

April 12, 1995

THE HILLS OF TYRONE

An exclusive community of homes planned to comprise
300 acres of woods, hills and meadows
all sheltered by private roads.

Each home site in **THE HILLS OF TYRONE** is situated within what is referred to as a “site condominium”. This feature permits private ownership of a building site or “unit” which is formed by the building set back distances of a minimum 30,000 square foot lot, the land contained within the set back distances is for the use of the Unit owner and to construct his home, the area outside the set back distances is for the unit owners personal use and may contain the driveway, well, septic, but no buildings. The Hills of Tyrone Condominium Association shall have the authority to control property restrictions such as storage of autos, pets and unsightly conditions. The Association will provide maintenance of the roads.

SITE CONTROLS:

SIZE OF HOME: Ranch 1,800 sq. feet, 1 & 1/2 Story 1,950 sq. feet 1,200 sq. feet first floor living area, Tri or Quad Level 2,050 sq. feet – 1,200 sq. feet ground coverage, 2 Story 2,000 sq. feet.

GARAGE: Minimum two cars attached with side entry. The side entry requirement is to ensure that parking is not in the front of the home and not allowed in front of the setback distance, plans that with garage doors facing to the side but back into the front of the home shall not have any parking area beyond the front line of the garage.

BRICK: Minimum, coverage of 25% on the front elevation.

EXTERIOR PAINT: Must blend with brick, No white paint, white window frames, white window dividers, or white siding.

ROOF PITCH: Minimum of a 5 inch rise in 12 inch run = 5/12

ROOF COVERING: Up-grade shadow line or shake appearance in dark grays, brown, black, green, or slate.

SIDING: Wood or composite wood is preferable but if aluminum or vinyl is used then they must have wood interior and exterior (WOOD 1× 6 INCHES) corners, fascia, freeze, rake, and apron.

DRIVEWAYS: BUILDER TO INSTALL GRAVEL ON FIRST 20 FEET SO AS TO STOP ROAD TRACKING, Concrete or asphalt must be installed within one year from start of construction.

FOUNDATION: Must be painted and no more than 12" of exposed foundation wall permitted.

TIME LIMIT: Construction time from start to finish of the exterior house, ground grade including grass seeding is 6 months, the landscape is 12 months from start.

SITE UPKEEP: All sites shall be mowed at least four times a year. Construction sites shall not be allowed to contain sheds, trailers, offices, or trash piles, all trash is to be removed from outside of site as soon as each trade is completed such as rough frame, drywall, trim. No papers are allowed to blow around.

SITE PREP: A culvert of at least 12 inches shall be placed in the location of the to be built driveway as the first action of building, the first twenty feet of said drive shall be stoned in accordance with the Drain Permit so as to stop the dirt from tracking on the road (road dirt will be the builders obligation to remove from the road as the dirt will fill-up our storm sewers) all construction traffic shall use this entrance only, drives off the roadway only at the drive location. It is further understood that the first 21 feet of off road property is to remain untouched and maintained as grass. The top soil shall be move from the drive and foundation area so it may be placed on top of the subsoil at time of rough or finish grade. A silt fence shall be installed prior to the disturbance of any soil in all such areas as may receive runoff water this silt fence shall be maintained until all soil has been stabilized and removed only upon the approval of the Developer or his agent.

Builders

The developer approved builders are the only builders allowed to build in The Hills of Tyrone.

APPROVAL PRIOR TO CONSTRUCTION: All construction of units must be approved by the Developer prior to construction starting. You shall submit a set of prints with all exterior colors indicated with manufactures color charts, brick charts. A plot plan showing the location of the house, driveway, septic, well, decks, and garage, trees, and any other construction items, also the location of adjacent wells and septic. The removal of trees is allowed for the area of construction only all trees to be removed shall be tagged and shown on plot plan the By-Laws address tree removal in limited common areas page 19 section 8.

Deviation from the site controls may be permitted due to lot elevation and architectural integrity.

