The Hills of Tyrone Bylaws, rules and regulations

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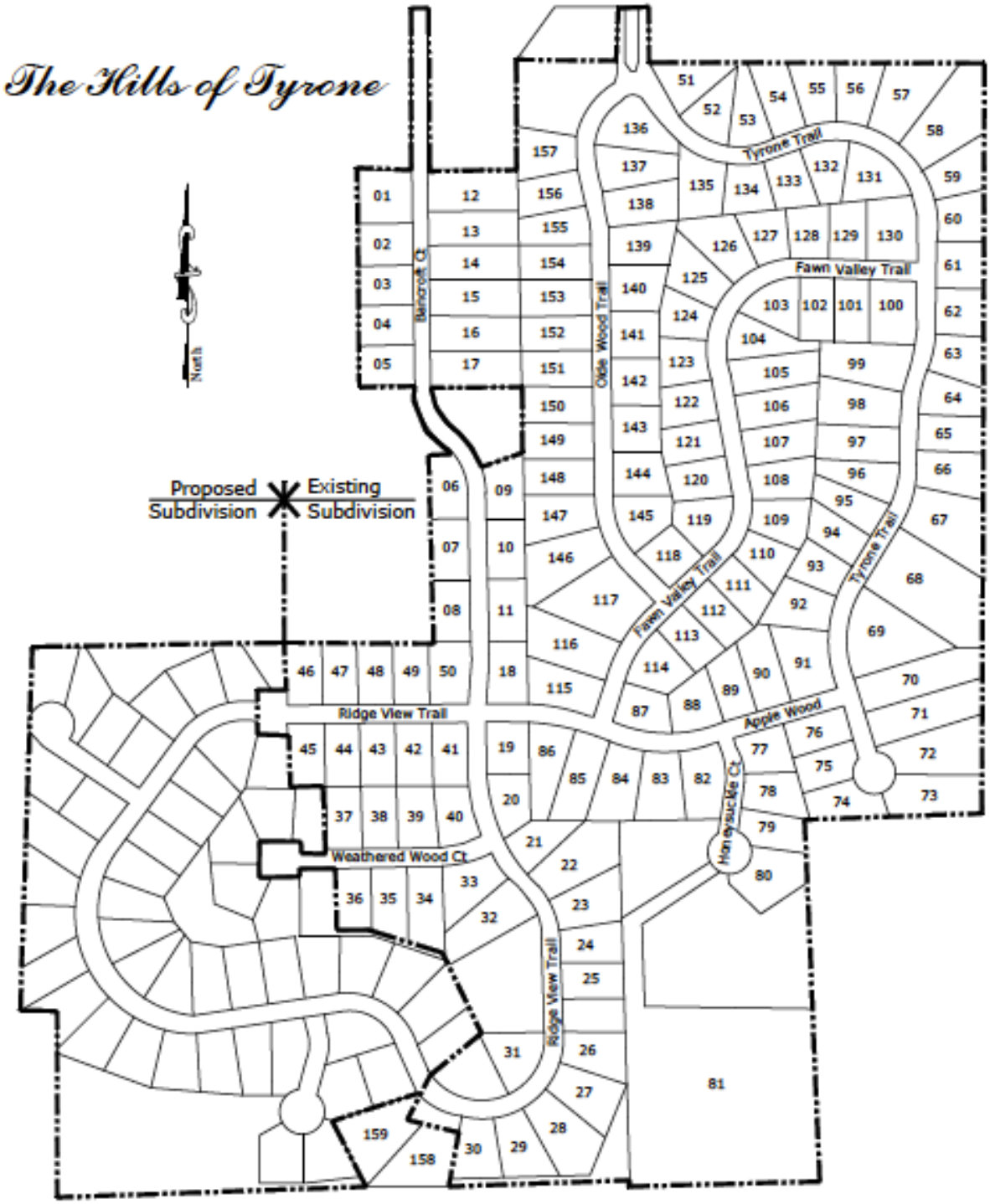
The Hills of Tyrone
North
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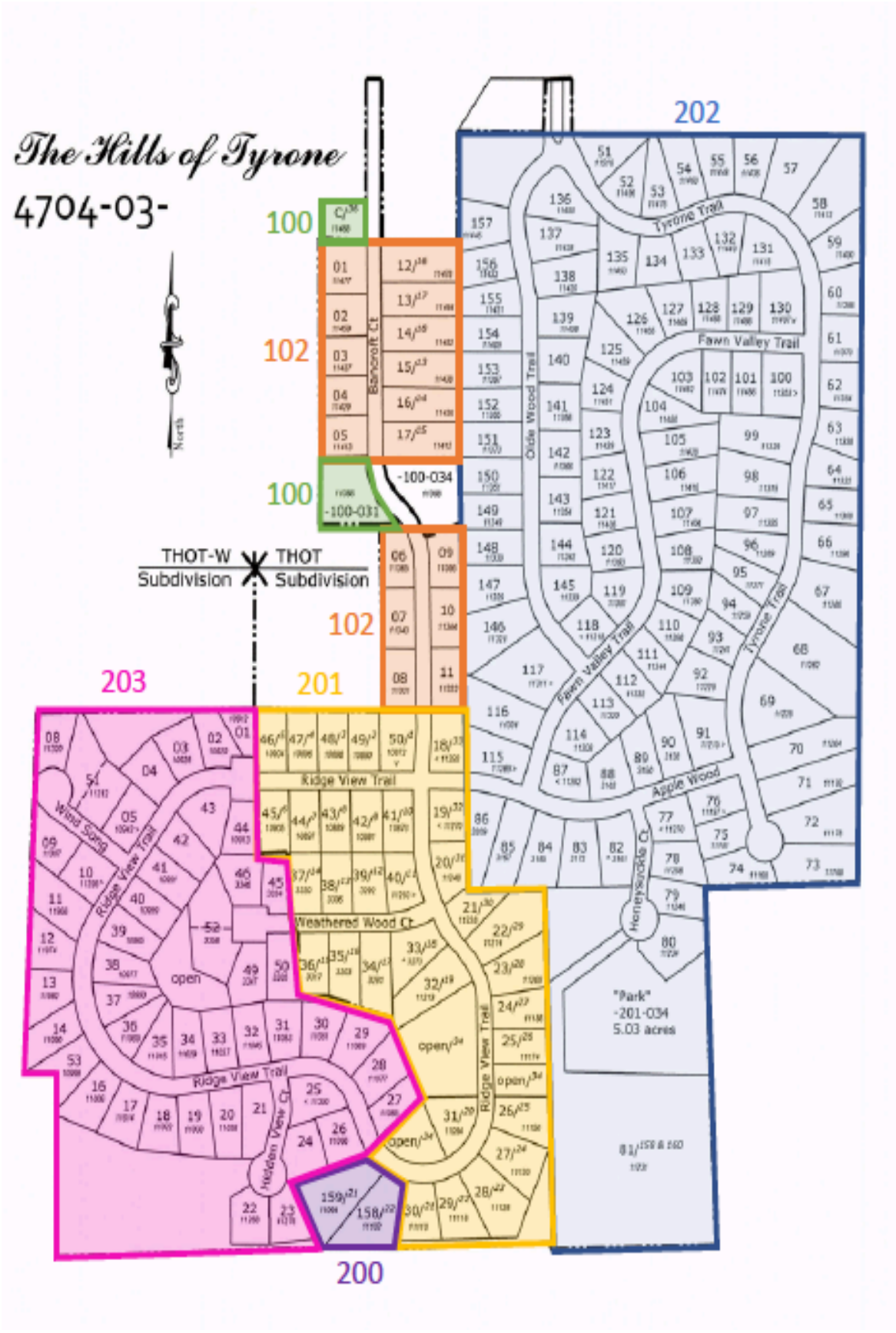
Existing Subdivision
Tyrone Trail
Fawn Valley Trail
Ridge View Trail
Weathered Wood Ct
Apple Wood
Honeysuckle Ct
Oldewood Trail
Benbrook Ct


The Hills of Tyrone
4704-03-
100
102
100
102
203
201
200
202
THOT-W Subdivision
THOT Subdivision
North
Ridge View Trail
Weathered Wood Ct
Wood Song
Hidden View Ct
Ballycroft Ct
Olde Wood Trail
Tyrone Trail
Fawn Valley Trail
Apple Wood
Honeysuckle Ct
-100-034
-100-031
"Park"
-201-034
5.03 acres
open

THE HILLS OF TYRONE
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MASTER DEED
THE HILLS OF TYRONE

This Master Deed is made and executed on this 15th day of July, 1991, by Hills of Tyrone Development, Inc., a Michigan corporation, ("Developer"), the address of which is 1107 Penniman, Plymouth, Michigan 48170, in pursuance of the provisions of the Michigan Condominium Act (being Act 59 of the Public Acts of 1978, as amended), hereinafter referred to as the "Act".

WHEREAS, the Developer desires by recording this Master Deed, together with the Bylaws attached hereto as Exhibit A and together with the Condominium Subdivision Plan attached hereto as Exhibit B (both of which are hereby incorporated herein by reference and made a part hereof), to establish the real property described in Article II below, together with the improvements located and to be located thereon, and the appurtenances thereto, as a residential Condominium Project under the provisions of the Act.

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

ARTICLE I
TITLE AND NATURE

The Condominium Project shall be known as The Hills of Tyrone, Livingston County Condominium Subdivision Plan No. 32. The Condominium Project is established in accordance with the Act. The Units contained in the Condominium, including the number, boundaries, dimensions and area of each, are set forth completely in the Condominium Subdivision Plan attached as Exhibit B hereto. Each Unit is capable of individual utilization on account of having its own entrance from and exit to a Common Element of the Condominium Project. Each Co-owner in the Condominium Project shall have an exclusive right to his Unit and shall have undivided and inseparable rights to share with other Co-owners the General Common Elements of the Condominium Project.

ARTICLE II
LEGAL DESCRIPTION

The land which is submitted to the Condominium Project established by this Master Deed is described as follows:

Part of the NE 1/4 and part of the NW 1/4 of Section 3, T4N R6E, Township of Tyrone, Livingston County, Michigan, more particularly described as: Commencing at the North 1/4 corner of Section 3; thence S 87°13'32" E along the North line of said Section, 13.25 feet; thence S 02°19'47" W, 33.00 feet to the point of beginning, thence S 02°19'47"W, 367.08 feet; thence N 87°04'03" W, 14.46 feet; thence S 02°24'19" W, 795.13 feet; thence 184.65 feet along a curve to the left having a radius of 194.48 feet and a chord which bears S 24°47'32" E, 177.79 feet, thence 164.17 feet along a curve to the right having a radius of 263.00 feet and a chord which bears S 34°06'52" E, 161.49 feet, thence N 73°45'54" E, 160.06 feet; thence S 02°27'00" W, 688.85 feet; thence N 87°49'01" W, 336.40 feet; thence N 01°43'15" E, 675.87 feet; thence S 88°28'25" E, 98.52 feet; thence 55.00 feet along a curve to the left having a radius of 197.00 feet and a chord which bears N 43°59'42" W, 54.83 feet; thence 247.31 feet along a curve to the right having a radius of 260.48 feet and a chord which bears N 24°47'32" W, 230.13 feet thence N 02°24'19" W, 8.16 feet; thence N 88°28'25" W, 208.25 feet; thence N 03°33'26" E, 793.20 feet; thence S 86°57'47" E, 192.33 feet; thence N 04°24'22" E, 367.03 feet; thence S 87°02'35" E, 52.35 feet; thence S 87°13'32" E, 12.78 feet to the point of beginning containing 11.4 acres more or less and subject to all easements and restrictions of record and all governmental limitations and further subject to reservation by the Developer of all oil, gas, and mineral rights; further subject to certain Bancroft Court easements recorded in Liber 1381 at Page 480 and Liber 1389 at Page 258, Livingston County Records, and a certain Agreement for Maintenance recorded in Liber 1389 at Page 258, Livingston County Records and further subject to the rights of adjoining owners to use Bancroft Court.

ARTICLE III
DEFINITIONS

Certain terms are utilized not only in this Master Deed and Exhibits A and B hereto, but are or may be used in various other instruments such as, by way of example and not limitation, the Articles of Incorporation and rules and regulations of The Hills of Tyrone Association, a Michigan non-profit corporation, and deeds, mortgages, liens, land contracts, easements and

other instruments affecting the establishment of, or transfer of, interests in The Hills of Tyrone as a condominium. Wherever used in such documents or any other pertinent instruments, the terms set forth below shall be defined as follows:

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

Section 2. Association. "Association" means The Hills of Tyrone Association, which is the non-profit corporation organized under Michigan law of which all Co-owners shall be members, which corporation shall administer, operate, manage and maintain the Condominium.

Section 3. Bylaws. "bylaws" means Exhibit A hereto, being the Bylaws setting forth the substantive rights and obligations of the Co-owners and required by Section 3(8) of the Act to be recorded as part of the Master Deed. The Bylaws shall also constitute the corporate bylaws of the Association as provided for under the Michigan Nonprofit Corporation Act.

Section 4. Common Elements. "Common Elements", where used without modification, means both the General and Limited Common Elements described in Article IV hereof.

Section 5. Condominium Documents. "Condominium Documents" means and includes this Master Deed and Exhibits A and B hereto, and the Articles of Incorporation, Bylaws and rules and regulations, if any, of the Association, as all of the same may be amended from time to time.

Section 6. Condominium Premises. "Condominium Premises" means and includes the land described in Article II above, all improvements and structures thereon, and all easements, rights and appurtenances belonging to The Hills of Tyrone as described above.

Section 7. Condominium Project, Condominium or Project. "Condominium Project", "Condominium" or "Project" means The Hills of Tyrone, as a Condominium Project established in conformity with the Act.

Section 8. Condominium Subdivision Plan. "Condominium Subdivision Plan" means Exhibit 8 hereto.

Section 9. Consolidating Master Deed. "Consolidating Master Deed" means the final amended Master Deed which shall describe The Hills of Tyrone as a completed Condominium Project and shall reflect the entire land area added to the Condominium from time to time under Article VII, and which shall express percentages of value pertinent to each Unit as finally readjusted. Such Consolidating Master Deed, if and when recorded in the office of the Livingston County Register of Deeds, shall supersede the previously recorded Master Deed for the Condominium and all amendments thereto.

Section 10. Co-owner or Owner. "Co-owner" means a person, firm, corporation, partnership, association, trust or other legal entity or any combination thereof who or which

owns one or more Units in the Condominium Project. The term "Owner", wherever used, shall be synonymous with the term "Co-owner".

Section 11. Developer. "Developer" means Hills of Tyrone Development, Inc., a Michigan corporation, which has made and executed this Master Deed, and its successors and assigns. Both successors and assigns shall always be deemed to be included within the term "Developer" whenever, however and wherever such terms are used in the Condominium Documents.

Section 12. Development and Sales Period. "Development and Sales Period", for the purposes of the Condominium Documents and the rights reserved to Developer thereunder, shall be deemed to continue for so long as Developer continues to own any Unit in the Project and for so long as Developer continues or proposes to construct other residences or owns or holds an option or other enforceable purchaser interest in land within a half-mile radius of the Condominium.

Section 13. First Annual Meeting. "First Annual Meeting" means the initial meeting at which non-developer Co-owners are permitted to vote for the election of all Directors and upon all other matters which properly may be brought before the meeting. Such meeting is to be held (a) in the Developer's sole discretion after 50% of the Units are sold, or (b) mandatorily within (i) 54 months from the date of the first Unit conveyance, or (ii) 120 days after 75% of the Units are sold, whichever first occurs.

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

Section 15. Unit or Condominium Unit. "Unit" or "Condominium Unit" each mean a single residential building site in The Hills of Tyrone, as described in Article V, section 1 hereof and on Exhibit B hereto, and shall have the same meaning as the term "Condominium Unit" as defined in the Act. All structures and improvements now or hereafter located within the boundaries of a Unit shall be owned in their entirety by the Co-owner of the Unit within which they are located and shall not, unless otherwise expressly provided in the Condominium Documents, constitute Common Elements.

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 and vice versa.

ARTICLE IV

COMMON ELEMENTS

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

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

(a) Land. The land described in Article II hereof and other common areas, when included as a part of the Condominium, not identified as Units or Limited Common Elements.

(b) Roads. Bancroft Court and such other interior roads as may subsequently be added to the Condominium. The cul-de-sac shown on the Condominium Subdivision Plan shall be a General Common Element until such time as Bancroft Court is later extended to serve the Condominium as enlarged.

(c) Electrical. The electrical transmission mains throughout the Project, up to the point of lateral connections for Unit service.

(d) Site Lighting. Any lights designed to provide illumination for the Condominium Premises as a whole.

(e) Telephone. The telephone system throughout the Project up to the point of lateral connections for Unit service.

(f) Gas. The gas distribution system throughout the Project, up to the point of lateral connections for Unit service.

(g) Telecommunications. The telecommunications system, if and when installed, up to the point of lateral connections for Unit service.

(h) Storm Sewer. The storm sewer system throughout the Project.

