees of the Developer.

Within one hundred twenty (120) days after conveyance to purchasers of seventeen (17) units or one (1) year from the date of the first conveyance, whichever first occurs, the Developer shall establish an Advisory Committee to serve as liaison between the nondeveloper owners and the Developer.

Within one hundred twenty (120) days after conveyance of title to thirteen (13) of the units, one of the three Directors will be selected by the nondeveloper owners of units. Within one hundred twenty (120) days after the conveyance of title to thirty-seven (37) of the units, the nondeveloper owners shall elect all Directors, except that the Developer shall have the right to designate at least one Director as long as it owns at least one unit in the project. Regardless of the number of units conveyed, fifty-four (54) months after the first conveyance the nondeveloper owners may elect Directors in proportion to the number of units that they own.

The first annual meeting may be convened at any time after fifty percent (50%) of the units have been sold and must be held on or before the expiration of one hundred twenty (120) days after thirty-seven (37) of the units have been sold or within fifty-four (54) months after conveyance of the first unit, which ever first occurs. At the first annual meeting, the nondeveloper owners of the Association will elect Directors, and the Directors in turn shall elect officers for the Association. The Developer's voting rights are set forth in Article VIII, Section 2 of the By-Laws.

B. Percentages of Value. The percentages of value for Deer Ridge are equal. The percentages of value assigned to each unit determines, among other things, the value of each owner's vote and his proportionate share of regular and special Association assessments and of the proceeds of administration of the project.

C. Project Finances.

1. Budget. Article II of the By-Laws requires the Board of Directors to adopt an annual budget for the operation of the project. The initial budget for the project was formulated by the Developer and is intended to provide for the normal and reasonably predictable expenses of administration of the project, and includes a reserve for replacement of the common elements, if necessary. Inasmuch as the budget must necessarily be prepared in advance, it reflects the estimates of expenses made by the Developer. To the extent that estimates prove inaccurate during actual operations and to the extent that the goods and services necessary to service the project change in cost in the future, the budget and the expenses of the Association will require revision, which revision generally will normally occur in connection with the annual adoption of a budget by the Board. The current budget of the Association has been included as Appendix I to this Disclosure Statement.

2. Assessments. Except as set forth below with respect to the Developer, each owner of a unit in the project must contribute equally to the Association to defray expenses of administration. The Board of Directors may also levy special assessments in accordance with the provisions of Article II, Section 2b of the By-Laws.

The Developer, although a member of the Association, is not required to pay Association assessments. Instead, the Developer must contribute only its proportionate share of the Association's expenses actually incurred, as described in Article II, Section 7 of the By-Laws. The Developer is, of course, required to maintain at its own expense all units owned by it.

It is possible that owners may become obligated to pay a percentage share of uncollected assessment delinquencies incurred by other owners. This may occur if an owner defaults on a first mortgage and the mortgage is foreclosed. In such a situation the delinquent assessment is uncollectible and becomes a common expense as provided in Section 58 of the Michigan Condominium Act, as follows:

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, that mortgagee or purchaser and his or her successors and assigns are not liable for the assessments by the administering body chargeable to the unit that became due prior to the acquisition of title to the unit by that mortgagee or purchaser and his or her successors and assigns.

3. Foreclosure of Lien. The Association has a lien to secure payment of Association assessments, and the By-Laws provide that the Association may foreclose its lien in the same fashion that mortgages may be foreclosed by action or by advertisement under Michigan law. By closing on the purchase of a unit, each purchaser will be deemed to have waived notice of any proceedings



brought by the Association to foreclose its lien by advertisement and any notice of a hearing prior to the sale of his unit.

D. Association Management Contract. The By-Laws provide that the Association may employ a professional management agent to manage the affairs of the project, and the project currently is being managed by the Developer at no cost to the owners. If a management agent is retained at a later date, the budget will be increased to cover the management fee.

Eventually, the Developer intends to hire a management firm to manage the day to day operations of the Project, on behalf of the Association, the costs of which will be an expense of administration. The management company has yet to be selected, however, it will not be affiliated with the Developer.