Drainfield: The drainfields and septic tank are installed by Developer at a cost of \$5,400.00. The construction of the field and its location have been set by the Health Department. The location can be moved with Health Department approval which needs to be requested by the Developer. Information as to the depth of the field (which will allow the builder to plan for the amount of dirt which is to be excavated and left on the site) the dirt removed from the field area is the builders responsibility.

The construction of the field shall be done as soon as the home has been staked on the site (the Developer is not responsible in the event there is no perk on the unit for any construction expense or other builder or home owner expense).

Timothy A. Dicks
President/ Hills of Tyrone Development Inc.

Date: _____
BUILDER

Date: _____
co-owner

By execution of this document, parties herein agree to the Site Controls specified herein and acknowledge a receipt of same further that each prospective purchaser shall be given a copy of same.

THE HILLS OF TYRONE ESCROW AGREEMENT

THIS AGREEMENT is stated into this 5th day of September, 1989, between Hills of Tyrone Development, Inc. a Michigan corporation (“Developer”), and American Title Insurance Company (“Escrow Agent”) through its authorized representative for this purpose, American Title Company of Livingston.

WHEREAS, Developer is the Developer of The Hills of Tyrone, a residential Condominium, Project established or to be established under applicable Michigan law; and

WHEREAS, each building site will constitute a Condominium Unit as defined in the Michigan Condominium Act (Act No. 59, Public Acts of 1978, as amended, hereinafter the “Act”); and

WHEREAS, Developer is selling Condominium Units in The Hills of Tyrone and is entering into Purchase Agreements with Purchasers for such Units in substantially the form attached hereto, and each Purchase Agreement requires that all deposits made under such Agreement be held in an escrow account with an Escrow Agent; and

WHEREAS, the parties hereto desire to enter into an Escrow Agreement to establish such an escrow account for the benefit of Developer and for the benefit of each Purchaser (hereinafter called “Purchaser”) who makes deposits under a Purchase Agreement; and

WHEREAS, Escrow Agent is acting as an independent party hereunder pursuant to the provisions of this Agreement and the for the benefit of Developer and all Purchasers and not as the agent of any one or less than of such parties.

NOW, THEREFORE, it is agreed as follows:

1. Initial Deposit of Funds. Developer shall, promptly after receipt, transmit to Escrow Agent all sums deposited with it under a Purchase Agreement, together with a fully executed copy of such Agreement and a receipt signed by the Purchaser for the recorded Master Deed, Condominium Buyer’s Handbook and Disclosure Statement.

2. Release of Funds. The sums paid to Escrow Agent under the terms of any Purchase Agreement shall be held and released to Developer or Purchaser only upon the conditions hereinafter set forth.

A. Upon Withdrawal by Purchaser. The escrowed funds shall be released to Purchaser under the following circumstances:

(i) If the Purchase Agreement is contingent upon Purchaser obtaining a mortgage and he fails to do so as provided therein and duly withdraws from the Purchase Agreement as a result thereof, Escrow Agent shall release to Purchaser

all sums held by it pursuant to said Agreement.

(ii) In the event that a Purchaser duly withdraws from a Purchase Agreement prior to the time that said Agreement becomes binding under paragraph 6 of the General Provisions thereof, Escrow Agent shall, within 3 business days from the date receipt of notice of such withdrawal, release to Purchaser all of Purchaser's deposits held thereunder.

(iii) In the event that a Purchaser duly terminates a Purchase Agreement executed under the provisions of §88 of the Act pursuant to paragraph 7 or paragraph 8 of the General Provisions of a Purchase Agreement, Escrow Agent shall release all of Purchaser's deposits held thereunder to Purchaser.

B. Upon Default by Purchaser. In the event that a Purchaser under a Purchase Agreement defaults in making any payments required by said Agreement or in fulfilling any other obligations thereunder for a period of 10 days after written notice by Developer to Purchaser, Escrow Agent shall release sums held pursuant to the Purchase Agreement to Developer in accordance with the terms of said Agreement.