(i) Other. Such other elements of the Project not herein designated as General or Limited Common Elements which are not enclosed within the boundaries of a Unit, and which are intended or will be intended for common use or are necessary to the existence, upkeep, appearance, utility or safety of the Project, such as sanitary/storm sewer or central water systems.

Section 2. Limited Common Elements. Limited common Elements shall be subject to the exclusive use and enjoyment of the Owner of the Unit to which the Limited Common Elements are appurtenant. The Limited Common Elements are as follows:

(a) Yard Areas. Each Limited Common Element immediately surrounding a Unit as designated on the Condominium Subdivision Plan is a yard area limited in use to the

Unit which it immediately surrounds.

(b) Utility Leads. All utility leads lying within the Unit and adjoining Limited Common Element yard area are limited in use to the Units which they respectively service.

(c) Wells. Each water well is limited in use to the Unit served thereby.

(d) Sanitary Disposal System. Each sanitary disposal system is limited in use to the Unit served thereby.

Section 3. Responsibilities. The respective responsibilities for the maintenance, decoration, repair and replacement of the Common Elements are as follows:

(a) Co-owner Responsibility for Units and Limited Common Elements. It is anticipated that separate residential dwellings will be constructed within the Units depicted on Exhibit B hereto and that various appurtenances to such dwellings, including driveways, may extend into the Limited Common Element yard areas surrounding the same. Except as otherwise expressly provided, the responsibility for, and the costs of maintenance, decoration, repair and replacement of any dwelling and appurtenance to each dwelling as a Limited Common Element shall be borne by the Co-owner of the Unit which is served thereby; provided, however, that the exterior appearance of such dwellings. Units and appurtenant Limited Common Elements, to the extent visible from any other Unit or Common Element on the Project, shall be subject at all times to the approval of the Association. In connection with any amendment made by the Developer pursuant to Article VIII hereof, Developer may designate additional Limited Common Elements that are to be maintained, decorated, repaired and replaced at Co-owner expense or, in proper cases, at Association expense. For maintenance purposes, the General Common Element area between the roadway pavement and each Co-owner's Limited Common Element setback area shall be planted with grass and maintained by each Co-owner as a part of his front setback area and in accordance with the standards set forth in the Bylaws.

(b) Association Responsibility for Units and Common Elements. The Association shall not be responsible for performing any maintenance, repair or replacement with respect to residences and their appurtenances located within the Condominium Units or within the Limited Common Elements appurtenant thereto. Nevertheless, in order to provide for flexibility in administering the Condominium, the Association, acting through its Board of Directors, may undertake such other regularly recurring, reasonably uniform, periodic exterior maintenance functions with respect to dwellings constructed within any Unit boundaries and their appurtenant Limited Common Elements as it may deem appropriate (including, without limitation, lawn mowing, snow removal, tree trimming and exterior painting). Nothing herein contained, however, shall compel the Association to undertake such responsibilities. Any such responsibilities undertaken by the

Association shall be charged to any affected Co-owner on a reasonably uniform basis and collected in accordance with the assessment procedures established under Article II of the Bylaws. The Developer, in the initial maintenance budget for the Association, shall be entitled to determine the nature and extent of such services and reasonable rules and regulations may be promulgated in connection therewith.

(c) General Common Elements. The cost of maintenance, repair and replacement of all General Common Elements shall be borne by the Association, subject to any provision of the Condominium Documents expressly to the contrary.

Section 4. Utility Systems. Some or all of the utility lines, systems (including mains and service leads) and equipment and the telecommunications, described above may be owned by the local public authority or by the company that is providing the pertinent service. Accordingly, such utility lines, systems and equipment, and the telecommunications, shall be General Common Elements only to the extent of the Co-owners' interest therein, if any, and Developer makes no warranty whatever with respect to the nature or extent of such interest, if any. The extent of the Developer's and Association's responsibility will be to see to it that telephone, electric and natural gas mains are installed within reasonable proximity to, but not within, the Units and their Limited Common Element yard areas. Each Co-owner will be entirely responsible for arranging for and paying all costs in connection with extension of such utilities by laterals from the mains to any structures and fixtures located within the Units and their respective Limited Common Element yard areas.

Section 5. Use of Units and Common Elements. No Co-owner shall use his Unit or the Common Elements in any manner inconsistent with the purposes of the Project or in any manner which will interfere with or impair the rights of any other Co-owner in the use and enjoyment of his Unit or the Common Elements. No Limited Common Element may be modified or its use enlarged or diminished by the Association without the written consent of the Co-owner to whose Unit the same is appurtenant.

ARTICLE V
UNIT DESCRIPTIONS AND PERCENTAGES OF VALUE

Section 1. Description of Units. Each Unit in the Condominium Project is described in this paragraph with reference to the Condominium Subdivision Plan of The Hills of Tyrone as prepared by Progressive Architects, Engineers, Planners, Inc. and attached hereto as Exhibit B. Each Unit shall consist of the space contained within Unit boundaries as shown in Exhibit B hereto and delineated with heavy outlines. The vertical boundaries of the Units may vary from time to time to accommodate changes in grade elevations. Accordingly, the Developer or, upon assignment, the Association shall have the right, in its sole discretion, to modify the Condominium Subdivision Plan to depict actual ground elevations and Unit boundaries. Even if no such amendment is undertaken, easements for maintenance of structures that encroach on Common Elements have been reserved in Article XI below.

Section 2. Percentage of Value. The percentage of value assigned to each Unit is equal. The percentages of value were computed on the basis that the comparative characteristics of the Units are such that it is fair and appropriate that each Unit owner vote equally and pay an equal share of the expenses of maintaining the General Common Elements. The percentage of value assigned to each Unit shall be determinative of each Co-owner's respective share of the General Common Elements of the Condominium Project, the proportionate share of each respective Co-owner in the proceeds and expenses of administration and the value of such Co-owner's vote at meetings of the Association of Co-owners.

ARTICLE VI
SUBDIVISION, CONSOLIDATION OF UNITS, LIMITED COMMON ELEMENTS

Notwithstanding any other provision of the Master Deed or the Bylaws, and subject to the prior written approval of the Livingston County Health Department, Units in the Condominium may be subdivided, consolidated, modified and the boundaries relocated, in accordance with Sections 48 and 49 of the Act and this Article; such changes in the affected Unit or Units shall be promptly reflected in a duly recorded amendment or amendments to this Master Deed.

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

(a) Subdivide Units; Consolidate Units; Relocate Boundaries. Subdivide or resubdivide any Unit which it owns, consolidate under single ownership two or more Units which are located adjacent to one another, and relocate any boundaries between adjoining Units. Such subdivision or resubdivision of Units, consolidation of Units and relocation of boundaries of Units shall be given effect by an appropriate amendment or amendments to this Master Deed in the manner provided by law, which amendment or amendments shall be prepared by and at the sole discretion of Developer, its successors or assigns. Any and all activity set forth in this paragraph shall comply with any and all governmental rules, regulations or ordinances, including the submission for approval if and when such is necessary.

(b) Amend to Effectuate Modifications. In any amendment or amendments resulting from the exercise of the rights reserved to Developer above, each portion of the Unit or Units resulting from such subdivision, consolidation or relocation of boundaries shall be separately identified by number and the percentage of value as set forth in Article

V hereof for the Unit or Units subdivided, consolidated or as to which boundaries are relocated shall be proportionately allocated to the resultant new Condominium Units in order to preserve a total value of 100% for the entire Project resulting from such amendment or amendments to this Master Deed. The precise determination of the readjustments in percentage of value shall be within the sole judgment of Developer. Such readjustments, however, shall reflect a continuing reasonable relationship among percentages of value based upon the original method of determining percentages of value for the Project. Such amendment or amendments to the Master Deed shall also contain such further definitions of General or Limited Common Elements as may be necessary to adequately describe the Units in the Condominium Project as so modified. All of the Co-owners and mortgagees of Units and other persons interested or to become interested in the Project from time to time shall be deemed to have irrevocably and unanimously consented to such amendment or amendments of this Master Deed to effectuate the foregoing and to any proportionate reallocation of percentages of value of Units which Developer or its successors may determine necessary in conjunction with such amendment or amendments. All such interested persons irrevocably appoint Developer or its successors as agent and attorney for the purpose of execution of such amendment or amendments to the Master Deed and all other documents necessary to effectuate the foregoing. Such amendments may be effected without the necessity of rerecording an entire Master Deed or the Exhibits hereto.

Section 2. By Co-owners. One or more Co-owners may undertake:

(a) Subdivision of Units. The Co-owner of a Unit may subdivide his Unit upon request to and approval by the Association. Upon receipt of such request, the president of the Association shall present the matter to the Board of Directors for review and, if approved by the Board, which Board shall not under any circumstances be obligated to approve, cause to be prepared an amendment to the Master Deed, duly subdividing the Unit, separately identifying the resulting Units by number or other designation, designating only the Limited or General Common Elements in connection therewith, and reallocating the percentages of value (if necessary) in accordance with the Co-owner's request. The Co-owner requesting such subdivision shall bear all costs of such amendment. Such subdivision shall not become effective, however, until the amendment to the Master Deed, duly executed by the Association, has been recorded in the office of the Livingston County Register of Deeds. Any and all activity set forth in this paragraph shall comply with any and all governmental rules, regulations or ordinances, including the submission for approval if and when such is necessary.

(b) Consolidation of Units; Relocation of Boundaries. Co-owners of adjoining Units may relocate boundaries between their Units or eliminate boundaries between two or more Units upon written request to and approval by the Association. Upon receipt of such request, the president of the Association shall present the matter to the Board of Directors for review and, if approved by the Board, cause to be prepared an amendment

to the Master Deed duly relocating the boundaries, identifying the Units involved, reallocating percentages of value and providing for conveyancing between or among the Co-owners involved in relocation of boundaries. The Co-owners requesting relocation of boundaries shall bear all costs of such amendment. Such relocation or elimination of boundaries shall not become effective, however, until the amendment to the Master Deed has been recorded in the office of the Livingston County Register of Deeds. Any and all activity set forth in this paragraph shall comply with any and all governmental rules, regulations or ordinances, including the submission for approval if and when such is necessary.

Section 3. Limited Common Elements. Limited Common Elements shall be subject to assignment and reassignment in accordance with Section 39 of the Act and in furtherance of the rights to subdivide, consolidate or relocate boundaries described in this Article VI.

ARTICLE VII
EXPANSION OF CONDOMINIUM

Section 1. Area of Future Development. The Condominium Project established pursuant to the initial Master Deed of The Hills of Tyrone and consisting of 11 Units is intended to be the first stage of an Expandable Condominium under the Act which may contain in its entirety a maximum of 300 Units. Additional Units, if any, will be established upon all or some portion of the following:

Part of the S 1/2 of the NW fractional 1/4 and part of the S 1/2 of the NE fractional 1/4 and part of the SE 1/4 and part of the SW 1/4 of Section 3, T4N-R6E, Township of Tyrone, Livingston County, Michigan, and being more particularly described as follows: Beginning at a point on the East Right-of-Way line of Runyan Lake Road which is N 02°11'08" E along the West line of said Section, 27.68 feet and S 88°23'46" E, 33.00 feet from the West 1/4 corner of said Section 3; thence continuing S 88°23'46" E, 317.06 feet; thence N 02°11'08" E parallel with the West line of said Section 630.11 feet; thence S 88°26'42" E**,** 1784.83 feet; thence S 87°49'01" E, 871.06 feet; thence S 02°27'00" W, 659.73 feet; thence S 88°15'33" E, 331.95 feet; thence S 02°18'58" W, 1320.03 feet; thence W 89°15'33" W, 1191.08 feet; thence W 88°20'03" W, 825.30 feet; thence N 02°03'32" E, 659.82 feet; thence W 88°23'46" W, 1137.40 feet; thence N 02°23'29" E, 379.27 feet; thence S 89°38'36" W, 146.47 feet to a point on the East Right-of-Way line of Runyan Lake Road; thence N 02°22'35" E, 312.55 feet to an angle point in said East Right-of-Way line; thence continuing along said East line, W 02°11'08" E, 28.07 feet to the Point of Beginning, containing 121.36 acres of land; and (parcel x - 538)

A parcel of land beginning W 89°49'50" E, 399.31 feet from S 1/4 corner of Section 34; thence N 56°07'20" E, 424.75 feet; thence S 01°13'00" E, 235.76 feet;

thence S 89°49'50" W, 357.65 feet to Place of Beginning, Section 34, T5N-R6E, 97 acres; and (parcel 04-03-100-012)

Section 3, T4N-R6E, NW 1/4 of SE 1/4 of NW FRL 1/4, 10 acres; and (parcel 04-03-100-011)

Section 3, T4N-R6E, beginning 40 rods North and 60 rods East of W 1/4 post of Section, North 40 rods. East 20 rods, S 40 rods. West 20 rods to beginning, 5 acres; and (parcel 04-03-100-007)

Section 3, T4W-R6E, East 11.12 acres of NW 1/4 of NW FRL 1/4 11.12 acres; and (parcel 04-03-200-002)

Section 3, T4N-R6E, beginning 330 feet N 89°49'50" E, from N 1/4 corner; thence N 89°49'50" E, 1720.78 feet, S 00°44'10" W, 2730.93 feet, S 87°21'50" W, 648.80 feet, S 02°16'00" E, 1333.65 feet, thence S 89°10'50" W, 689.47 feet; thence N 01°21'20" W, 1333.65 feet; thence S 87°55'30" W, 332.23 feet; hence N 00°56'10" E, 2730.93 feet to beginning, 127.57 acres, more or less; and (parcel 04-03-200-003)

Part of the Northeast fractional 1/4 of Section 3, T4N-R6E, Tyrone Township, Livingston County, Michigan, described as follows: Beginning at a point 143.63 rods West of the Northeast corner of said Section 3; thence South 72.35 rods; thence West 20 rods; thence North 72.35 rods to the place of beginning; EXCEPTING THEREFROM a parcel described as; Commencing at the Northeast corner of said Section 3; thence West 143.63 rods; thence West 210 feet for a Point of Beginning; thence South 400 feet; thence West 120 feet; thence North 400 feet; thence East 120 feet to the Point of Beginning; and land lying between the above parcels and the land described in Article II to assure the above parcels are contiguous with the land described in. Article II; except therefrom that portion described in Article II above, as it may from time to time be amended; (all of which land is hereinafter referred to as the "area of future development").

Section 2. Increase in Number of Units. Any other provisions of this Master Deed notwithstanding, the number of Units in the Project and Common Elements may, at the option of the Developer, from time to time, within a period ending no later than six years from the date of recording this Master Deed, be increased by the addition to this Condominium of any portion of the area of future development. No Unit shall be created within the area of future development that is not restricted exclusively to residential use. In addition, all structures to be located in the area of future development, whether constructed by the Developer, an Owner or a third party, must comply with all restrictions set forth in the Condominium Documentation, including without limitation the restrictions on size set forth in Section 3 of Article VI of the Bylaws, and all governmental regulations and requirements. Common Elements that may be included, but which the Developer is in no way obligated to include, are jogging and/or walking paths, tennis

courts, spring or other related amenities for use by the Owners.

Section 3. Expansion Not Mandatory. Nothing herein contained shall in any way obligate the Developer to enlarge the Condominium Project beyond the phase established by this Master Deed and the Developer may, in its discretion, establish all or a portion of said area of future development as a rental development, a separate condominium project (or projects) or any other form of development. There are no restrictions on the election of the Developer to expand the Project other than as explicitly set forth herein. There is no obligation on the part of the Developer to add to the Condominium Project all or any portion of the area of future development described in this Article VII, nor is there any obligation to add portions thereof in any particular order nor to construct particular improvements thereon in any specific locations.

ARTICLE VIII
CONVERTIBLE AREAS

Section 1. Designation of Convertible Areas. The Limited Common Element yard areas adjacent to the respective Units are hereby designated as Convertible Areas within which the Units and Common Elements may be modified as provided herein. All General Common Element roads in the Condominium shall also be convertible areas to enable upgrading of the surface of such roads by the Developer and to enable expansion of the Condominium. No new Units may be created in any of the convertible areas.

Section 2. Reservation of Rights to Modify Units and Common Elements. The Developer reserves the right, in its sole discretion, during a period ending no later than six years from the date of recording this Master Deed, to enlarge or extend Units and/or General or Limited Common Elements appurtenant or geographically proximate to such Units within the Convertible Areas above designated for such purpose, to relocate driveways, and/or to construct privacy areas, courtyards, atriums, patios, decks and other private amenities, so long as such modifications do not unreasonably impair or diminish the appearance of the Project or the view, privacy or other significant attribute or amenity of any Unit which adjoins or is proximate to the modified Unit or Common Element; provided, however, any such enlargement, extension or modification shall comply with all governmental rules, regulations or ordinances then in effect. Under no circumstances, however, shall the Developer, the Association or any other Co-owner or assignee of the Developer modify, enlarge or diminish any Limited Common Element yard area or any rights in connection therewith without the express written consent of the Co-owner to whose Unit such yard area is appurtenant. The Developer also reserves the right, but is in no way obligated, during the same six-year period to upgrade the surface of the General Common Element roads located within the Condominium unless otherwise required by any governing body or municipality. All maintenance, repair and replacement costs for General Common Element roads shall continue to be an expense of administration of the Condominium. Bancroft Court and its temporary cul-de-sac may also be modified physically and in the Condominium Subdivision Plan as may be required from time to time in a manner consistent with the number of Units it is required to serve and the Limited Common Element Yard areas for affected units enlarged when the cul-de-sac is no longer needed without obtaining consents of the Owners or

the mortgagees of the affected Units.