E. Insurance.

1. Title Insurance. The Purchase Agreement provides that the Developer shall furnish each purchaser a commitment for an owner's title insurance policy issued by Liberty Title Agency, Inc., as agent for Stewart Title Guaranty Company, of 111 N. Main Street, Ann Arbor, Michigan 48104, at or prior to closing, and that the policy itself shall be provided within a reasonable time after closing. The cost of the commitment and policy are to be borne by the Developer. Each purchaser should review the title insurance commitment with a qualified advisor of his choice prior to closing to make certain that it conforms to the requirements of the Purchase Agreement.

2. Other Insurance. The project documents require that the Association carry property coverage for all risks of direct physical loss, vandalism and malicious mischief and liability insurance, and workmen's compensation coverage, if applicable, with respect to all of the common elements of the project. The Board of Directors is responsible for obtaining such insurance coverage for the Association. Each owner's pro rata share of the annual Association insurance premiums is included in the annual assessments. The Association's insurance policies are available for inspection during normal working hours. The insurance policies carried by the Association contain deductible clauses which, in the event of a loss, may result in a portion of such loss being borne by the Association. A copy of the Certificate of Insurance with respect to the project will be furnished to each owner upon closing of the sale of his unit. Each owner is responsible for obtaining fire and extended coverage insurance on his unit and the dwelling and other improvements located thereon, as well as personal property, liability and other personal insurance coverage to the extent indicated in Article IV of the By-Laws. The Association should periodically review all insurance coverage to be assured of its continued adequacy, and each owner should do the same with regard to his personal insurance.

F. Restrictions on Ownership, Occupancy and Use. Article VI of the By-Laws contains comprehensive restrictions on the use of the units and the common elements. It is impossible to paraphrase these restrictions without risking the omission of some portion that may be of significance to a purchaser. Consequently, each purchaser should examine the restrictions with care to be sure that they do not infringe upon an important intended use.

The following is a list of certain of the more significant restrictions:

1. Units are to be used for single-family residential purposes.
2. Pets may be kept by owners within their units subject to the restrictions and limitations in the By-Laws.
3. There are substantial limitations upon physical changes which may be made to the units and common elements in the project, and upon the uses to which the common elements and units may be put.
4. The Developer has retained architectural control over the construction and alteration of all improvements in the project.
5. Reasonable rules and regulations may be adopted by the Board of Directors of the Association concerning the use of common elements without vote of the owners. Appendix II contains the rules and regulations that have been adopted by the Board of Directors.

During the construction and sales period, none of the restrictions apply to the commercial activities or signs of the Developer.

## **VII. RIGHTS AND OBLIGATIONS BETWEEN DEVELOPER AND OWNERS**

A. Before Closing. The respective obligations of the Developer and the purchaser of a unit in the project prior to closing are set forth in the Purchase Agreement and the Escrow Agreement. Those documents should be closely examined by all purchasers in order to ascertain the disposition of earnest money deposits advanced by the purchaser at the time of closing, anticipated closing adjustments and the obligations of both parties with respect to any modifications to the standard unit or extra installations. The Escrow Agreement provides, pursuant to Section 103b of the Condominium Act, that the escrow agent shall maintain sufficient funds or other security to complete those improvements shown as “must be built” on the Condominium Subdivision Plan until such improvements are substantially complete. Funds retained in escrow are not to be released to the Developer until conveyance to a purchaser of title to a unit and confirmation by the escrow agent that all improvements labeled “must be built” are substantially complete.

B. At Closing. Each purchaser will receive a warranty deed evidencing fee simple title to his unit, subject to no liens or encumbrances other than the project documents and those other easements and restrictions that are specifically set forth in the documents and title insurance commitment.

C. After Closing.

1. General. Subsequent to the purchase of the unit, relations between the Developer and the owner are governed by the Master Deed and the Condominium Act, except to the extent that any contractual provisions of the Purchase Agreement are intended to survive the closing.

2. Project Warranties. IF YOU ARE PURCHASING ONLY A UNIT ON WHICH THE DEVELOPER HAS NOT AGREED TO CONSTRUCT A BUILDING, THE LIMITED WARRANTY IS NOT APPLICABLE TO YOUR PURCHASE. The only warranty made by the Developer with respect to a unit upon which the Developer does not contract to construct a building is that the purchaser will, upon payment of normal fees, be entitled to the issuance of a building permit with respect to the unit, subject to all applicable laws, ordinances, regulations, and requirements. There is also a one (1) year warranty against defects in workmanship and materials covering the general common elements commencing from the date the first unit is conveyed or from completion, whichever is later.