C. Upon Conveyance of Title to Purchaser. Upon conveyance of title to a Unit from Developer to Purchaser for upon execution of a contract between Developer and Purchaser in fulfillment of a Purchase Agreement), Escrow Agent shall release to Developer all sums held in escrow under such Agreement provided Escrow Agent has received a certificate signed by a licensed professional engineer confirming:

(i) That those portions of the phase of the Condominium Project in which such purchaser's Unit is located and which on the Condominium Subdivision Plan are labeled "must be built" are substantially complete; and

(ii) That all other common elements or facilities intended for common use, wherever located which on the Condominium Subdivision Plan are labeled "must be built" are substantially complete.

If the elements or facilities referred to in paragraphs 2C(i) and 2C(ii) above are not substantially complete, only sufficient funds to finance substantial completion of such elements or facilities shall be retained in escrow and the balance may be released. All funds required to be retained in escrow may be released, however, if other adequate security shall have been arranged as provided in paragraph 2F below. Determination of amounts necessary to finance substantial completion shall likewise be determined by the certificate of a licensed professional engineer. For purposes of paragraph 2C(i) above, the phase of the Condominium Project in which Purchaser's Unit is located shall be "substantially complete" when all utility mains landscaping, access roads and other general common elements (to the extent such items are designated on the Condominium Subdivision Plan as "must be built") are substantially complete as evidenced by

certificates of substantial completion issued by a licensed professional engineer as described in Section 3 below. Improvements of the type described in paragraph 2C(ii) above shall be substantially complete when certificates of substantial completion have been issued therefor by a licensed professional engineer, as described in Section 3.

D. Release of Funds Escrowed for Completion of Incomplete Improvements. Upon furnishing Escrow Agent a certificate from a licensed professional engineer evidencing substantial completion in accordance with the pertinent plans and specifications of structure, improvement, facility or identifiable portion thereof for which funds or other security have been deposited in escrow, Escrow Agent shall release to Developer the amount of such funds or other security specified by the issuer of the certificates being attributable to such substantially completed item(s); provided, however, that if the amounts remaining in escrow after any such partial release would be insufficient in the opinion of the issuer of such certificate to finance substantial completion of any remaining incomplete items for which funds or other security have been deposited in escrow, only the amount in escrow in excess of such estimated cost to substantially complete shall be released by Escrow Agent to Developer.

E. Release of Interest Earned Upon Escrowed Funds. Escrow Agent shall be under no obligation to earn interest upon the escrowed sums held pursuant hereto. In the event that interest upon such sums is earned, however, all such interest shall be separately accounted for by Escrow Agent and shall be held in escrow and released as and when principal deposits are released hereunder; provided, however, that all interest earned on deposits refunded to a Purchaser upon the occasion of his withdrawal from a Purchase Agreement shall be paid to Developer.

F. Other Adequate Security. If Developer requests that all of the escrowed funds held hereunder or any part thereof be delivered to in prior to the time it otherwise becomes entitled to receive the same. Escrow Agent may release all such sums to Developer if Developer has placed with Escrow Agent an irrevocable letter of credit drawn in favor of Escrow Agent in form and substance satisfactory to Escrow Agent and securing full repayment of said sums, or has placed with Escrow Agent such other substitute security as may be permitted by law and approved by Escrow Agent.

G. In the Event Elements or Facilities Remain Incomplete. If Escrow Agent is holding in escrow funds or other security for completion of incomplete elements or facilities under §103b(7) of the Act, such funds or other security shall be administrated by Escrow Agent in the following manner.

- (i) Escrow Agent shall upon request give as statutorily required notices under §103b(7) of the Act.

(ii) If Developer, The Hills of Tyrone Association and any other party or parties asserting a claim to or interest in the escrow deposit enter into a written agreement (satisfactory in its terms and conditions to Escrow Agent for Escrow Agent's protection as determined by Escrow Agent in its absolute and sole discretion), as to the disposition of the funds or security in escrow under §103b(7) of the Act, Escrow Agent shall release such funds or security in accordance with the terms of such written agreement among such parties.