Section 3. Compatibility of Improvements. All improvements constructed within the Convertible Areas described above shall be reasonably compatible with the structures on other portions of the Condominium Project, as determined by Developer in its discretion. No improvements, other than as above indicated, may be created on the Convertible Areas.

ARTICLE IX
OPERATIVE PROVISIONS

Any expansion or conversion in the Project pursuant to Articles VII or VIII above shall be governed by the provisions as set forth below.

Section 1. Amendment of Master Deed and Modification of Percentages of Value. Such expansion or conversion of this Condominium Project shall be given effect by appropriate amendments to this Master Deed in the manner provided by law, which amendments shall be prepared by and at the discretion of the Developer and in which the percentages of value set forth in Article V hereof may be proportionately readjusted when applicable in order to preserve a total value of 100% for the entire Project resulting from such amendments to this Master Deed. The precise determination of the readjustments in percentages of value shall be made within the sole judgment of the Developer. Such readjustments, however, shall reflect a continuing reasonable relationship among percentages of value based upon the original method of determining percentages of value for the Project.

Section 2. Redefinition of Common Elements. Such amendments to the Master Deed shall also contain such further definitions and redefinitions of General or Limited Common Elements as may be necessary to adequately describe, serve and provide access to the additional parcel or parcels being added to the Project by such amendments. In connection with any such amendments, the Developer shall have the right to change the nature of any Common Element previously included in the Project for any purpose reasonably necessary to achieve the purposes of this Article, including, but not limited to, the connection of roadways and sidewalks in the Project to any roadways and sidewalks that may be located on, or planned for the area of future development and to provide access to any Unit that is located on, or planned for the area of future development from the roadways and sidewalks located in the Project.

Section 3. Consolidating Master Deed. A Consolidating Master Deed shall be recorded pursuant to the Act when the Project is finally concluded as determined by the Developer in order to incorporate into one set of instruments all successive stages of development. The Consolidating Master Deed, when recorded, shall supersede the previously recorded Master Deed and all amendments thereto.

Section 4. Consent of Interested Persons. All of the Co-owners and mortgagees of Units and other persons interested or to become interested in the Project from time to time shall be deemed to have irrevocably and unanimously consented to all amendments to this Master Deed as may be proposed by the Developer for the purposes of expanding the Project or converting Common Elements as is reserved in Articles VII and VIII above and to any proportionate reallocation of percentages of value of existing Units which the Developer may determine necessary in conjunction with such amendments. All such interested persons irrevocably appoint the Developer as agent and attorney for the purpose of execution of such amendments to the Master Deed and all other documents necessary to effectuate the foregoing. Such amendments may be effected without the necessity of rerecording the entire Master Deed or the Exhibits

hereto and may incorporate by reference all or any pertinent portions of this Master Deed and the Exhibits hereto.

ARTICLE X
AMENITIES

The Developer, during the Development and Sales Period, may, in its sole discretion, construct various amenities including, but not limited to, jogging and/or walking paths, tennis courts, spring or swimming hole or other related amenities (hereinafter called the "Amenities") and hereby reserves the right to do so anywhere within the General Common Element area described on the Condominium Subdivision Plan or the land described in Article VII. Developer shall pay the costs of such amenities, if constructed. Upon inclusion of the same in the Condominium, all Co-owners and all future Co-owners in The Hills of Tyrone shall thereafter contribute to the maintenance, repair and replacement of the Amenities as an expense of administration of the Condominium. Developer has no obligation to construct any particular Amenities or include the same in the Condominium except pursuant to its discretionary election to do so. Final determination of the design, layout and location of such Amenities, if constructed, will be at the sole discretion of the Developer.

ARTICLE XI
EASEMENTS

Section 1. Easement for Maintenance of Encroachments and Utilities. There shall be easements to, through and over the entire Project (including all Units and their Limited Common Element yard areas) for the continuing maintenance, repair, replacement and enlargement of any General common Element utilities in the Condominium. In the event any portion of a structure located within a Unit encroaches upon a Common Element due to shifting, settling or moving of a building, or due to survey errors or construction deviations or change in ground elevations, reciprocal easements shall exist for the maintenance of such encroachment for so long as such encroachment exists, and for maintenance thereof after rebuilding in the event of destruction. One of the purposes of this Section is to clarify the right of the Co-owner to maintain structural elements and fixtures which project into the Limited Common Elements surrounding each Unit notwithstanding their projection beyond the Unit perimeters.

Section 2. Easements Retained by Developer.

(a) Roadway Easements. The Developer reserves for the benefit of itself, its successors and assigns, and all future owners of the land described in Article VII or any portion or portions thereof, an easement for the unrestricted use of all roads and walkways in the Condominium for the purpose of ingress and egress to and from all or any portion of the parcel described in Article VII. All expenses of maintenance, repair, replacement and resurfacing of any road referred to in this Section shall be shared by this Condominium and any developed portions of the land described in Article VII. The Co-owners of this Condominium shall be responsible for payment of a proportionate share of

such expenses which share shall be determined by multiplying such expenses by a fraction, the numerator of which is the number of Units in this Condominium, and the denominator of which is comprised of the numerator plus all other dwellings on the land described in Article VII whose closest means of access to a public road is over such road.

The Developer reserves the right at any time during the Development and Sales Period, and the Association shall have the right thereafter, to dedicate to the public a right-of-way of such width and of such specifications as may then be required by the local public authority over any or all of the roadways in The Hills of Tyrone shown as General Common Elements in the Condominium Subdivision Plan. Any such right-of-way dedication may be made by the Developer without the consent of any Co-owner, mortgagee or other person and shall be evidenced by an appropriate amendment to this Master Deed and to the Condominium Subdivision Plan hereto, recorded in the Livingston County Records. All of the Co-owners and mortgagees of Units and other persons interested or to become interested in the Project from time to time shall be deemed to have irrevocably and unanimously consented to such amendment or amendments of this Master Deed to effectuate the foregoing right-of-way dedication. Any such dedication shall be subject to rights of dedication and use reserved in the Agreement.

(b) Utility Easements. The Developer also hereby reserves for the benefit of itself, its successors and assigns, and all future owners of the land described in Article VII or any portion or portions thereof, perpetual easements to utilize, tap, tie into, extend and enlarge all utility mains located in the Condominium, including, but not limited to, water, gas, electric, telephone, storm and sanitary sewer mains. In the event Developer, its successors or assigns, utilizes, taps, ties into, extends or enlarges any utilities located in the Condominium, it shall be obligated to pay all of the expenses reasonably necessary to restore the Condominium Premises to their state immediately prior to such utilization, tapping, tying-in, extension or enlargement. All expenses of maintenance, repair and replacement of any utility mains referred to in this Section shall be shared by this Condominium and any developed portions of the land described in Article VII which are served by such mains. The Co-owners of this Condominium shall be responsible from time to time for payment of a proportionate share of said expenses which share shall be determined by multiplying such expenses times a fraction, the numerator of which is the number of Units in this Condominium, and the denominator of which is comprised of the numerator plus all other dwellings on the land described in Article VII that are served by such mains.

The Developer reserves the right at any time during the Development and Sales Period, and the Association shall have the right thereafter, to grant easements for utilities over, under and across the Condominium to appropriate governmental agencies or public utility companies and to transfer title of utilities to governmental agencies or to utility

companies. Any such easement or transfer of title may be conveyed by the Developer without the consent of any Co-owner, mortgagee or other person and shall be evidenced by an appropriate amendment to this Master Deed and to Exhibit B hereto, recorded in the Livingston County Records. All of the Co-owners and mortgagees of Units and other persons interested or to become interested in the Project from time to time shall be deemed to have irrevocably and unanimously consented to such amendments to this Master Deed as may be required to effectuate the foregoing grant of easement or transfer of title. All such grants shall be subject to rights reserved in the Agreement.

(c) Abandonment of Septic Sewer and/or Water Supply Systems. At the time of the recording of this Master Deed, public sewer service and public water service were not available to the Condominium. In the event the public sewer service and/or water facilities are made available to the Condominium at some time in the future, the septic sewer system and/or all water wells installed by Co-owners shall be abandoned within one year after the public sewer service and/or public water is/are available (or sooner if so required by the Township of Tyrone or other governmental authorities) and each Unit in the Condominium shall be connected to the public sewer service and/or the public water service as the case may be. Each individual Co-owner shall bear the expense of tapping into the public sewer system and/or public water system to service his respective Unit according to the fee schedules and conditions established by any such governmental authorities. If feasible, a community water system could be installed and, under such circumstances, each Unit in the Condominium shall connect to the community system within one year after service is available and bear the connection expense.

Section 3. Grant of Easements by Association. The Association, acting through its lawfully constituted Board of Directors (including any Board of Directors acting prior to the Transitional Control Date) shall be empowered and obligated to grant such reasonable easements, licenses, rights-of-entry and rights-of-way over, under and across the Condominium Premises for utility purposes, sanitary and/or storm sewers, water supply systems, or other lawful purposes as may be necessary for the benefit of the Condominium subject, however, to the approval of the Developer so long as the Development and Sales Period has not expired. No easements created under the Condominium Documents may be modified, nor may any of the obligations with respect thereto be varied, without the consent of each person benefitted or burdened thereby.

Section 4. Association and Developer Easements for Maintenance, Repair and Replacement. The Developer, the Association and all public or private utilities shall have such easements over, under, across and through the Condominium Premises, including all Units and Common Elements, as may be necessary to fulfill any responsibilities of maintenance, repair, decoration, replacement or upkeep which they or any of them are required or permitted to perform under the Condominium Documents or by law or to respond to any emergency or common need of the Condominium; provided, however, that the easements granted hereunder

shall not entitle any person other than the Owner thereof to gain entrance to the interior of any dwelling or garage located within a Unit or yard area appurtenant thereto. Neither the Developer nor the Association shall be liable to the Owner of any Unit or any other person, in trespass or in any other form of action, for the exercise of rights pursuant to the provisions of this Section or any other provision of the Condominium Documents which grant such easements, rights of entry or other means of access. Failure of the Association (or the Developer) to take any such action shall not be deemed a waiver of the Association's (or the Developer's) right to take any such action at a future time. All costs incurred by the Association or the Developer in performing any responsibilities which are required, in the first instance to be borne by any Co-owner, shall be assessed against such Co-owner and shall be due and payable with his monthly assessment next falling due; further, the lien for non-payment shall attach as in all cases of regular assessments and such assessments may be enforced by the use of all means available to the Association under the Condominium Documents and by law for the collection of regular assessments including, without limitation, legal action, foreclosure of the lien securing payment and imposition of fines.

Section 5. Telecommunications Agreements. The Association, acting through its duly constituted Board of Directors and subject to the Developer's approval during the Development and Sales Period, shall have the power to grant such easements, licenses and other rights of entry, use and access and to enter into any contract or agreement, including wiring agreements, right-of-way agreements, access agreements and multi-unit agreements and, to the extent allowed by law, contracts for sharing of any installation or periodic subscriber service fees as may be necessary, convenient or desirable to provide for telecommunications, videotext, broad band cable, satellite dish, earth antenna and similar services (collectively "Telecommunications") to the Project or any Unit therein. Notwithstanding the foregoing, in no event shall the Board of Directors enter into any contract or agreement or grant any easement, license or right of entry or do any other act or thing which will violate any provision of any federal, state or local law or ordinance. Any and all sums paid by any Telecommunications or other company or entity in connection with such service, including fees, if any, for the privilege of installing same or sharing periodic subscriber service fees, shall be receipts affecting the administration of the Condominium Project within the meaning of the Act and shall be paid over to and shall be the property of the Association.

Section 6. Easement for storm Water Drainage System. There shall exist an easement in favor of the Association for storm water drainage in the areas within Units 1 through 5 and their appurtenant Yard Areas as designated therefor on the Condominium Subdivision Plan, which area shall be maintained as to its physical configuration by the Association but shall be landscaped by the Owner of the Unit or Limited Common Element yard area over which the drainage easement is located. This easement is created for the purpose of facilitating drainage throughout portions of the Condominium and certain adjoining property and is for the benefit of all owners of all such real property. No residences or other permanent structures shall be placed within such easement.

Section 7. Bancroft Court Easement. Bancroft Court, a Common Element which serves as

access to the Units in. the Condominium, is subject to certain Bancroft Court easements, a certain Agreement for Maintenance as described in. Article II, and rights of others adjoining Bancroft Court and shall be maintained by the Association for the benefit of all parties entitled to its use in accordance with the terms of the foregoing instruments.

Section 8. Septic Field Easement. The Co-owner of Unit 9, its successors and assigns, shall have the right to utilize a certain 20.5 foot wide easement over Unit 10 which is depicted on the Condominium Subdivision Plan attached hereto, for installation and maintenance of a septic field. The cost of installation, maintenance, repair and replacement of the septic field, including lawn mowing and landscaping, shall be borne by the Co-owner of Unit 9. The Co-owner of Unit 10 shall be prohibited from installing any improvements in the designated easement. In the event the easement is no longer needed as a result of the abandonment by the Owner of Unit 9 of the septic field, the easement created by this Section shall automatically terminate and the responsibility for maintenance and upkeep of the easement area once servicing the septic field shall revert to the Owner of Unit 10.

ARTICLE XII
AMENDMENT

This Master Deed and the Condominium Subdivision Plan may be amended with the consent of 66-2/3% of the Co-owners, except as hereinafter set forth:

Section 1. Modification of Units or Common Elements. No Unit dimension may be modified in any material way without the consent of the Co-owner and mortgagee of such Unit nor may the nature or extent of Limited Common Elements or the responsibility for maintenance, repair or replacement thereof be modified in any material way without the written consent of the Co-owner and mortgagee of any Unit to which the same are appurtenant.

Section 2. Mortgagee Consent. Whenever a proposed amendment would materially alter or change the rights of mortgagees generally, then such amendments shall require the approval of 66-2/3% of all first mortgagees of record allocating one vote for each mortgage held.

Section 3. By the Developer. Pursuant to Section 90(1) of the Act, the Developer hereby reserves the right, on behalf of itself and on behalf of the Association, to amend this Master Deed and the other Condominium Documents without approval of any Co-owner or mortgagee for the purposes of correcting survey or other errors and for any other purpose unless the amendment would materially alter or change the rights of a Co-owner or mortgagee, in which event Co-owner and mortgagee consent shall be required as provided above.

Section 4. Change in Percentage of Value. The value of the vote of any Co-owner and the corresponding proportion of common expenses assessed against such Co-owner shall not be

modified without the written consent of such Co-owner and his mortgagee, nor, shall the percentage of value assigned to any Unit be modified without like consent, except as provided m this Master Deed or in the Bylaws.

Section 5. Termination, Vacation, Revocation or Abandonment. The Condominium Project may not be terminated, vacated, revoked or abandoned without the written consent of the Developer and 80% of non-Developer Co-owners.

Section 6. Developer Approval. During the Development and Sales Period, this Master Deed and Exhibits A and B hereto shall not be amended nor shall the provisions thereof be modified in any way without the written consent of the Developer.

ARTICLE XIII
ASSIGNMENT

Any or all of the rights and powers granted or reserved to the Developer in the Condominium Documents or by law, including the power to approve or disapprove any act, use or proposed action or any other matter or thing, may be assigned by it to any other entity or to the Association. Any such assignment or transfer shall be made by appropriate instrument in writing duly recorded in the office of the Livingston County Register of Deeds.

WITNESSES:

HILLS OF TYRONE DEVELOPMENT, INC., a Michigan corporation

/s/ Marcia J. Dicks
Marcia J. Dicks

By: /s/Timothy A. Dicks
Timothy A. Dicks President

/s/Elizabeth J. Bansberg
Elizabeth J. Bansberg

STATE OF MICHIGAN)
) SS.
COUNTY OF WAYNE)

On this 15th day of July, 1991, the foregoing Master Deed was acknowledged before me by Timothy A. Dicks, President, of Hills of Tyrone Development, Inc., a Michigan corporation, on behalf of the corporation.

/s/Elizabeth J. Bansberg
Elizabeth J. Bansberg
Notary Public, Wayne County,
Michigan
My commission expires: 3/9/94

Master Deed drafted by:

C. Kim Shierk, of Dykema Gossett
505 North Woodward Ave.
Suite 3000
Bloomfield Hills, Michigan 48304

When recorded, return to drafter

April 12, 1995

THE HILLS OF TYRONE

SITE CONTROLS:

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.

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: the Developer prior to construction starting must approve all construction of units. 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 stared 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 end Disclosure Statement.