**VIII. LOCAL GOVERNMENT, TAXES AND UTILITY SERVICE**

A. Local Government. The project is located in the Township of York and the Saline School District.

B. Real Property Taxes. Taxes upon the units are assessed by the Township of York, the County of Washtenaw, the Saline School District, the Washtenaw Intermediate School District, and Washtenaw Community College. Pursuant to Michigan law, taxes are required to be assessed on the basis of fifty percent (50%) of true cash value. During the year in which the Master Deed was initially recorded or when any amendment adding units to the project is recorded, real property taxes attributable to each unit may, under the Act, constitute an expense of administration to be shared equally by the owners of such units. Thus, in that initial year the Developer may receive one tax bill with respect to the newly added units which must be paid by the Developer rather than by the individual owners of such units. In such event, the Developer will contribute to payment of taxes its proportionate share for such units as it owns at the time the taxes fall due and will collect the balance due from each owner. In subsequent years (or in the initial year if the assessor elects to apportion taxes in the year of establishment of the Project), each owner will receive an individual tax bill attributable to his unit only. It is impossible to determine with accuracy the amount of real property taxes which will fall due in subsequent years since those taxes are a function of both property values and tax rates which may either rise or fall.

C. Building Inspections. Approval of the development plans for the project was by the Township of York and approval of building plans and inspection of construction is done by the York Township Building Department.

D. Utilities. Utility services to the premises are provided as follows:

1. Storm sewer: Homeowners Association and the Washtenaw County Water Resources Commissioner.
2. Electricity: DTE Energy.
3. Natural gas: DTE Energy.
4. Telephone: AT&T.

## **IX. PURPOSE OF DISCLOSURE STATEMENT**

The Developer has prepared this Disclosure Statement in good faith, in reliance upon sources of information believed to be accurate and in an effort to disclose material facts about the project. Each purchaser is urged to engage a competent lawyer or other advisor in connection with his or her decision to purchase a unit. In accepting title to the unit in the project, each purchaser shall be deemed to have waived any claim or right arising out of or relating to any immaterial defect, omission or misstatement in this Disclosure Statement. The terms used herein are defined in the Condominium Act.

The Michigan Department of Commerce has written the Condominium Buyer's Handbook which the Developer has delivered to you. The Developer assumes no obligation, liability or responsibility for the statements contained therein or omitted from the Condominium Buyer's Handbook.

The descriptions of the Master Deed and other instruments contained herein are summary only and may or may not completely and adequately express the content of the various project documents. Each purchaser is referred to the original Master Deed and other original instruments contained in the document packet. Legal phraseology, technical terms and terms of art have been minimized and brevity has been the objective to the extent consistent with the purposes of this Disclosure Statement as set forth in the Michigan Condominium Act and rules of the Michigan Department of Commerce.

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**APPENDIX I**

**DEER RIDGE HOMEOWNERS ASSOCIATION**  
**PROPOSED ANNUAL BUDGET**

11 Units  
Annualized

ADMINISTRATIVE

Legal and audit	\$150.00	
Liability insurance	900.00	
Management fee	None	
Miscellaneous	<u>\$150.00</u>	\$1,200.00

GROUNDS MAINTENANCE

Landscaping, mowing and detention areas	\$1,350.00	
Snow removal	<u>\$1,350.00</u>	<u>\$2,700.00</u>

Total Operating Expenses		<u>\$3,900.00</u>
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RESERVE FOR REPAIR AND REPLACEMENT		<u>\$ 500.00</u>
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TOTAL OPERATING BUDGET		<u><u>\$4,400.00</u></u>
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\$400.00/unit/year