(iii) Failing written agreement as provided in paragraph 2G(ii) above, Escrow Agent shall be under no obligation whatever to release any such escrowed funds or security, but Escrow Agent may, in its absolute and sole discretion, at any time take either of the following actions:

(a) Initiate an interpleader action in any circuit court in the State of Michigan naming the Developer, The Hills of Tyrone Association and all other claimants and interested parties as parties and deposit all funds or other security in escrow under §103b(7) of the Act with clerk of such court in full acquaintance of its responsibilities under this Agreements; or

(b) Initiate an arbitration proceeding under the Commercial Arbitration Rules of the American Arbitration Association pursuant to which proceeding both the Developer and the Hills of Tyrone Association shall be named as parties Escrow Agent shall continue to hold all sums in escrow under §103b(7) of the Act pending the outcome of such arbitration but Escrow Agent shall not be a party to such arbitration. All issues relative to disposition of such escrow deposits or other security shall be decided by the arbitrator or arbitration panel and such decision shall be final and binding upon all parties concerned and judgment thereon may be rendered upon such award by any circuit court of the State of Michigan. Escrow Agent may in any event release all such escrow deposits in accordance with the arbitration decision or may commence an interpleader action with respect there to as provided above.

3. Proof of Occurrences; Confirmation of Substantial Completion: Determination of Cost to Complete. Escrow Agent may require reasonable proof of occurrence of any of the events, actions or conditions stated herein before releasing any sums held by it pursuant to any Purchase Agreement either to a Purchaser thereunder or to Developer. Whenever Escrow Agent is required hereby to receive the certification of a licensed professional engineer that a facility, element, structure, improvement or identifiable portion of any of the same is substantially complete in accordance with the pertinent plans therefor, it may base such confirmation entirely upon the certificate of the Developer to such effect coupled with the

pertinent plans therefor, it may base such confirmation entirely upon the certificates and determinations of the cost to substantially complete any incomplete elements, facilities, structures and improvements for which escrowed funds are being specifically maintained under paragraph 2D above shall be made entirely by a licensed professional engineer and the determination of all amounts to be retained or maintained in the escrow account for the completion of any such elements, facilities, improvements or structures shall be based entirely upon such determinations and estimates as are furnished by such engineer. No inspections of the Project or any portion thereof by any representative of Escrow Agent shall be deemed necessary hereunder, nor must any cost estimates or determinations be made by Escrow Agent and Escrow Agent may rely entirely upon certificates, determinations and estimates as described above in retaining and releasing all escrowed funds hereunder.

4. Limited Liability of Escrow Agent; Right to Deduct Expenses From Escrow Deposits. Upon making delivery of the funds deposited with Escrow Agent pursuant to any Purchase Agreement and performance of the obligations and services stated therein and herein, Escrow Agent shall be released from any further liability thereunder and hereunder, it being expressly understood that liability is limited by the terms and provisions set forth in such Agreements and in this Agreement, and that by acceptance of this Agreement, Escrow Agent is acting in the capacity of a depository and is not, as such, responsible or liable for the sufficiency, correctness, genuineness or validity of the instruments submitted to it, or the marketability of title to any Unit sold under any other Agreement Escrow Agent is not responsible for the failure of any bank used by it as an escrow depository for funds received by it under this Agreement.

Further, Escrow Agent is not a guarantor of performance by Developer under the Condominium Documents or any Purchase Agreement and Escrow Agent undertakes no responsibilities whatever with respect to the nature, extent or quality of such performance thereunder or with regard to the conformity of such performance to the terms of such documents, to the plans and specifications for the Project, to local or state laws or in any other particular. So long as Escrow Agent relies in good faith upon any certificate cost estimate or determination of the type described in Section 3, Escrow Agent shall have no liability whatever to Developer, any Purchaser, any Co-owner or any other party for any error in such certificate, cost estimate or determination or for any act or omission by the Escrow Agent in reliance thereon.

Except in instances of gross negligence or willful misconduct, Escrow Agent's liability hereunder shall in all events be limited to return, to the party or parties entitled thereto, of the funds retained in escrow for which were replaced by security less any reasonable expenses which Escrow Agent may incur in the administration of such funds or otherwise hereunder, including without limitation, reasonable attorneys' fees and litigation expenses paid in connection with the defense, negotiation or analysis of claims against it, by reason of litigation or otherwise, arising out of the administration of such escrowed funds, all of which costs Escrow Agent shall be entitled without notice to deduct from amounts on deposit hereunder.