2. Release of Funds. The sums paid to Escrow Agent under the terms of any Purchase Agreement shell 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 shaft 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 of willful misconduct, Escrow Agent's liability hereunder shall in all events to 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

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

AMERICAN TITLE INSURANCE COMPANY, Escrow Agent

By: American Title Company of Livingston, authorized representative

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

By: _____

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

_____
Depositor

_____
Depositor

_____
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 there under 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 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:_____

THE HILLS OF TYRONE BYLAWS

ARTICLE I

ARTICLES ASSOCIATION OF CO-OWNERS

The Hills of Tyrone, a residential Condominium Project located in the Township of Tyrone, Livingston County, Michigan, shall be administered by an Association of Co-owner? which shall be a non-profit corporation, hereinafter called the "Association", organized under the applicable laws of the State of Michigan, and responsible for the management, maintenance, operation and administration of the Common Elements, easements and affairs of the Condominium Project in accordance with the Condominium Documents and the laws of the State of Michigan. These Bylaws shall constitute both the Bylaws referred to in the Master Deed and required by Section 3(8) of the Act and the Bylaws provided for under the Michigan Nonprofit Corporation Act. Each Co-owner shall be entitled to membership and no other person or entity shall be entitled to membership. The share of a Co-owner in the funds and assets of the Association cannot be assigned, pledged or transferred in any manner except as an appurtenance to his Unit. The Association shall keep current copies of the 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 Units in the Condominium Project. All Co-owners in the Condominium Project and all persons using or entering upon or acquiring any interest in any Unit therein or the Common Elements thereof shall be subject to the provisions and terms set forth in the aforesaid Condominium Documents.

ARTICLE II
ASSESSMENTS

All expenses arising from the management, administration and operation of the Association in pursuance of its authorizations and responsibilities as set forth in the Condominium Documents and the Act shall be levied by the Association against the Units and the Co-owners thereof in accordance with the following provisions:

Section 1. Assessments for Common Elements. All costs incurred by the Association in satisfaction of any liability arising within, caused by, or connected with the General Common Elements or the administration of the Condominium Project shall constitute expenditures affecting the administration of the Project, and all sums received as the proceeds of, or pursuant

to, any policy of insurance securing the interest of the Co-owners against liabilities or losses arising within, caused by, or connected with the General Common Elements or the administration of the Condominium Project shall constitute receipts affecting the administration of the Condominium Project, within the meaning of Section 54(4) of the Act.

Section 2. Determination of Assessments. Assessments shall be determined in accordance with the following provisions:

(a) Budget. The Board of Directors of the Association shall establish an annual budget in advance for each fiscal year and such budget shall project all expenses for the forthcoming year which may be required for the proper operation, management and maintenance of the Condominium Project, including a reasonable allowance for contingencies and reserves. An adequate reserve fund for maintenance, repairs and replacement of those General Common Elements that must be repaired or replaced on a periodic basis shall be established in the budget and must be funded by regular payments as set forth in Section 3 below rather than by special assessments. At a minimum, the reserve fund shall be equal to 10% of the Association's current annual budget on a noncumulative basis. Since the minimum standard required by this subparagraph may prove to be inadequate for this particular project, the Association of Co-owners should carefully analyze the Condominium Project to determine if a greater amount should be set aside, or if additional reserve funds should be established for other purposes from time to time. Upon adoption of an annual budget by the Board of Directors, copies of the budget shall be delivered to each Co-owner and the assessment for said year shall be established based upon said budget, although the failure to deliver a copy of the budget to each Co-owner shall not affect or in any way diminish the liability of any Co-owner for any existing or future assessments. Should the Board of Directors at any time decide, in the sole discretion of the Board of Directors: (1) that the assessments levied are or may prove to be insufficient to pay the costs of operation and management of the Condominium, (2) to provide repairs or replacements of existing General Common Elements, Limited Common Elements and improvements located on Limited Common Elements and Units to the extent the Association is obligated to repair and replace, (3) to provide additions to the General Common Elements not exceeding $1,000.00 annually for the entire Condominium Project, or (4) in the event of emergencies, the Board of Directors shall have the authority to increase the general assessment or to levy such additional assessment or assessments as it shall deem to be necessary. The Board of Directors also shall have the authority, without Co-owner consent, to levy assessments pursuant to the provisions of Article V, Section 3 hereof. The discretionary authority of the Board of Directors to levy assessments pursuant to this subparagraph shall rest solely

with the Board of Directors for the benefit of the Association and the members thereof, and shall not be enforceable by any creditors of the Association or of the members thereof. The Board of Directors, including the first Board of Directors controlled by the Developer, may relieve Co-owners who have not constructed residences upon their Units from payment, for a limited period of time, of all or some portion of their respectively allocable shares of the Association budget. The purpose of this provision is to provide fair and reasonable relief from Association assessments until such Co-owners actually commence utilizing the Common Elements on a regular basis.

(b) Special Assessments. Special assessments, in addition to those required in subparagraph (a) above, may be made by the Board of Directors from time to time and approved by the Co-owners as hereinafter provided to meet other requirements of the Association, including, but not limited to: (1) assessments for additions to the General Common Elements of a cost exceeding $1,000.00 for the entire Condominium Project per year, (2) assessments to purchase a Unit upon foreclosure of the lien for assessments described in Section 5 hereof, or (3) assessments for any other appropriate purpose not elsewhere herein described. Special assessments referred to in this subparagraph (b) (but not including those assessments referred to in subparagraph 2(a) above, which shall be levied in the sole discretion of the Board of Directors) shall not be levied without the prior approval of more than 80% of all Co-owners. The authority to levy assessments pursuant to this subparagraph is solely for the benefit of the Association and the members thereof and shall not be enforceable by any creditors of the Association or of the members thereof.

Section 3. Apportionment of Assessments and Penalty for Default. Unless otherwise provided herein or in the Master Deed, all assessments levied against the Co-owners to cover expenses of administration shall be apportioned among and paid by the Co-owners in accordance with the percentage of value allocated to each Unit in Article V of the Master Deed, without increase or decrease for the existence of any rights to the use of Limited Common Elements appurtenant to a Unit, Annual assessments as determined in accordance with Article II, Section 2(a) above shall be payable by Co-owners in regular installments, commencing with acceptance of a deed to or a land contract vendee's interest in a Unit, or with the acquisition of fee simple title to a Unit by any other means. The payment of an assessment shall be in default if such assessment, or any part thereof, is not paid to the Association in full on or before the due date for such payment. A late charge not exceeding $25 per installment may be assessed automatically by the Association upon each installment in default 5 or more days until each installment together with all applicable late charges is paid in full. The Board of Directors shall also have the right to increase the amount of the late charge upon notification to all Co-owners. The Association also may, pursuant to Article XX hereof, levy fines for late payment of assessments in addition to the late charge. Each Co-owner (whether 1 or more persons) shall be, and remain, personally liable for the payment of all assessments (including fines for late payment and costs of collection and enforcement of payment) pertinent to his Unit which may be levied while such Co-owner is the owner thereof, except a land contract purchaser from any Co-owner including Developer shall be

so personally liable and such land contract seller shall not be personally liable for all such assessment levied up to and including the date upon which such land contract seller actually takes possession of the Unit following extinguishment of all rights of the land contract purchaser in the Unit. Payments on account of installments of assessments in default shall be applied as follows: first, to costs of collection and enforcement of payment, including reasonable attorney's fees; second, to any interest charges and fines for late payment on such installments; and third, to installments in default in order of their due dates.

Section 4. Waiver of Use or Abandonment of Unit. No Co-owner may exempt himself from liability for his contribution toward the expenses of administration by waiver of the use or enjoyment of any of the Common Elements or by the abandonment of his Unit.

Section 5. Enforcement.

(a) Remedies. In addition to any other remedies available to the Association, the Association may enforce collection of delinquent assessments by a suit at law for a money judgment or by foreclosure of the statutory lien that secures payment of assessments. In the event of default by any Co-owner in the payment of any installment of the annual assessment levied against his Unit, the Association shall have the right to declare all unpaid installments of the annual assessment for the pertinent fiscal year immediately due and payable. The Association also may discontinue the furnishing of any services to a Co-owner in default upon 7 days' written notice to such Co-owner of its intention to do so. A Co-owner in default shall not be entitled to serve on committees or as a Director of the Association, to utilize any of the General Common Elements of the Project and shall not be entitled to vote at any meeting of the Association so long as such default continues; provided, however, this provision shall not operate to deprive any Co-owner of ingress or egress to and from his Unit. In a judicial foreclosure action, a receiver may be appointed to collect a reasonable rental for the Unit from the Co-owner thereof or any persons claiming under him. The Association may also assess fines for late payment or non-payment of assessments in accordance with the provisions of Article XX of these Bylaws. All of these remedies shall be cumulative and not alternative.

(b) Foreclosure Proceedings. Each Co-owner, and every other person who from time to time has any interest in the Project, shall be deemed to have granted to the Association the unqualified right to elect to foreclose the lien securing payment of assessments either by judicial action or by advertisement. The provisions of Michigan law pertaining to foreclosure of mortgages by judicial action and by advertisement, as the same may be amended from time to time, are incorporated herein by reference for the purposes of establishing the alternative procedures to be followed in lien foreclosure actions and the rights and obligations of the parties to such actions. Further, each Co-owner and every other person who from time to time has any interest in the Project shall be deemed to have authorized and empowered the Association to sell or to cause to be sold the Unit with respect to which the assessment(s) is or are delinquent and to receive, hold and distribute the proceeds of such sale in accordance with the priorities established

by applicable law. Each Co-owner of a Unit in the Project acknowledges that at the time of acquiring title to such Unit, he was notified of the provisions of this subparagraph and that he voluntarily, intelligently and knowingly waived notice of any proceedings brought by the Association to foreclose by advertisement the lien for nonpayment of assessments and a hearing on the same prior to the sale of the subject Unit.

(c) Notice of Action. Notwithstanding the foregoing, neither a judicial foreclosure action nor a suit at law for a money judgment shall be commenced, nor shall any notice of foreclosure by advertisement be published, until the expiration of 10 days after mailing, by first class mail, postage prepaid, addressed to the delinquent Co-owner(s) at his or their last known address, a written notice that 1 or more installments of the annual assessment levied against the pertinent Unit is or are delinquent and that the Association may invoke any of its remedies hereunder if the default is not cured within 20 days after the date of mailing. Such written notice shall be accompanied by a written affidavit of an authorized representative of the Association that sets forth (i) the affiant's capacity to make the affidavit, (ii) the statutory and other authority for the lien, (iii) the amount outstanding (exclusive of interest, costs, attorney's fees and future assessments), (iv) the legal description of the subject Unit(s), and (v) the name(s) of the Co-owner(s) of record. Such affidavit shall be recorded in the office of the Register of Deeds in the county in which the Project is located prior to commencement of any foreclosure proceeding, but it need not have been recorded as of the date of mailing as aforesaid. If the delinquency is not cured within the 10-day period, the Association may take such remedial action as may be available to it hereunder or under Michigan law, in the event the Association elects to foreclose the lien by advertisement, the Association shall so notify the delinquent Co-owner and shall inform him that he may request a judicial hearing by bringing suit against the Association.

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

Section 6. Liability of Mortgagee. Notwithstanding any other provisions of the Condominium Documents, the holder of any first mortgage covering any Unit in the Project which comes into possession of the Unit pursuant to the remedies provided in the mortgage or by deed (or assignment) in lieu of foreclosure, or any purchaser at a foreclosure sale, shall take the property free of any claims for unpaid assessments or charges against the mortgaged Unit which accrue prior to the time such holder comes into possession of the Unit (except for claims for a pro rata share of such assessments or charges resulting from a pro rata reallocation of such assessments or charges to all Units including the mortgaged Unit).

Section 7. Developer's Responsibility for Assessments. The Developer of the Condominium, although a member of the Association, shall not be responsible at any time for payment of the regular Association assessments. The Developer, however, shall at all times pay

all expenses of maintaining the Units that it owns, including the improvements located thereon, together with a proportionate share of all current expenses of administration actually incurred by the Association from time to time, except expenses related to maintenance and use of the Units in the Project and of the improvements constructed within or appurtenant to the Units that are not owned by Developer. For purposes of the foregoing sentence, the Developer's proportionate share of such expenses shall be based upon the ratio of all Units owned by the Developer at the time the expense is incurred to the total number of Units then in the Project. In no event shall the Developer be responsible for payment of any assessments for deferred maintenance, reserves for replacement, for capital improvements or other special assessments, except with respect to Units owned by it on which a completed building is located. Any assessments levied by the Association against the Developer for other purposes shall be void without Developer's consent. Further, the Developer shall in no event be liable for any assessment levied in whole or in part to purchase any Unit from the Developer or to finance any litigation or other claims against the Developer, any cost of investigating and preparing such litigation or claim or any similar or related costs. A "completed building" shall mean a building with respect to which a certificate of occupancy has been issued by the Township of Tyrone.

Section 8. Property Taxes and Special Assessments. All property taxes and special assessments levied by any public taxing authority shall be assessed in accordance with Section 131 of the Act.

Section 9. Personal Property Tax Assessment of Association Property. The Association shall be assessed as the person or entity in possession of any tangible personal property of the Condominium owned or possessed in common by the Co-owners, and personal property taxes based thereon shall be treated as expenses of administration.

Section 10. Mechanic's Lien. A mechanic's lien otherwise arising under Act No. 497 of the Michigan Public Acts of 1980, as amended, shall be subject to Section 132 of the Act.

Section 11. Statement as to Unpaid Assessments. The purchaser of any Unit may request a statement of the Association as to the amount of any unpaid Association assessments thereon, whether regular or special. Upon written request to the Association accompanied by a copy of the executed purchase agreement pursuant to which the purchaser holds the right to acquire a Unit, the Association shall provide a written statement of such unpaid assessments as may exist or a statement that none exist, which statement shall be binding upon the Association for the period stated therein. Upon the payment of that sum within the period stated, the Association's lien for assessments as to such Unit shall be deemed satisfied; provided, however, that the failure of a purchaser to request such statement at least 5 days prior to the closing of the purchase of such Unit shall render any unpaid assessments and the lien securing the same fully enforceable against such purchaser and the Unit itself, to the extent provided by the Act. Under the Act, unpaid

assessments constitute a lien upon the Unit and the proceeds of sale thereof prior to all claims except real property taxes and first mortgages of record.

ARTICLE III
ARBITRATION

Section 1. Scope and Election. Disputes, claims, or grievances arising out of or relating to the interpretation or the application of the Condominium Documents, or any disputes, claims or grievances arising among or between the Co-owners and the Association, upon the election and written consent of the parties to any such disputes, claims or grievances (which consent shall include an agreement of the parties that the judgment of any circuit court of the State of Michigan may be rendered upon any award pursuant to such arbitration), and upon written notice to the Association, shall be submitted to arbitration and the parties thereto shall accept the arbitrator's decision as final and binding, provided that no question affecting the claim of title of any person to any fee or life estate in real estate is involved. The Commercial Arbitration Rules of the American Arbitration Association as amended and in effect from time to time hereafter shall be applicable to any such arbitration.

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

Section 3. Election of Remedies. Such election and written consent by Co-owners or the Association to submit any such dispute, claim or grievance to arbitration shall preclude such parties from litigating such dispute, claim or grievance in the courts.

ARTICLE IV
INSURANCE

Section 1. Extent of Coverage. The Association shall, to the extent appropriate in light of the nature of the General Common Elements of the Project, carry fire and extended coverage, vandalism and malicious mischief and liability insurance (in a minimum amount to be determined by the Developer or the Association in its discretion, but in no event less than $1,000,000 per occurrence), officers' and directors' liability insurance, and workmen's compensation insurance if applicable, and any other insurance the Association may deem applicable, desirable or necessary, pertinent to the ownership, use and maintenance of the General Common Elements and such insurance shall be carried and administered in accordance with the following provisions:

(a) Responsibilities of Association. All such insurance shall be purchased by the Association for the benefit of the Association, the Developer and the Co-owners and

their mortgagees, as their interests may appear, and provision shall be made for the issuance of certificates of mortgagee endorsements to the mortgagees of Co-owners.

(b) Insurance of Common Elements. If applicable and appropriate, all General Common Elements of the Condominium Project shall be insured against fire and other perils covered by a standard extended coverage endorsement, replacement value, excluding foundation and excavation costs, as determined annually by the Board of Directors of the Association. The Association shall not be responsible, in any way, for maintaining insurance with respect to Limited Common Elements.

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

(d) Proceeds of Insurance Policies. Proceeds of all insurance policies owned by the Association shall be received by the Association, held in a separate account and distributed to the Association and the Co-owners and their mortgagees, as their interests may appear; provided, however, whenever repair or reconstruction of the Condominium shall be-required as provided in Article VI of these Bylaws, the proceeds of any insurance received by the Association as a result of any loss requiring repair or reconstruction shall be applied for such repair or reconstruction and in no event shall hazard insurance proceeds be used for any purpose other than for repair, replacement or reconstruction of the Project unless all of the institutional holders of first mortgages on Units in the Project have given their prior written approval.