**SEE NOTES TO BUDGET**

## **NOTES TO BUDGET**

1. The information set forth in the budget is based upon actual costs and estimates. All values are subject to change.
2. Liability insurance premiums have been included as there are general common elements to insure in this project.
3. The Developer has elected, for an indeterminate period, to manage the project at no cost to the owners. If a management agent is retained at a later date, the budget will be increased to cover the management fee.
4. Utilities are individually metered and each owner will pay his own utility costs. Real estate taxes will be separately assessed against each unit and are the responsibility of each owner.
5. The reserve standard for major repairs and replacements has been estimated at approximately eleven and 3/10 percent (11.3%), in excess of the recommended ten percent (10%) standard.
6. There are no fees, payments, or services which are paid or furnished, directly or indirectly, by the Developer which will later become an expense which must be borne by the owners, other than as identified in paragraph 3, above.
7. Each owner will pay an equal annual assessment. Assessments will be due on a date established by the Board of Directors of the Association. If assessments are not paid when due, they will bear interest at the highest legal rate permitted under Michigan law. Past due assessments will be secured by a lien on the defaulting owner's unit. A purchaser will be required to pay an annual assessment prorated to the month in which he purchases his unit. The Developer is not liable for Association assessments. The Developer will pay a proportionate share of the Association's current maintenance expenses actually incurred based upon the number of improved units owned by the Developer at the time the expense is incurred to the total number of improved units in the project.

**APPENDIX II**

**DEER RIDGE HOMEOWNERS ASSOCIATION**  
**RULES AND REGULATIONS**

**GRIEVANCE PROCEDURE**

**LATE FEES**

**DEER RIDGE HOMEOWNERS ASSOCIATION**  
**GRIEVANCE PROCEDURES**

**OVERVIEW:**

A grievance procedure has been established to resolve disputes between owners who claim a continuing, repeated, and substantial violation of a specific condominium by-law. This assumes that efforts have been made by owners to resolve their differences prior to recourse to the grievance procedure.

A grievance panel shall investigate such claims and submit the facts found and their recommendation to the Board of Directors for final action.

**PROCEDURE:**

The aggrieved owner submits the complaint in writing to the president of the Board of Directors and to the owner complained against by the first Tuesday of the month. The president transmits the complaint to the chairperson of the Grievance Committee who selects three (3) members of the committee to investigate the complaint.

The Grievance Panel will meet within fifteen (15) days following the first Tuesday of the month to pursue its investigation, including contact with the involved owners.

At least five (5) days before the next regular board meeting the panel's findings of fact and recommendations will be submitted in writing to both the president and the secretary of the board. The secretary will distribute copies of the report to the board members prior to the board meeting.

A representative of the Grievance Panel shall be present at the board meeting at which the report is to be made. The involved owners may be present and one representative of each party may have time (not to exceed five (5) minutes) to respond to the report.

The board will take action on the matter and will inform the affected owners in writing of its decision within five (5) business days.

**GRIEVANCE PANEL:**

1. The panel members shall be appointed by the president of the Board of Directors for one (1) year terms. They are eligible for reappointment.
2. The panel members shall elect their own chairperson.
3. The panel pool shall be composed of at least seven (7) members, three (3) of whom will investigate any given complaint.
4. The panel shall be representative of the diversity of owners.
5. Members of the Board of Directors are not eligible for panel duty, nor are owners with potential conflicts of interest such as relatives and next door neighbors.



## DEER RIDGE HOMEOWNERS ASSOCIATION

### COLLECTION OF ASSOCIATION FEES, ASSESSMENTS, AND SERVICE CHARGES

#### A. LATE FEES AND PENALTIES

All fees and assessments are due on the first of each year. All charges are due and payable when billed. There will be a late fee of \$75.00 for any annual payment not received by the Association by the 1st day of February of each year in which it is due. The Association takes the following steps on past due accounts:

<u>Step</u>	<u>Action</u>	<u>Number of Days Past Due</u>	<u>Penalty Fee</u>
1.	Notice of delinquency	30	\$25.00
2.	Notice of intent to file lien of title	60	\$25.00
3.	Draw and record lien with Register of Deeds, and notify owner of filing (includes filing and discharge fees)	90	Actual expense
4.	Initiate action to foreclose on property	120	Actual expense

The interest rate on delinquent accounts is 9.0% per year (3/4% per month). Interest will be calculated and added to the delinquent account at the end of each month for that month.

#### B. NSF (NOT SUFFICIENT FUNDS) CHECKS

NSF Check Charge	\$40.00
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If the Association Business Office receives two (2) or more NSF checks from the same co-owner, the co-owner may be required to make all future payments to the Association in cash, certified check, or money order.