5. Notices. All notices required or permitted hereunder and all notices of change of address shall be deemed sufficient if personally delivered or sent by registered mail, postage prepaid and return receipt requested, addressed to the recipient party at the address shown below such party's signature to this Agreement or upon the pertinent Purchase Agreement. For purposes of calculating time periods under the provisions of this Agreement notice shall be deemed affective upon mailing or personal delivery, whichever is applicable.

HILLS OF TYRONE DEVELOPMENT, INC.,
a Michigan Corporation, Developer

AMERICAN TITLE INSURANCE
COMPANY, Escrow Agent

By: American Title Company of
Livingston, authorized representative

By: Timothy A. Dicks, President
1407 Penniman
Plymouth, Michigan 48170
(313) 455-7438

By: Sally Jo Reader, President
110 East Grand River
Howell, Michigan 48843
(517) 546-8020

**THE HILLS OF TYRONE
PRELIMINARY RESERVATION AGREEMENT**

WHEREAS, Hills of Tyrone Development, Inc., a Michigan corporation (hereinafter known as "Developer"), is developing a residential Condominium Project to be known as The Hills of Tyrone, to be located in the Township of Tyrone, Michigan; and

WHEREAS _____,
(hereinafter known as "Depositor") wishes to reserve a Unit in the proposed Condominium for purchase.

IT IS AGREED AS FOLLOWS:

1. Developer agrees to reserve Unit No _____ in the proposed Condominium Project for purchase by Depositor at an approximate purchase price of \$ _____. Depositor acknowledges and agrees that the price specified hereunder is estimated only and that Developer reserves the right to raise or lower such price in its discretion.

2. In consideration of such reservation, Depositor agrees to deposit the sum of \$ _____ to be held by American Title Insurance Company by and through its agent American Title Company or Livingston of 110 East Grand River, Howell, Michigan 48843, under an Escrow Agreement, the terms of which are printed on the reverse hereof and incorporated herein by reference.

3. Depositor agrees that, upon notice from Developer so requesting, Depositor will execute and deliver to Developer formal documents of purchase with respect to said Unit which documents shall include, but need not be limited to, a Purchase Agreement. Such documents of purchase and their contents and the contents of documents of any nature by which the Condominium may be established shall be within the sole discretion of Developer. Any additional deposits required by the formal documents of purchase shall be made as specified therein.

4. Depositor agrees to promptly submit, upon request by Developer, such personal and financial information as Developer may in its discretion require to determine whether Depositor will be preliminarily accepted or rejected for participation in the Condominium Project. In the event that Depositor is rejected for participation, this Agreement shall immediately terminate and the deposit shall be refunded without further liability on the part of either party. Preliminary acceptance by Developer shall not be deemed (a) final approval for purchase, or (b) final credit approval for mortgage financing purposes, which right of final approval is reserved as specified in the formal documents of purchase referred to above.

5. If Depositor fails or refuses for a period of 15 days after notice to Depositor by Developer so requesting, (a) to execute and deliver said formal documents of purchase, or (b) to

deliver such personal or financial information as Developer may require, then this Agreement shall, at Developer's option, terminate, and the deposit shall be refunded in full without further liability on the part of either party.

6. If Depositor desires to withdraw his reservation at any time prior to execution by him of the formal documents of purchase referred to above, then this Agreement shall terminate immediately upon written notice to Developer by Depositor and the deposit hereunder shall be refunded in full within 3 business day, after Developer's receipt of such notice without further liability on the part of either party.

7. In the event Developer elects not to proceed with the Project as a condominium, or if Depositor's Unit is eliminated therefrom by Developer, then this Reservation Agreement shall immediately terminate and the deposit shall be refunded in full without further liability on the part of either party.

8. This Reservation Agreement is not a Purchase Agreement. No lien of any sort is acquired by Depositor hereunder either upon the Unit covered hereby or upon the Condominium Project site. Depositor may assign his rights under this agreement only with Developer's written consent, which may be withheld in Developer's sole discretion. The location, site or design of any Unit, including Depositor's Unit, may be changed in Developer's discretion. The liability of Developer hereunder is at all times limited to the return of the deposit without interest.