Section 2. Authority of Association to Settle Insurance Claims. Each Co-owner, by ownership of a Unit in the Condominium Project, shall be deemed to appoint the Association as his true and lawful attorney-in-fact to act in connection with all matters concerning the maintenance of fire and extended coverage, vandalism and malicious mischief, liability insurance and workmen's compensation insurance, if applicable, pertinent to the Condominium Project and the General Common Elements appurtenant thereto, with such insurer as may, from time to time, provide such insurance for the Condominium Project. Without limitation on the generality of the foregoing, the Association as said attorney shall have full power and authority to purchase and maintain such insurance, to collect and remit premiums therefor, to collect proceeds and to distribute the same to the Association, the Co-owners and respective mortgagees, as their interests may appear (subject always to the Condominium Documents), to execute releases of liability and to execute all documents and to do all things on behalf of such Co-owner and the Condominium as shall be necessary or convenient to the accomplishment of the foregoing.

Section 3. Responsibilities of Co-owners. Each Co-owner shall be obligated and responsible for obtaining fire and extended cover age and vandalism and malicious mischief insurance with respect to the building and all other improvements constructed or to be constructed within the perimeter of his Condominium Unit and its appurtenant Limited Common Element Yard Area and for his personal property located therein or thereon or elsewhere on the

Condominium Project. There is no responsibility on the part of the Association to insure any of such improvements whatsoever. All such insurance shall be carried by each Co-owner in an amount equal to the maximum insurable replacement value, excluding foundation and excavation costs. Each Co-owner shall deliver certificates of insurance to the Association from time to time to evidence the continued existence of all insurance required to be maintained by the Co-owner hereunder. In the event of the failure of a Co-owner to obtain such insurance or to provide evidence thereof to the Association, the Association may obtain such insurance on behalf of such Co-owner and the premiums therefor shall constitute a lien against the Co-owner's Unit which may be collected from the Co-owner in the same manner that Association assessments may be collected in accordance with Article III hereof. Each Co-owner also shall be obligated to obtain insurance coverage for his personal liability for occurrences within the perimeter of his Unit and appurtenant Limited Common Element Yard Area or the improvements located thereon (naming the Association and the Developer as additional insured), and also for any other personal insurance coverage that the Co-owner wishes to carry. Such insurance shall be carried in such minimum amounts as may be specified by the Association (and as specified by the Developer during the Development and Sales Period) and each Co-owner shall furnish evidence of such coverage to the Association or the Developer upon request. The Association shall under no circumstances have any obligation to obtain any of the insurance coverage described in this Section 3 or any liability to any person for failure to do so; provided, however, the Association may elect, through its Board of Directors, to undertake the responsibility for obtaining the insurance described in this Section 3, or any portion thereof, exclusive of insurance covering the contents located within a Co-owner's residence, and the cost of the insurance shall be included as an expense item in the Association budget. To the extent a Co-owner does or permits anything to be done or kept on his Unit and/or the adjoining Limited Common Element Yard Area, that will increase the rate of insurance each Co-owner shall pay to the Association, the increased cost of insurance premiums resulting from any such activity or the maintenance of any such condition shall be charged to the particular Co-owner. All Co-owners shall be notified of the Board's election to obtain the insurance at least sixty (60) days prior to its effectiveness. Co-owners may obtain supplementary insurance but in no event shall any such insurance coverage undertaken by a Co-owner permit a Co-owner to withhold payment of its share of the Association assessment that relates to the equivalent insurance carried by the Association. The Association also shall not reimburse Co-owners for the cost of premiums resulting from the early cancellation of an insurance policy.

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

Section 5. Indemnification. Each individual Co-owner shall indemnify and hold harmless every other Co-owner, the Developer and the Association for all damages and costs, including

attorneys' fees, which such other Co-owners, the Developer or the Association may suffer as a result of defending any claim arising out of an occurrence on or within such individual Co-owner's Unit or appurtenant Limited Common Element Yard Area and shall carry insurance to secure this indemnity if so required by the Association (or the Developer during the Development and Sales Period). This Section 5 shall not be construed to give any insurer any subrogation right or other right or claim against any individual Co-owner, however.

ARTICLE V
RECONSTRUCTION OR REPAIR

Section 1. Responsibility for Reconstruction or Repair. If any part of the Condominium Premises shall be damaged, the determination of whether or not it shall be reconstructed or repaired, and the responsibility therefor, shall be as follows:

(a) General Common Elements. If the damaged property is a General Common Element the damaged property shall be rebuilt or repaired unless all of the Co-owners and all of the institutional holders of mortgages on any Unit in the Project unanimously agree to the contrary.

(b) Unit or Improvements Thereon. If the damaged property is a Unit or Limited Common Element Yard Area or any improvements thereon, the Co-owner of such Unit shall, so long as the Co-owner is obligated to obtain the insurance, apply the insurance proceeds towards and be responsible for rebuilding or repairing the damaged property, subject to the rights of any mortgagee or other person or entity having an interest in such property. Property damaged for which the Association is obligated to insure shall be repaired in accordance with Section 3 below. Either the Co-owner or the Association shall, depending on which has the obligation to insure the Unit and improvements thereon, remove all debris and restore the Unit and the improvements thereon to a clean and sightly condition satisfactory to the Association and in accordance with the provisions of Article VI hereof as soon as reasonably possible following the occurrence of the damage.

Section 2. Repair in Accordance with Master Deed, Etc. Any such reconstruction or repair shall be substantially in accordance with the Master Deed and the original plans and specifications for any damaged improvements located within the Unit unless the Co-owners shall unanimously decide otherwise.

Section 3. Association Responsibility for Repair. Immediately after the occurrence of a casualty causing damage to property for which the Association has the responsibility of

maintenance, repair, reconstruction and insuring, the Association shall obtain reliable and detailed estimates of the cost to place the damaged property in a condition as good as that existing before the damage. If the proceeds of insurance are not sufficient to defray the estimated cost of reconstruction or repair required to be performed by the Association, or if at any time during such reconstruction or repair, or upon completion of such reconstruction or repair, the funds for the payment of the cost thereof are insufficient, assessment shall be made against all Co-owners for the cost of reconstruction or repair of the damaged property in sufficient amounts to provide funds to pay the estimated or actual cost of repair. This provision shall not be construed to require replacement of mature trees and vegetation with equivalent trees or vegetation.

Section 4. Timely Reconstruction and Repair. If damage to the General Common Elements adversely affects the appearance of the Project, the Association shall proceed with replacement of the damaged property without delay.

Section 5. Eminent Domain. The following provisions shall control upon any taking by eminent domain:

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

(b) Taking of General Common Elements. If there is any taking of any portion of the General Common Elements, the condemnation proceeds relative to such taking shall be paid to the Co-owners and their mortgagees in proportion to their respective interests in the Common Elements and the affirmative vote of more than 50% of the Co-owners shall determine whether to rebuild, repair or replace the portion so taken or to take such other action as they deem appropriate.

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

(d) Notification of Mortgagees. In the event any Unit in the Condominium, or any portion thereof, or the Common Elements or any portion thereof, is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, the Association promptly shall so notify each institutional holder of a first mortgage lien on any of the Units in the Condominium.

(e) Applicability of the Act. To the extent not in consistent with the foregoing provisions, Section 133 of the Act shall control upon any taking by eminent domain.

Section 6. Priority of Mortgagee Interests. Nothing contained in the Condominium Documents shall be construed to give a Co-owner or any other party priority over any rights of first mortgagees of Condominium Units pursuant to their mortgages in the case of a distribution to Co-owners of insurance proceeds or condemnation awards for losses to or a taking of Condominium Units and/or Common Elements.

ARTICLE VI
RESTRICTIONS

All of the Units in the Condominium shall be held, used and enjoyed subject to the following limitations and restrictions:

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

Section 2. Leasing and Rental.

(a) Right to Lease. A Co-owner may lease or sell his Unit for the same purposes set forth in Section 1 of this Article VI; provided that written disclosure of such lease transaction is submitted to the Board of Directors of the Association in the manner specified in subsection (b) below. With the exception of a lender in possession of a Unit following a default of a first mortgage, foreclosure or deed or other arrangement in lieu of foreclosure, no Co-owner shall lease less than an entire Unit in the Condominium and no tenant shall be permitted to occupy except under a lease the initial term of which is at least 12 months unless specifically approved in writing by the Association. The terms of all leases, occupancy agreements and occupancy arrangements shall incorporate, or be deemed to incorporate, all of the provisions of the Condominium Documents. The Developer may lease any number of Units in the Condominium in his discretion.

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

(1) A Co-owner, including the Developer, desiring to rent or lease a Unit, shall disclose that fact in writing to the Association at least 10 days before presenting a lease form to a potential lessee and, at the same time, shall supply the Association with a copy of the exact lease form for its review for its compliance with the condominium Documents. If the Developer desires to rent Units before the Transitional Control Date, he shall notify either the Advisory Committee or each Co-owner in writing.

(2) Tenants and non-owner occupants shall, comply with all of the conditions of the Condominium Documents and all leases and rental agreements shall so state.

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

(i) The Association shall notify the Co-owner by certified mail advising of the alleged violation by the tenant.

(ii) The Co-owner shall have 15 days after receipt of such notice to investigate and correct the alleged breach by the tenant or advise the Association that a violation has not occurred.

(iii) If after 15 days the Association believes that the alleged breach is not cured or may be repeated, it may institute on its behalf or derivatively by the Co-owners on behalf of the Association, if it is under the control of the Developer, an action for eviction against the tenant or non-owner occupant and simultaneously for money damages in the same action against the Co-owner and tenant or non-owner occupant for breach of the conditions of the Condominium Documents. The relief provided for in this subparagraph may be by summary proceeding. The Association may hold both the tenant and the Co-owner liable for any damages to the General Common Elements caused by the Co-owner or tenant in connection with the Unit or Condominium Project.

(4) When a Co-owner is in arrears to the Association for assessments, the Association may give written notice of the arrearage to a tenant occupying a Co-owner's Unit under a lease or rental agreement and the tenant, after receiving the notice, shall deduct from rental payments due the Co-owner the arrearage and future assessments as they fall due and pay them to the Association. The

deductions shall not constitute a breach of the rental agreement or lease by the tenant.

Section 3. Architectural Control. No building, structure or other improvement shall be constructed within a Condominium Unit or elsewhere within the Condominium Project, nor shall any exterior modification be made to any existing buildings, structure or improvement, unless plans and specifications therefor, containing such detail as the Developer may reasonably request, have first been approved in writing by the Developer. All improvements shall be constructed by Developer or one of its affiliates unless Developer, in its sole discretion, agrees to and approves of a licensed builder prior to the construction of any such improvements. Construction of any building or other improvements must also receive any necessary approvals from the local public authority. Developer shall have the right to refuse to approve any such plans or specifications, or grading or landscaping plans, which are not suitable or desirable in its opinion for aesthetic or other reasons; and in passing upon such plans and specifications it shall have the right to take into consideration the suitability of the proposed structure, improvement or modification, the site upon which it is proposed to be constructed and the degree of harmony thereof with the Condominium as a whole. Developer may also, in its discretion, require as a condition of approval of any plans, an agreement for special assessment of increased maintenance charges from any Co-owner whose proposed dwelling and appurtenances and related improvements will cause the Association abnormal expenses in carrying out its responsibilities with respect thereto under the Master Deed. All residences constructed in The Hills of Tyrone shall have at least a two-car attached garage. No detached garages may be constructed without express written consent of the Developer. No residence shall be hereinafter constructed on any Unit of less than the following sizes, exclusive of garages, basements, porches, patios and other similar amenities nor shall any residences exceed two and one-half stories in height (keeping in mind that local ordinances in effect from time to time may require greater minimums and will be controlling under such circumstances);

One Story Home	1400 square feet
One and one-half Story Home	1650 square feet with minimum 1000 square feet minimum of ground coverage
Tri-Level or Quad-Level Home	1650 square feet with 1200 square feet minimum of ground coverage
Two Story Home	1850 square feet

Two and One-Half Story Home	2100 square feet with 900 square feet minimum of ground coverage

No dog houses, sheds or other ancillary buildings may be constructed nearer than 10 feet to any outside line of a Limited Common Element Yard Area. The design and location of any such structure must be approved in the same manner as in the procedure for approval of residences described above.

In the event that Developer shall fail to approve or disapprove or take any other action upon such plans and specifications within thirty (30) days after complete plans and specifications have been delivered to Developer, such approval will not be required; provided, however, that such plans and locations of structures on the home site conform to or are in harmony with existing structures in the Condominium, these Bylaws and any zoning or other local laws applicable thereto. If Developer takes action with respect to the plans and specifications within such 30-day period, then the affected Co-owner shall respond appropriately to the Developer's requests until approval shall have been granted. No construction of any building or improvement pursuant either to express approval properly obtained hereunder or by virtue of failure of action either by the Developer or the Association may be construed as a precedent or waiver, binding on the Developer, the Association, any Co-owner or any other person as to any other structure or improvement which is proposed to be built.

The purpose of this Section is to assure the continued maintenance of the Condominium as a beautiful and harmonious residential development, and shall be binding upon both the Association and upon all Co-owners. Further, the restrictions hereby placed upon the Premises shall not be construed or deemed to create negative reciprocal covenants, easements or any restrictions upon the use of the area of future development described in the Master Deed or any portion thereof unless, until and only to the extent such land is included in this Project by Master Deed amendment. Developer's rights under this Article VI, Section 3 may, in Developer's discretion, be assigned to the Association or other successor to Developer. Developer may construct any improvements upon the Condominium Premises that it may, in its sole discretion, elect to make without the necessity of prior consent from the Association or any other person or entity, subject only to the express limitations contained in the Condominium Documents.

Section 4. Setbacks. Setbacks shall be subject to the requirements of the Township of Tyrone.

Section 5. Alterations and Modifications of Units and Common Elements. The written approval of the Board of Directors and, during the Development and Sales Period, the written

approval of the Developer, shall be obtained by a Co-owner prior to making alterations, modifications or changes in any of the Units or Common Elements, Limited or General, including, without limitation, the erection of antennas of any sort (including dish antennas), lights, aerials, awnings, newspaper holders, basketball backboards, mailboxes, flag poles or other exterior attachments or modifications. Abnormally tall radio or television antennae, such as the type used by HAM radio operators, shall not be permitted to be installed in any front yard of a home site and such antennae shall not be permitted to be installed unless its location is 35 feet from a side or rear Limited Common Element boundary line adjoining a neighboring Limited Common Element of another home site or roadway boundary line. Such antennae must be approved by the Developer or the Association prior to installation and such antennae may be rejected no matter where it is proposed to be installed if the Developer or the Association, in their sole judgment, deem such an antenna too large or visually unappealing. Notwithstanding the foregoing, the Developer shall, during the Development and Sales Period, be permitted to locate on the Premises a satellite dish antennae and related apparatus as may be necessary to enable the operation of a cable television network for the benefit of the Owners in the Condominium. No Co-owner shall in any way restrict access to any utility line, or any other element that must be accessible to service the Common Elements or any element which affects an Association responsibility in any way.

Section 6. Fences. Only wood, stone or brick fences shall be permitted within the Condominium and no fence shall be constructed permanently or temporarily in any front yard of any home site unless the Developer approves a partial fence in the front yard as a decorative item as part of a total landscape plan. Such decorative fence may be a split-rail fence but not encompassing the entire front yard or nearly encompassing the entire front yard. Any type of fence may be constructed for the rear yards only after submitting plans and specifications in writing to the Developer and obtaining approval therefrom. In approving any fence, the Developer shall take into consideration the following factor: A fence will be permitted to be erected around any privately owned in-ground swimming pool as a safety precaution or in accordance with ordinances regulating the construction and use of swimming pools. Dog runs not larger than thirty (30) feet in length and eighteen (18) feet in width may be constructed not using wood, stone or brick. Such dog runs, however, may not be constructed closer than twenty (20) feet from the boundary line of the Condominium Unit and not closer than thirty (30) feet from the boundary line between a Condominium Unit Limited Common Element and the adjoining Condominium Unit's Limited Common Element. Dog runs may only be constructed in the rear yards of any home site. Any front yard fence which is constructed so as to constitute a total visual screen or which prevents light passing through 60% or more of its area is prohibited.

Section 7. Activities. No immoral, improper, unlawful or offensive activity shall be carried on in any Unit or upon the Common Elements nor shall anything be done which may be or become an annoyance or a nuisance to the Co-owners of the Condominium. No unreasonably noisy activity shall occur in or on the Common Elements or in any Unit at any time and disputes among Co-owners, arising as a result of this provision which cannot be amicably resolved, shall be arbitrated by the Association. No Co-owner shall do or permit anything to be done or keep or

permit to be kept in his Unit or on the Common Elements. Anything that will increase the rate of insurance on the Condominium without the written approval of the Association, and each Co-owner shall pay to the Association the increased cost of insurance premiums resulting from any such activity or the maintenance of any such condition even if approved. Activities which are deemed offensive and are expressly prohibited include, but are not limited to, the following: Any activity involving the use of firearms, air rifles, pellet guns, B-B guns, bows and arrows, or other similar dangerous weapons, projectiles or devices.

Section 8. Protected Trees. No more than one-third of the trees may be removed from any Limited Common Element yard area. Any tree felled and all branches removed from any tree growing within a Limited Common Element yard area shall be immediately concealed from sight or promptly removed from the Condominium Project by and at the expense of the Co-owner on whose Unit or appurtenant Limited Common Element such tree was located.