9. All written notices required or permitted hereunder and all notices of change of address shall be deemed sufficient if personally delivered or sent by ordinary first class mail or by registered or certified mail, postage prepaid, return receipt requested, addressed to the recipient party at the address shown below such party's signature to this Agreement. For purposes of calculating time periods under the provisions of this Agreement, notice shall be deemed to be effective upon mailing or personal delivery, whichever is applicable.

10. Depositor hereby acknowledges receipt prior to execution of this Agreement of a copy of The Condominium Buyers Handbook published by the Michigan Department of Commerce.

HILLS OF TYRONE DEVELOPMENT, INC.,
a Michigan Corporation, Developer

Depositor

By: _____

Depositor

Timothy A. Dicks, President
3017 xxxx DRIVE
FENTON, MI 48430

Address of Depositor(s)

Dated: _____

THE HILLS OF TYRONE RESERVATION ESCROW AGREEMENT

WHEREAS, American Title Insurance Company (“Escrow Agent”) by and through its agent, American Title Company of Livingston, has expressed a willingness to act as Escrow Agent under Preliminary Reservation Agreements entered into between Hills of Tyrone Development, Inc., a Michigan Corporation, as Developer of The Hills of Tyrone, a proposed Condominium Project, and various persons (“Depositors”) who make deposits under said Preliminary Reservation Agreements; and

WHEREAS, all of said Preliminary Reservation Agreements require that cash deposits made thereunder be held by an Escrow Agent pursuant to the terms of this Reservation Escrow Agreement;

IT IS AGREED AS FOLLOWS:

1. Each Depositor shall pay to Escrow Agent simultaneously with the execution of a Preliminary Reservation Agreement the sum specified therein, which sum shall be retained in escrow by Escrow Agent until further notice from Developer or Depositor or both.

2. In the event that Developer or Depositor, with simultaneous notice to the other, notifies Escrow Agent at any time to refund to Depositor the reservation deposits held under a Preliminary Reservation Agreement, then Escrow Agent shall forthwith pay said sums to Depositor and the Preliminary Reservation Agreement shall then terminate and all liability of Escrow Agent hereunder and thereunder shall thereby be discharged.

3. In the event that Developer and Depositor notify Escrow Agent to apply the deposit held under a Preliminary Reservation Agreement toward sums payable to Escrow Agent under any other Purchase Agreement or Escrow Agreement which may hereafter come into existence to which Developer, Depositor and Escrow Agent are also parties, then Escrow Agent shall so apply said deposit and this Agreement shall thereupon terminate and Escrow Agent shall be discharged of all further liability hereunder.

4. If Developer requests that all of the escrowed funds hereunder or any part thereof be delivered to it prior to the occurrence of one or more of the foregoing events, Escrow Agent shall release all sums to Developer in the event that Developer has placed with Escrow Agent an irrevocable letter of credit drawn in favor of Escrow Agent in form and substance satisfactory to Escrow Agent and securing full repayment of said sums, or has placed with Escrow Agent such other substitute security as may be permitted by law and approved by Escrow Agent.

Notwithstanding any other provision herein to the contrary, Escrow Agent shall be under no obligation to release funds deposited hereunder to any party until it can satisfactorily ascertain that it has received, from the party on whom the funds are drawn, final settlement as that term is defined under the provisions of MCL 440.4101, et seq.

5. All written notices required or permitted hereunder and all notices of change of address shall be deemed sufficient if personally delivered or sent by ordinary first class mail or by registered or certified mail, postage prepaid, and return receipt requested, addressed to the recipient party at the address shown below such party's signature to this Agreement or to a Preliminary Reservation Agreement.

HILLS OF TYRONE DEVELOPMENT, INC., a
Michigan corporation, Developer

By:

Timothy A. Dicks, President
8017 xxxx KNOB DRIVE
FENTON, MI 48430

American Title Insurance Company, Escrow Agent

By: American Title Company of Livingston, Agent

By:

Sally Jo Reader
110 East Grand River
Howell, Michigan 48843

Dated: _____