Section 9. Pets. No animals, other than household pets, shall be maintained by any Co-owner unless specifically approved in writing by the Association which consent, if given, shall be revocable at any time for infraction of the rules with respect to animals. No Co-owner may maintain more than 2 dogs or 2 cats or any combination of 2 such animals. No animal may be kept or bred for any commercial purpose and shall have such care and restraint so as not to be obnoxious or offensive on account of noise, odor or unsanitary conditions. No animal may be permitted to run loose at any time upon the Common Elements and any animal shall at all times be leashed and attended by some responsible person while on the Common Elements. No savage or dangerous animal shall be kept and any Co-owner who causes any animal to be brought or kept upon the premises of the Condominium shall indemnify and hold harmless the Association for any loss, damage or liability which the Association may sustain as the result of the presence of such animal on the premises, whether or not the Association has given its permission therefor. Each Co-owner shall be responsible for collection and disposition of all fecal matter deposited by any pet maintained by such Co-owner. No dog, which barks and can be heard on any frequent or continuing basis shall be kept in any Unit or on the Common Elements. The Association may charge all Co-owners maintaining animals a reasonable additional assessment to be collected in the manner provided in Article II of these Bylaws in the event that the Association determines such assessment necessary to defray the maintenance cost to the Association of accommodating animals within the Condominium. The Association may, without liability to the owner thereof, remove or cause to be removed any animal from the Condominium which it determines to be in violation of the restrictions imposed by this Section. The Association shall have the right to require that any pets be registered with it and may adopt such additional reasonable rules and regulations with respect to animals as it may deem proper. In the event of any violation of this Section, the Board of Directors of the Association may assess fines for such violation in

accordance with these Bylaws and in accordance with duly adopted rules and regulations of the Association.

Section 10. Aesthetics. The Common Elements, both Limited and General, shall not be used for storage of supplies, materials, personal property or trash or refuse of any kind, except as provided in duly adopted rules and regulations of the Association. Trash receptacles shall be maintained in areas designated therefor at all times and shall not be permitted to remain elsewhere on the Common Elements except for such short periods of time as may be reasonably necessary to permit periodic collection of trash. No refuse pile or other unsightly of objectionable materials shall be allowed on any home site unless the same shall be properly concealed. Refuse, ashes, building materials, garbage or debris of any kind shall be treated in such manner as not to be offensive and visible to any other Co-owners in the Condominium. The Common Elements shall not be used in any way for the drying, shaking or airing of clothing or other fabrics. In general, no activity shall be carried on nor condition maintained by a Co-owner, either in his Unit or upon the Common Elements, which is detrimental to the appearance of the Condominium. Without written approval by the Association, no Co-owner shall change in any way the exterior appearance of the residence and other improvements and appurtenances located within his Unit. Thus, in connection with any maintenance, repair, replacement, decoration or redecoration of such residence, improvements or appurtenances, no Co-owner shall, modify the design, material or color of any such item including, without limitation, windows, doors, screens, roofs, siding or any other component which is visible from a Common Element of other Unit.

Section 11. Vehicles. No house trailers, commercial vehicles, boat trailers, boats, camping vehicles, camping trailers, motorcycles, all terrain vehicles, snowmobiles, snowmobile trailers or vehicles, automobiles or vehicles used primarily for general personal transportation purposes, may be parked or stored upon the General Common Elements of the Condominium. Notwithstanding the foregoing, a recreational vehicle may be parked in a driveway for a period not to exceed 24 consecutive hours for the purpose of loading and unloading. Vehicles shall be parked in garages to the extent possible. Any extra vehicles shall be parked on the paved driveway located within a Unit or Yard Areas; provided, however, the vehicles are not parked in an unsightly manner as determined by the Board of Directors. The Association may require reasonable screening of such supplementary parking areas within any Unit or Yard Area. Garage doors shall be kept closed when not in use. No inoperable vehicles of any type may be brought or stored upon the Condominium Premises either temporarily or permanently. Commercial vehicles and trucks shall not be parked in or about the Condominium (except as above provided) unless while making deliveries or pickups in the normal course of business. Co-owners shall, if the Association shall require, register with the Association all cars maintained on the Condominium Premises. The Association may make reasonable rules and regulations in implementation of this Section. The purpose of this Section is to accommodate reasonable Co-owner parking but to avoid unsightly conditions which may detract from the appearance of the Condominium as a whole. Use of motorized vehicles anywhere on the Condominium Premises, other than passenger

cars, authorized maintenance vehicles and commercial vehicles as provided in this Section 12, is absolutely prohibited. Overnight parking on any street in the Condominium is prohibited except as the Association may make reasonable exceptions thereto from time to time. No noisy vehicles such as motorcycles, mini-bikes or all-terrain vehicles shall be operated on the Condominium Premises except that they shall be permitted on the roadways as may minimally necessary for ingress and egress to and from a Unit.

Section 12. Advertising. No signs or other advertising devices of any kind shall be displayed which are visible from the exterior of a Unit or on the Common Elements, excluding "For Sale" signs, without written permission from the Association and, during the Development and Sales Period, from the Developer. Any such sign shall have not more than nine square feet of surface area and the top of which shall be four feet or less above the ground.

Section 13. Rules and Regulations. It is intended that the Board of Directors of the Association may make rules and regulations from time to time to reflect the needs and desires of the majority of the Co-owners in the Condominium Reasonable regulations consistent with the Act, the Master Deed and these Bylaws concerning the use of the Common Elements may be made and amended from time to time by any Board of Directors of the Association, including the first Board of Directors (or its successors) prior to the Transitional Control Date. Copies of all such rules, regulations and amendments thereto shall be furnished to all Co-owners.

Section 14. Right of Access of Association. The Association or its duly authorized agents shall have access to each Unit and any Limited Common Elements appurtenant thereto from time to time, during reasonable working hours, upon notice to the Co-owner thereof, as may be necessary to carry out any responsibilities imposed on the Association by the Condominium Documents. The Association or its agents shall also have access to Units and Limited Common Elements appurtenant thereto as may be necessary to respond to emergencies. The Association may gain access in such manner as may be reasonable under the circumstances and shall not be liable to such Co-owner for any necessary damage to his Unit and any Limited Common Elements appurtenant thereto caused thereby. This provision, in and of itself, shall not be construed to permit access to the interiors of residences or other structures.

Section 15. Landscaping. No Co-owner shall perform any landscaping or plant any trees, or rubs or flowers or place any ornamental materials upon the Common Elements, Limited or General, without the prior written approval of the Association and, during the Development and Sales Period, the Developer.

Section 16. Snow Plowing and/or Shoveling. The Association shall contract for the plowing of snow on the road surfaces located within General Common Element areas excepting for any approach for an individual driveway servicing a residential structure on a Condominium Unit. Such snow plowing may not be done at times that the snow accumulation is considered by Developer or the Association to be of any amount as not to cause vehicular traffic any substantial

difficulty.

Individual Condominium Owners desiring their respective driveways plowed or shoveled by the same contractor plowing the roadways or the General Common Element areas shall contact such snow plowing contractor(s) individually and directly and such Condominium Owner shall be solely responsible for any cost or expense incurred for such individual driveway snow plowing. The Association may coordinate such private snow plowing activities if, in its sole discretion, it deems it appropriate.

Section 17. Common Element Maintenance. Sidewalks (if any), yards, landscaped areas, driveways, and parking areas shall not be obstructed nor shall they be used for purposes other than that for which they are reasonably and obviously intended. No bicycles, vehicles, chairs or other obstructions may be left unattended on or about the Common Elements.

Section 18. Co-owner Maintenance. Each Co-owner shall maintain his Unit and any Limited Common Elements appurtenant thereto for which he has maintenance responsibility in a safe, clean and sanitary condition. Each Co-owner shall also use due care to avoid damaging any of the Common Elements including, but not limited to, the telephone, water, gas, plumbing, electrical or other utility conduits and systems and any other Common Elements which are appurtenant to or which may affect any other Unit. Each Co-owner shall be responsible for damages or costs to the Association resulting from negligent damage to or misuse of any of the Common Elements by him, or his family, guests, agents or invitees, unless such damages or costs are covered by insurance carried by the Association (in which case there shall be no such responsibility, unless reimbursement to the Association is limited by virtue of a deductible provision, in which case the responsible Co-owner shall bear the expense to the extent of the deductible amount). Any costs or damages to the Association may be assessed to and collected from the responsible Co-owner in the manner provided in Article II hereof. Each individual Co-owner shall indemnify the Association and all other Co-owners against such damages and costs, including attorneys' fees, and all such costs or damages to the Association may be assessed to and collected from the responsible Co-owner in the manner provided in Article II hereof.

Section 19. Swimming Pools. Swimming pools may be installed in rear yard areas but only upon written approval or the Developer based upon plans and specifications therefor. No above-ground swimming pools of any sort shall be permitted under any circumstances.

Section 20. Reserved Rights of Developer.

(a) Prior Approval by Developer. During the Development and Sales Period, no buildings, fences, walls, retaining walls, drives, walks or other structures or improvements shall be commenced, erected, maintained, nor shall any addition to, or change or alteration to any structure be made (including in color or design), except interior alterations which do not affect structural elements of any Unit, nor shall any

hedges, trees or substantial plantings or landscaping modifications be made, until plans and specifications, acceptable to the Developer, showing the nature, kind, shape, height, materials, color scheme, location and approximate cost of such structure or improvement and the grading or landscaping plan of the area to be affected shall have been submitted to and approved in writing by Developer, its successors or assigns, and a copy of said plans and specifications, as finally approved, lodged permanently with the Developer. The Developer shall have the right to refuse to approve any such plan or specifications, or grading or landscaping plans which are not suitable or desirable in its opinion for aesthetic or other reasons; and in passing upon such plans, specifications, grading or landscaping, it shall have the right to take into consideration the suitability of the proposed structure, improvement or modification, the site upon which it is proposed to effect the same, and the degree of harmony thereof with the Condominium as a whole. The purpose of this Section is to assure the continued maintenance of the Condominium as a beautiful and harmonious residential development, and shall be binding upon both the Association and upon all Co-owners.

(b) Developer's Rights in Furtherance of Development and Sales. None of the restrictions contained in this Article VI shall apply to the commercial activities or signs or billboards, if any, of the Developer during the Development and Sales Period, or the Declarant under the Agreement, or of the Association in furtherance of its powers and purposes set forth herein and in its Articles of Incorporation, as the same may be amended from time to time. Notwithstanding anything to the contrary elsewhere herein contained. Developer shall have the right to maintain a sales office, model units advertising display signs, storage areas and reasonable parking incident to the foregoing and such access to, from and over the Project as may be reasonable to enable development and sale of the entire Projected by the Developer and may continue to do so during the entire Development and Sales Period.

(e) Enforcement of Bylaws. The Condominium Project shall at all times be maintained in a manner consistent with the highest standards of a beautiful, serene, private, residential community for the benefit of the Co-owners and all persons interested in the Condominium. If at any time the Association fails or refuses to carry out its obligation to maintain, repair, replace and landscape in a manner consistent with the maintenance of such high standards, then the Developer, or any person to whom he may assign this right, at his option, may elect to maintain, repair and/or replace any Common Elements and/or to do any landscaping required by these Bylaws and to charge the cost thereof to the Association as an expense of administration. The Developer shall have the right to enforce these Bylaws throughout the Development and Sales Period which right of enforcement shall include (without limitation) an action to restrain the Association or any Co-owner from any activity prohibited by these Bylaws.

Section 21. Public Health Requirements. Permits for the installation of wells and sewage disposal systems shall be obtained from the Livingston County Health Division prior to any

construction on the individual building sites. Each Co-owner shall be solely responsible for installation, maintenance, repair and replacement of the well/water supply system and the septic tank/drain field/sanitary disposal system on his building site and the Association shall have absolutely no financial responsibility or other duty with respect thereto. All wells installed for private water supply must, except as set forth below, penetrate a minimum of 10 feet protective clay overburden or be drilled to a depth of 100 feet, if clay is not encountered and prospective building site owners are hereby advised of and agree to this requirement. When an adequate aquaclude cannot be demonstrated, additional safeguards in the form of increased distances and/ or depth requirements may be required. The Michigan Department of Public Health, the Livingston County Health Division will determine the necessary depth of water wells in order to penetrate an aquaclude. The test wells located on Units 3 and 11 shall be properly abandoned if not intended to be used as a potable water supply.

All wells and septic's shall be located in the areas designated on the plan prepared by Progressive Architects, Engineers, Planners, Inc. and filed with the Livingston County Health Department. When deemed necessary, due to the size or configuration of a building site, grade conditions or evidence of elevated ground water, an engineered building site plan or system design plan may be required by the Livingston County Health Division. Such plans, if required, must be submitted for review and approval prior to the issuance of a sewage disposal system permit. Filled areas will not be approved for location of on-site sewage disposal systems. All systems are to be installed according to Livingston County Sanitary Code specifications.

All residential dwellings shall be served by an adequate sewage disposal system. Each such sewage disposal system shall be utilized for disposition of human metabolic waste only and not for processed waste of any sort. Private septic tanks and drain fields constructed in compliance with the regulations of the Livingston County Health Division and with applicable Michigan Department of Public Health Division regulations may be installed and shall be deemed an adequate sewage disposal system. All toilet facilities must be located inside a residential dwelling. Each Co-owner or other user of a sewage disposal system shall be limited in waste water flowage in accordance with the terms and conditions of the On-Site Sewage Disposal Permit issued by the Livingston County Health Division as may be amended or replaced from time to time. No underground utility lines shall be located within the area designated as active and reserve septic systems. The reserve septic locations as designated on the plan prepared by Progressive Architects, Engineers, Planners, Inc. and filed with the Livingston County Health Department, must remain vacant so to be accessible for future sewage use. Further, the active and reserve onsite sewage system servicing Units 1 and 2 must be a minimum of fifty (50) feet from the storm drainage easement.

All residential dwellings shall be served by an appropriate potable water supply system constructed in accordance with the Groundwater Quality Control provisions of the Michigan Public Health Code P.A. 368 of 1978, as amended, and, in particular, with Part 127 thereof. All wells on individual sites shall be drilled by a well driller licensed by the State of Michigan to a depth determined by the Livingston County Health Division and a complete well log form for

each such potable water well shall be submitted to the Livingston County Health Division within sixty (60) days following completion of such well.

At some time subsequent to the initial development, it may become necessary to construct a community water supply and/or sewage disposal system. The construction of such public systems, or either of them, may be financed, in whole or in part, by the creation of a special assessment district or districts which may include all site condominium Units in The Hills of Tyrone. The acceptance of a conveyance or the execution of a land contract by any Owner or purchaser shall constitute the agreement by such Owner or purchaser, his heirs, executors, administrators and assigns that such Owner or purchaser will execute any petition circulated for the purpose of creating such a special assessment district. The Board o Directors of the Association shall be vested with full power and authority to obligate all Co-owners to participate in special assessment district or districts and to consider an act upon all other community water and sewer issues on behalf of the Association and all Co-owners. Further, each Owner will pay such special assessments as may be levied against his condominium Unit by any such special assessment district and shall take the necessary steps as required by the appropriate state, county and township agencies and by the Association acting through its Board of Directors to connect, at his own expense, his water intake and sewage discharge facilities to such community water supply system and/or community sewage disposal system within ninety (90) days following the completion of said system or systems.

Section 22. Unit 9 Restrictions. The driveway servicing Unit 9 must enter the Unit from the south half of the Unit. Further, no oak trees located on the North half of Unit 9, and having a diameter greater than twenty-four (24) inches shall be removed without the consent of the owner of the land located immediately North of Unit 9.

ARTICLE VII
MORTGAGES

Section 1. Notice to Association. Any Co-owner who mortgages his Unit shall notify the Association of the name and address of the mortgagee, and the Association shall maintain such information in a book entitled “Mortgages of Units”. The Association may, at the written request of a mortgagee of any such Unit, report any unpaid assessments due from the Co-owner of such Unit. The Association shall give to the holder of any first mortgage covering any Unit in the Project written notification of any default in the performance of the obligations of the Co-owner of such Unit that is not cured within 60 days.

Section 2. Insurance. The Association shall notify each mortgagee appearing in said book of the name of each company insuring the Condominium against fire, perils covered by extended coverage, and vandalism and malicious mischief and the amounts of such coverage.

Section 3. Notification of Meetings. Upon request submitted to the Association, any

institutional holder of a first mortgage lien on any Unit in the Condominium shall be entitled to receive written notification of every meeting of the members of the Association and to designate a representative to attend such meeting.

ARTICLE VIII
VOTING

Section 1. Vote. Except as limited in these Bylaws, each Co-owner shall be entitled to one vote for each Condominium Unit owned.

Section 2. Eligibility to Vote. No Co-owner other than the Developer, shall be entitled to vote at any meeting of the Association until he has presented evidence of ownership of a Unit in the Condominium Project to the Association. Except as provided in Article XI, Section 2 of these Bylaws, no Co-owner, other than the Developer, shall be entitled to vote prior to the date of the First Annual Meeting of members held in accordance with Section 2 of Article IX. The vote of each Co-owner may be cast only by the individual representative designated by such Co-owner in the notice required in Section 3 of this Article VIII below or by a proxy given by such individual representative. The Developer, notwithstanding the fact that it may no longer own any Units in the Condominium, shall be the only person entitled to vote at a meeting of the Association until the First Annual Meeting of members. At and after the First Annual fleeting the Developer shall be entitled to one vote for each Unit which it owns and for which it is paying Association maintenance expenses. If, however, the Developer elects to designate a director (or directors) pursuant to its rights under Article XI, Section 2(a)(i) or (ii) hereof, it shall not then be entitled to also vote for the non-developer directors.

Section 3. Designation of Voting Representative. Each Co-owner shall file a written notice with the Association designating the individual representative who shall vote at meetings of the Association and receive all notices and other communications from the Association on behalf of such Co-owner. Such notice shall state the name and address of the individual representative designated, the number or numbers of the Condominium Unit or Units owned by the Co-owner, and the name and address of each person, firm, corporation, partnership, association, trust or other entity who is the Co-owner. Such notice shall be signed and dated by the Co-owner. The individual representative designated may be changed by the Co-owner at any time by filing a new notice in the manner herein provided.

Section 4. Quorum. The presence in person or by proxy of 35% of the Co-owners qualified to vote shall constitute a quorum for holding a meeting of the members of the Association, except for voting on questions specifically required by the Condominium Documents to require a greater quorum. The written vote of any person furnished at or prior to any duly called meeting at which meeting said person is not otherwise present in person or by proxy shall be counted in determining the presence of a quorum with respect to the question upon which the vote is cast. Notwithstanding the foregoing, the quorum shall be reduced to 25% of the Co-owners qualified to vote for any adjourned meeting as is provided in Section 6 of Article IX below, except when voting on questions specifically required by the Condominium Documents to require a greater quorum.

Section 5. Voting. Votes may be cast only in person or by a writing duly signed by the designated voting representative not present at a given meeting in person or by proxy. Proxies and any written votes must be filed with the Secretary of the Association at or before the appointed time of each meeting of the members of the Association. Cumulative voting shall not be permitted.

Section 6. Majority. A majority, except where otherwise provided herein, shall consist of more than 50% of those qualified to vote and present in person or by proxy (or written vote, if applicable) at a given meeting of the members of the Association. Whenever provided specifically herein, a majority may be required to exceed the simple majority hereinabove set forth.

ARTICLE IX
MEETINGS

Section 1. Place of Meeting. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the Co-owners as may be designated by the Board of Directors. Meetings of the Association shall be conducted in accordance with Sturgis Code of Parliamentary Procedure, Roberts Rules of Order or some other generally recognized manual of parliamentary procedure, when not otherwise in conflict with the Condominium Documents (as defined in the Master Deed) or the laws of the State of Michigan.

Section 2. First Annual Meeting. The First Annual Meeting of members of the Association may be convened only by the Developer and may be called at any time after more than 50% in number of the Units in The Hills of Tyrone determined with reference to the recorded Consolidating Master Deed have been conveyed and the purchasers thereof qualified as members of the Association. In no event, however, shall such meeting be called later than 120 days after the conveyance of legal or equitable title to non-developer Co-owners of 75% in number of all Units or 54 months after the first conveyance of legal or equitable title to a non-

developer Co-owner of a Unit in the Project, whichever first occurs. Developer may call meetings of members for informative or other appropriate purposes prior to the First Annual Meeting of members and no such meeting shall be construed as the First Annual Meeting of members. The date, time and place of such meeting shall be set by the Board of Directors, and at least 10 days' written notice thereof shall be given to each Co-owner. The phrase "Units that may be created" as used in this paragraph and elsewhere in the Condominium Documents refers to the maximum number of Units which the Developer is permitted under the Condominium Documents to include in the Condominium.

Section 3. Annual Meetings. Annual meetings of members of the Association shall be held in the month of March each succeeding year after the year in which the First Annual Meeting is held, on such date and at such time and place as shall be determined by the Board of Directors; provided, however, that the second annual meeting shall not be held sooner than 8 months after the date of the First Annual Meeting. At such meetings there shall be elected by ballot of the Co-owners a Board of Directors in accordance with the requirements of Article XI of these Bylaws, The Co-owners may also transact at annual meetings such other business of the Association as may properly come before them.

Section 4. Special Meetings. It shall be the duty of the President to call a special meeting of the Co-owners as directed by resolution of the Board of Directors or upon a petition signed by 1/3 of the Co-owners presented to the Secretary of the Association. Notice of any special meeting shall state the time and place of such meeting and the purposes thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 5. Notice of Meetings. It shall be the duty of the Secretary (or other Association officer in the Secretary's absence) to serve a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, upon each Co-owner of record, at least 10 days but not more than 60 days prior to such meeting. The mailing, postage prepaid, of a notice to the representative of each Co-owner at the address shown in the notice required to be filed with the Association by Article VIII, Section 3 of these Bylaws shall be deemed notice served. Any member may, by written waiver of notice signed by such member, waive such notice, and such waiver, when filed in the records of the Association, shall be deemed due notice.

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

Section 7. Order of Business. The order of business at all meetings of the members shall be as follows: (a) roll call to determine the voting power represented at the meeting; (b) proof of notice of meeting or waiver of notice; (c) reading of minutes of preceding meeting; (d) reports of officers; (e) reports of committees; (f) appointment of inspectors of election (at annual meetings or special meetings held for the purpose of electing Directors or officers); (g) election of Directors (at annual meeting or special meetings held for such purpose); (h) unfinished business;

and (i) new business. Meetings of members shall be chaired by the most senior officer of the Association present at such meeting. For purposes of this Section, the order of seniority of officers shall be President, Vice President, Secretary and Treasurer.

Section 8. Action Without Meeting. Any action which may be taken at a meeting of the members (except for the election or removal of Directors) may be taken without a meeting by written ballot of the members. Ballots shall be solicited in the same manner as provided in Section 5 for the giving of notice of meetings of members. Such solicitations shall specify (a) the number of responses needed to meet the quorum requirements; (b) the percentage of approvals necessary to approve the action; and (c) the time by which ballots must be received in order to be counted. The form of written ballot shall afford an opportunity to specify a choice between approval and disapproval of each matter and shall provide that, where the member specifies a choice, the vote shall be cast in accordance therewith. Approval by written ballot shall be constituted by receipt, within the time period specified in the solicitation, of (i) a number of ballots which equals or exceeds the quorum which would be required if the action were taken at a meeting; and (ii) a number of approvals which equals or exceeds the number of votes which would be required for approval if the action were taken at a meeting at which the total number of votes cast was the same as the total number of ballots cast.

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

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

ARTICLE X
ADVISORY COMMITTEE

Within 1 year after conveyance of legal of equitable title to the first Unit in the Condominium to a purchaser or within 120 days after conveyance to purchasers of 1/3 of the

Units that may be created, whichever first occurs, the Developer shall cause to be established an Advisory Committee consisting of at least 2 non-developer Co-owners. The Committee shall be established and perpetuated in any manner the Developer deems advisable, except that if more than 50% of the non-developer Co-owners petition the Board of Directors for an election to select the Advisory Committee, then an election for such purpose shal1 be held. The purpose of the Advisory Committee shall be to facilitate communications between the temporary Board of Directors and the other Co-owners and to aid in the transition of control of the Association from the Developer to purchaser Co-owners. A chairman of the committee shall be selected by the members. The Advisory Committee shall cease to exist automatically when the non-developer Co-owners have the voting strength to elect a majority of the Board of Directors of the Association. The Developer may remove and replace at its discretion at any time any member of the Advisory Committee who has not been elected thereto by the Co-owners.

ARTICLE XI
BOARD OF DIRECTORS

Section 1. Number and Qualification of Directors. The Board of Directors shall initially be comprised of two members until enlarged to five members as provided in Section 2 below. All Directors must be members of the Association or officers, partners, trustees, employees or agents of members of the Association, except for the first Board of Directors. Directors shall serve without compensation.

Section 2. Election of Directors.

(a) First Board of Directors. The first Board of Directors, or its successors as selected by the Developer, shall manage the affairs of the Association until the appointment of the first non-developer Co-owners to the Board at which time the Board shall be increased from two members to five members. Thereafter, elections for non-developer Co-owner Directors shall, be held as provided in subsections (b) and (c) below. The terms of office shall be two years. The Directors shall hold office until their successors are elected and hold their first meeting.

(b) Appointment of Non-developer Co-owners to Board Prior to First Annual Meeting. Not later than 120 days after conveyance of legal or equitable title to non-developer Co-owners of 25% in number of the Units that may be created, one of the five Directors shall be selected by non-developer Co-owners. Not later than 120 days after conveyance of legal or equitable title to non-developer Co-owners of 50% in number of the Units that may be created, two of the five Directors shall be selected by non-developer Co-owners. When the required number of conveyances have been reached, the Developer shall notify the non-developer Co-owners and request that they hold a meeting and elect the required Director(s). Upon certification by the Co-owners to the Developer of the Director(s) so elected, the Developer shall then immediately appoint such

Director(s) to the Board to serve until the First Annual Meeting of members unless he is removed pursuant to Section 7 of this Article or he resigns or becomes incapacitated.

(c) Election of Directors at and After First Annual Meeting.

(i) Not later than 120 days after conveyance of legal or equitable title to non-developer Co-owners of 75% in number of the Units that may be created, the non-developer Co-owners shall elect all Directors on the Board, except that the Developer shall have the right to designate at least 1 Director as long as he owns at least 10% of the Units that may be created in the Project. Such Developer designee, if any, shall be one of the total number of Directors referred to in Section 2(b) above and shall serve a one-year term pursuant to subsection (iv) below. Whenever the required conveyance level is achieved, a meeting of Co-owners shall be promptly convened to effectuate this provision, even if the First Annual Meeting has already occurred.

(ii) Regardless of the percentage of Units which have been conveyed, upon the expiration of 54 months after the first conveyance of legal or equitable title to a non-developer Co-owner of a Unit in the Project, the non-developer Co-owners have the right to elect a number of members of the Board of Directors equal to the percentage of Units they own, and the Developer has the right to elect a number of members of the Board of Directors equal to the percentage of Units which are owned by the Developer and for which all assessments are payable by the Developer. This election may increase, but shall not reduce, the minimum election and designation rights otherwise established in subsection (i). Application of this subsection does not require a change in the size of the Board Directors.

(iii) If the calculation of the percentage of members of the Board of Directors that the non-developer Co-owners have the right to elect under sub section (ii), or if the product of the number of members of the Board of Directors multiplied by the percentage of Units held by the non-developer Co-owners under subsection (b) results in a right of non-developer Co-owners to elect n fractional number of members of the Board of Directors, then a fractional election right of 0.5 or greater shall be rounded up to the nearest whole number, which number shall be the number of members of the Board of Directors that the non-developer Co-owners have the right to elect. After application of this formula the Developer shall have the right to elect the remaining members of the Board of Directors. Application of this subsection shall not eliminate the right of the Developer to designate 1 Director as provided in subsection (i).

(iv) At the First Annual Meeting three Directors shall be elected for a term of two years and two Directors shall be elected for a term of one year. At such

meeting all nominees shall stand for election as one slate and the three persons receiving the highest number of votes shall be elected for a term of two years and the two persons receiving the next highest number of votes shall be elected for a term of one year. At each annual meeting held thereafter, either two or three Directors shall be elected depending upon the number of Directors whose terms expire. After the First Annual Meeting, the term of office (except for two of the Directors elected at the First Annual Meeting) of each Director shall be two years. The Directors shall hold office until their successors have been elected and hold their first meeting.

(v) Once the Co-owners have acquired the right hereunder to elect a majority of the Board of Directors, annual meetings of Co-owners to elect Directors and conduct other business shall be held in accordance with the provisions of Article IX, Section 3 hereof.

Section 3. Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and may do all acts and things as are not prohibited by the Condominium Documents or required thereby to be exercised and done by the Co-owners.

Section 4. Other Duties. In addition to the foregoing duties imposed by these Bylaws or any further duties which may be imposed by resolution of the members of the Association, the Board of Directors shall be responsible specifically for the following:

(a) To manage and administer the affairs of and to maintain the Condominium Project and the General Common Elements thereof.

(b) To levy and collect assessments from the members of the Association and to use the proceeds thereof for the purposes of the Association.

(c) To carry insurance and collect and allocate the proceeds thereof.

(d) To rebuild improvements after casualty.

(e) To contract for and employ persons, firms, corporations or other agents to assist in the management, operation, maintenance and administration of the Condominium Project.

(f) To acquire, maintain and improve; and to buy, operate, manage, sell, convey, assign, mortgage or lease any real or personal property (including any Unit on the Condominium arid easements, rights-of-way and licenses) on behalf of the Association in furtherance of any of the purposes of the Association.

(g) To borrow money and issue evidences of indebtedness in furtherance of any or all of the purposes of the Association, and to secure the same by mortgage, pledge, or other lien on property owned by the Association; provided, however, that any such action shall also be approved by affirmative vote of 75% of all of the members of the Association in number and in value.

(h) To make rules and regulations in accordance with Article VI, Section 13 of these Bylaws.

(i) To establish such committees, as it deems necessary, convenient or desirable and to appoint persons there to for the purpose of implementing the administration of the Condominium and to delegate to such committees any functions or responsibilities which are not by law or the Condominium Documents required to lie performed by the Board.

(j) To enforce the provisions of the Condominium Documents.

Section 5. Management Agent. The Board of Directors may employ for the Association a professional management agent (which may include the Developer or any person or entity related thereto) at reasonable compensation established by the Board to perform such duties and services as the Board shall authorize, including, but not limited to, the duties listed in Sections 3 and 4 of this Article, and the Board may delegate to such management agent any other duties or powers which are not by law or by the Condominium Documents required to be performed by or have the approval of the Board of Directors or the members of the Association. In no event shall the Board be authorized to enter into any contract with a professional management agent, or any other contract providing for services by the Developer, sponsor or builder, in which the maximum term is greater than 3 years or which is not terminable by the Association upon 90 days' written notice thereof to the other patty and no such contract shall violate the provisions of Section 55 of the Act.

Section 6. Vacancies. Vacancies in the Board of Directors which occur after the Transitional Control Date caused by any reason other than the removal of a Director by a vote of the members of the Association shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum, except that the Developer shall be solely

entitled to fill the vacancy of any Director whom it is permitted in the first instance to designate. Each person so elected shall be a Director until a successor is elected at the next annual meeting of the members of the Association. Vacancies among non-developer Co-owner elected Directors which occur prior to the Transitional Control Date may be filled only through election by non-developer Co-owners and shall be filled in the manner specified in Section 2(b) of this Article.

Section 7. Removal. At any regular or special meeting of the Association duly called with due notice of the removal action proposed to be taken, any one or more of the Directors may be removed with or without cause by the affirmative vote of more than 50% of all of the Co-owners qualified to vote and a successor may then and there be elected to fill any vacancy thus created. The quorum requirement for the purpose of filling such vacancy shall be the normal 35% requirement set forth in Article VIII, Section 4 and shall not be reduced. Any Director whose removal has been proposed by the Co-owners shall be given an opportunity to be heard at the meeting. The Developer may remove and replace any or all of the Directors selected by it at any time or from time to time in its sole discretion. Likewise, any Director selected by the non-developer Co-owners to serve before the First Annual Meeting may be removed before the First Annual Meeting in the same manner set forth in this paragraph for removal of Directors generally.

Section 8. First Meeting. The first meeting of a newly elected Board of Directors shall be held within 10 days of election at such place as shall be fixed by the Directors at the meeting at which such Directors were elected, and no notice shall be necessary to the newly elected Directors in order legally to constitute such meeting, providing a majority of the whole Board shall be present.

Section 9. Regular Meetings. Regular meetings of the Board of Directors may be held at such times and places as shall be determined from time to time by a majority of the Directors, but at least two such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each Director personally, by mail, telephone or telegraph, at least 10 days prior to the date named for such meeting.

Section 10. Special Meetings. Special meetings of the Board of Directors may be called by the President on 3 days' notice to each Director given personally, by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of two Directors.

Section 11. Waiver of Notice. Before or at any meeting of the Board of Directors, any

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

Section 12. Quorum. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, there be less than a quorum present, the majority of those present may adjourn the meeting to a subsequent time upon 24 hours prior written notice delivered to all Directors not present. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice. The joinder of a Director in the action of a meeting by signing and concurring in the minutes thereof, shall constitute the presence of such Director for purposes of determining a quorum.

Section 13. First Board of Directors. The actions of the first Board of Directors of the Association or any successors thereto selected or elected before the Transitional Control Date shall be binding upon the Association so long as such actions are within the scope of the powers and duties which may be exercised generally by the Board of Directors as provided in the Condominium Documents.

Section 14. Fidelity Bonds. The Board of Directors shall require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be expenses of administration.

ARTICLE XII
OFFICERS

Section l. Officers. The principal officers of the Association shall be a President, who shall be a member of the Board of Directors, a Vice President, a Secretary and a Treasurer. The Directors may appoint an Assistant Treasurer, and an Assistant Secretary, and such other officers as in their judgment may be necessary. Any two offices except that of President and Vice President may be held by one person.

(a) President. The President shall be the chief executive officer of the Association.

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

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

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

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

Section 2. Election. The officers of the Association shall be elected annually by the board of Directors at the organizational meeting of each new Board and shall hold office at the pleasure of the Board.

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

Section 4. Duties. The officers shall have such other duties, powers and responsibilities as shall, from time to time, be authorized by the Board of Directors.

ARTICLE XIII
SEAL

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

ARTICLE XIV
FINANCE

Section 1. Records. The Association shall keep detailed books of account showing all expenditures and receipts of administration, and which shall specify the maintenance and repair expenses of the Common Elements and any other expenses incurred by or on behalf of the Association and the Co-owners. Such accounts and all other Association records shall be open for inspection by the Co-owners and their mortgagees during reasonable working hours. The Association shall prepare and distribute to each Co-owner at least once a year a financial statement, the contents of which shall be defined by the Association. The books of account shall be audited at least annually by qualified independent auditors; provided, however, that such auditors need not be certified public accountants nor does such audit need to be a certified audit. Any institutional holder of a first mortgage lien on any Unit in the Condominium shall be entitled to receive a copy of such annual audited financial statement within 90 days following the end of the Association's fiscal year upon request therefor. The costs of any such audit and any accounting expenses shall be expenses of administration.

Section 2. Fiscal Year. The fiscal year of the Association shall be an annual period commencing on such date as may be initially determined by the Directors. The commencement date of the fiscal year shall be subject to change by the Directors for accounting reasons or other good cause.

Section 3. Bank. Funds of the Association shall be initially deposited in such bank or savings association as may be designated by the Directors and shall be withdrawn only upon the check or order of such officers, employees or agents as are designated by resolution of the Board of Directors from time to time. The funds may be invested from time to time in accounts or deposit certificates of such bank or savings association as are insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation and may also be invested in interest bearing obligations of the United States Government.

ARTICLE XV
INDEMNIFICATION OF OFFICERS AND DIRECTORS

Every director and officer of the Association shall be indemnified by the Association

against all expenses and liabilities, including actual and reasonable counsel fees and amounts paid in settlement, incurred by or imposed upon him in connection with any threatened, pending or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative and whether formal or informal, to which he may be a party or in which he may become involved by reason of his being or having been a director or officer of the Association, whether or not he is a director or officer at the time such expenses are incurred, except as otherwise prohibited by law; provided that, in the event of any claim for reimbursement or indemnification hereunder based upon a settlement by the director or officer seeking such reimbursement or indemnification, the indemnification herein shall apply only if the Association (with the director seeking reimbursement abstaining) approves such settlement and reimbursement as being in the best interest of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such director or officer may be entitled. At least ten days prior to payment of any indemnification which it has approved, the Association shall notify all Co-owners thereof. Further, the Association is authorized to carry officers' and directors' liability insurance covering acts of the officers and directors of the Association in such amounts as it shall deem appropriate.

ARTICLE XVI

AMENDMENTS

Section 1. Proposal. Amendments to these Bylaws may be proposed by the Board of Directors of the Association acting upon the vote of the majority of the Directors or may be proposed by 1/3 or more of the Co-owners by instrument in writing signed by them.

Section 2. Meeting. Upon any such amendment being proposed, a meeting for consideration of the same shall be duly called in accordance with the provisions of these Bylaws.

Section 3. Voting. These Bylaws may be amended by the Co-owners at any regular annual meeting or a special meeting called for such purpose by an affirmative vote of not less than 66-2/3% of all Co-owners. No consent of mortgagees shall be required to amend these Bylaws unless such amendment would materially alter or change the rights of such mortgagees, in which event the approval of 66-2/3% of the mortgagees shall be required, with each mortgagee to have one vote for each first mortgage held.

Section 4. By Developer. Prior to the Transitional Control Date, these Bylaws may be amended by the Developer without approval from any other person so long as any such amendment does not materially alter or change the right of a Co-owner or mortgagee.

Section 5. When Effective. Any amendment to these Bylaws shall become effective upon recording of such amendment in the office of the Livingston County Register of Deeds.

Section 6. Binding. A copy of each amendment to the Bylaws shall be furnished to every member of the Association after adoption; provided, however, that any amendment to these Bylaws that is adopted in accordance with this Article shall be binding upon all persons who have an interest in the Project irrespective of whether such persons actually receive a copy of the amendment.

ARTICLE XVII
DEFINITIONS

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

ARTICLE XVIII
COMPLIANCE

The Association and all present or future Co-owners, tenants, future tenants, or any other persons acquiring an interest in or using the Project in any manner are subject to and shall comply with the Act, as amended, and the mere acquisition, occupancy or rental of any Unit or an interest therein or the utilization of or entry upon the Condominium Premises shall signify that the Condominium Documents are accepted and ratified. In the event the Condominium

Documents conflict with the provisions of the Act, the Act shall govern.

ARTICLE XIX
REMEDIES FOR DEFAULT

Any default by a Co-owner shall entitle the Association or another Co-owner or Co-owners to the following relief:

Section 1. Legal Action. Failure to comply with any of the terms or provisions of the Condominium Documents shall be grounds for relief, which may include, without intending to limit the same, an action to recover sums due for damages, injunctive relief, foreclosure of lien (if default in payment of assessment) or any combination thereof, and such relief may be sought by the Association or, if appropriate, by an aggrieved Co-owner or Co-owners.

Section 2. Recovery of Costs. In any proceeding arising because of an alleged default by any Co-owner, the Association, if successful, shall be entitled to recover the costs of the proceeding and such reasonable attorney's fees (not limited to statutory fees) as may be determined by the court, but in no event shall any Co-owner be entitled to recover such attorney's fees.

Section 3. Removal and Abatement. The violation of any of the provisions of the Condominium Documents shall also give the Association or its duly authorized agents the right, in addition to the rights set forth above, to enter upon the Common Elements or into any Unit (but not into any dwelling or related garage), where reasonably necessary, and summarily remove and abate, at the expense of the Co-owner in violation, any structure, thing or condition existing or maintained contrary to the provisions of the Condominium Documents. The Association shall have no liability to any Co-owner arising out of the exercise of its removal and abatement power authorized herein.

Section 4. Assessment of Fines. The violation of any of the provisions of the Condominium Documents by any Co-owner shall be grounds for assessment by the Association, acting through its duly constituted Board of Directors, of monetary fines for such violations. No fine may be assessed unless in accordance with the provisions of Article XX hereof.

Section 5. Non-waiver of Right. The failure of the Association or of any Co-owner to enforce any right, provision, covenant or condition which may be granted by the Condominium Documents shall not constitute a waiver of the right of the Association or of any such Co-owner to enforce such right, provision, covenant or condition in the future.

Section 6. Cumulative Rights, Remedies and Privileges. All rights, remedies and privileges granted to the Association or any Co-owner or Co-owners pursuant to any terms, provisions, covenants or conditions of the aforesaid Condominium Documents shall be deemed to be cumulative and the exercise of any one or more shall not be deemed to constitute an election of remedies, nor shall it preclude the party thus exercising the same from exercising

such other and additional rights, remedies or privileges as may be available to such party at law or in equity.

Section 7. Enforcement of Provisions of Condominium Documents. A Co-owner may maintain an action against the Association and its officers and Directors to compel such 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 the Act.

ARTICLE XX
ASSESSMENT OF FINES

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

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

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

(b) Opportunity to Defend. The offending Co-owner shall have an opportunity to appear before the Board and offer evidence in defense of the alleged violation. The appearance before the Board shall be at its next scheduled meeting, or at a special meeting called for such purpose, but in no event shall the Co-owner be required to appear less than 10 days from the date of the Notice.

(c) Default. Failure to respond to the Notice of Violation constitutes a default.

(d) Hearing and Decision. Upon appearance by the Co-owner before the Board and presentation of evidence of defense, or, in the event of the Co-owner's default, the

Board shall, by majority vote of a quorum of the Board, decide whether a violation has occurred. The Board's decision is final.

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

(a) First violation. No fine shall be levied.

(b) Second Violation. Twenty-Five Dollars ($25.00) fine.

(c) Third Violation. Fifty Dollars ($50.00) fine.

(d) Fourth Violation and Subsequent Violations. One Hundred Dollars ($100.00) fine.

Section 4. Collection. The fines levied pursuant to Section 3 above shall be assessed against the Co-owner and shall be due and payable together with the regular Condominium assessment on the first of the next following month. Failure to pay the fine will subject the Co-owner to all liabilities set forth in the Condominium Documents including, without limitation, those described in Article II and Article XIX of the By1aws.

ARTICLE XXI
RIGHTS RESERVED TO DEVELOPER

Any or all of the rights and powers granted or reserved to the Developer in the Condominium Documents or by law, including the right and power to approve or disapprove any act, use, or proposed action or any other matter or thing, may be assigned by it to any other entity or to the Association. Any such assignment or transfer shall be made by appropriate instrument in writing in which the assignee or transferee shall join for the purpose of evidencing its acceptance of such powers and rights and such assignee or transferee shall thereupon have the same rights and powers as herein given and reserved to the Developer. Any rights and powers reserved or granted to the Developer or its successors shall terminate, if not sooner assigned to the Association, at the conclusion of the Development and Sales Period as defined in Article III of the Master Deed. The immediately preceding sentence dealing with the termination of certain rights and powers granted or reserved to the Developer is intended to apply, insofar as the Developer is concerned, only to the Developer's rights to approve and control the administration

of the Condominium and shall not, under any circumstances, be construed to apply to or cause the termination of any real property rights granted or reserved to the Developer or its successors and assigns in the Master Deed or elsewhere (including, but not limited to, access easements, utility easements and all other easements created and reserved in such documents which shall not be terminable in any manner hereunder and which shall be governed only in accordance with the terms of their creation or reservation and not hereby).

ARTICLE XXII
SEVERABILITY

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

DISCLOSURE STATEMENT

THE KILLS OF TYRONE

DEVELOPER

The Hills of Tyrone is an 11-unit residential condominium project that may be further expanded to include a maximum of xxxx units at any time on or before July 25, 1997.

THIS DISCLOSURE STATEMENT IS NOT A SUBSTITUTE FOR THE MASTER DEED, THE CONDOMINIUM BUYERS 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 THERETO.

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

July 1991

THE HILLS OF TYRONE
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DISCLOSURE STATEMENT

THE HILLS OF TYRONE

I. Introduction

Condominium development in Michigan is governed largely by Act 59 of the Michigan Public Acts of 1978, as amended (the Condominium Act).

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

II. The Condominium Concept

A. General. 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 condominium documents and as otherwise may be applicable to the property.

Each owner receives a deed to his individual condominium unit. Each owner owns, in addition to his unit, an undivided interest in the other components ("common elements") of the project. Title to the common elements is included as part of, and is inseparable from, title to the individual condominium units. Each owner's proportionate share of the common elements is determined by the percentage of value assigned to his unit in the Master Deed described in Section IV of this Disclosure Statement.

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

The project is administered generally by a non-profit corporation of which all owners are members (the "Association"). The nature and duties of the Association are described more fully in Section VI of this Disclosure Statement.

Except for the year in which the project is established, or, in the case of units added to a project by subsequent amendment to the Master Deed, the year in which 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 amendment usually are billed to the

Association and are paid by the owners of such units in proportion to the percentages of value assigned to the units owned by them.

B. Condominium Building Sites. The Hills of Tyrone 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 generally do not include the buildings and other improvements to be constructed on the sites. Each condominium unit consists of the space contained within the unit boundaries as shown in the Condominium Subdivision Plan and delineated with heavy outlines and excluding therefrom any land. 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 The Hills of Tyrone, each owner holds an absolute and undivided title to his unit and to the dwelling and other improvements located thereon (to the extent such improvements are not designated in the Master Deed as common elements). Each unit owner will be responsible for all decoration, maintenance, repair and replacement of the dwelling and other improvements, including lawn mowing, located on his unit. Unlike more traditional condominium projects, each owner in this project will be responsible for maintaining fire and extended coverage insurance on his unit and the dwelling and other improvements located thereon, unless undertaken by the Association as is more fully discussed in paragraph VI-E(2) below. Each owner shall also, of coui.se, obtain personal property, liability and other personal insurance coverage. The Association will maintain only liability insurance coverage foe occurrences on the general common elements and such other insurance on the general common elements and otherwise as is specified in the condominium documents.

C. Other Information. 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 review carefully all of the documents contained in The Hills of Tyrone Purchaser Information Booklet as well as any other documents that the Developer has 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 Condominium Project

A. Size, Scope and Physical Characteristics of the Project. The Hills of Tyrone is an 11-unit residential condominium project located off of Shiawassee Road in the Township of Tyrone, Michigan. The project consists of 11 building sites, each of which is a separate residential condominium unit, together with the roadways and other improvements, as may be included in the development from time to time, provided for common use by the owners of the units.

B. Utilities.

(i) Water Supply and Sanitary Disposal. Each individual building site will be required to" have a private well, septic tank and drainage field for water supply and sanitary disposal purposes which must be installed and maintained solely by and at the individual expense of each owner. Public health requirements concerning such installations must be strictly observed and permits for the installation of such facilities must be obtained from the Livingston County Health Department and other pertinent agencies. Test borings have not been made on each building site, however, and there can be no assurance of the depths to which wells must be drilled to satisfy public health requirements since subsurface soil formations may change substantially from building site to building site.

(ii) The Hills of Tyrone is served by gas, electric and telephone service. Gas and electric service is furnished by Consumers Power Company, and telephone service is provided by Michigan Bell Telephone. All utilities, other than utilities provided to service the common elements, will be separately metered for payment by the individual unit owners; utilities furnished to the common elements will be billed directly to the Association. The costs of maintaining the storm sewer system serving the project, to the extent the system is located within the project boundaries, will be borne by the Association.

C. Roads. The roads in The Hills of Tyrone are private and will be maintained (including, without limitation, snow removal) by the Association. Replacement, repair and resurfacing 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 preventative maintenance on condominium roadways and parking areas on a regular basis in order to maximize the life of project roadways and parking areas and to minimize repair and replacement costs. The roads are also subject to use by the owners of certain adjoining parcels not located within the Condominium.

D. Reserved Rights of Developer.

(1) Oil, Gas and Mineral Rights. The Developer has reserved oil, gas and mineral rights to the land that comprises The Hills of Tyrone.

(2) Expansion of Project. The Developer has reserved the right to' expand the project to no more than 300 units by the addition of land at any time on or before July 25, 1997. in connection with such expansion, the Developer has reserved the right to define and redefine common elements as may be necessary to adequately describe and service the expansion land and to change the nature of any common element previously included in the condominium project to achieve the purposes of such expansion, including, but not limited to, the connection of existing roadways to any roadways planned for the expansion land, and to provide access to any condominium units over such roadways.

(3) Convertible Areas. The Developer has reserved the right, at any time on or before July 25, 1997, to redefine by division or combination or otherwise to modify the condominium units and common elements within the convertible areas identified as such on the Condominium Subdivision Plan. The Developer has also reserved the right to improve the road surface of the general common element roads located in the Condominium but is under no obligation to do so. In the event such conversion right is exercised, the Association budget attached hereto as Appendix I shall be increased to reflect the additional administrative expense associated with the maintenance, repair and operation of any such improved roads. The temporary cul-de-sac can also be converted to limited common element yard areas when Bancroft Court is expanded.

(4) Right to Approve Improvements. No dwelling, structure or other improvement may be constructed, nor may exterior modifications of any type be made without the Developer's approval.

(5) Conduct of Commercial Activities. The Developer has reserved the right, until all of the units in the project have been sold, to maintain on the condominium premises a sales office, a business office, model units, storage areas, reasonable parking incident to the use of such areas, and such access to, from and over the condominium 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.

(6) 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. Any such amendment that would materially alter the rights of an owner or mortgagee may be made only with the approval of 66-2/3% of the owners and first mortgagees. Further, certain provisions of the Master Deed cannot be amended without the Developer's approval.

(7) Easements.

(a) For Maintenance, Repair and Replacement. The Developer has reserved such easements over the condominium project (including all units and common elements) as may be required to perform any of the Developer's maintenance, repair, decoration or replacement obligations.

(b) For Use of Utilities. The Developer has reserved easements to utilize, tap, tie into, extend and enlarge all utility mains in the project in connection with the exercise of its rights with respect to the expansion of the project or the development of separate projects on the expansion land. The Developer has also reserved the right to grant easements for utilities to appropriate governmental agencies or public utilities.

(c) For Use of Roads. The Developer has reserved easements and rights of use over any roads and walkways in the project for the purpose of ingress and egress to and from all or any portion of the land lying within the proposed future expansion area of the Condominium, regardless of how such land ultimately may be used.

(8) Amenities. The Developer has also reserved the right, but is in no way obligated, to locate in the Condominium jogging and/or walking paths, tennis courts, spring for swimming, or other related amenities for use by the owners. The Association budget (Appendix I) shall be increased to reflect the additional expense therefor in the event such amenities are included in the Project.

(9) Enforcement of Bylaws. The Developer has reserved the right to enforce the Bylaws as long as the Developer owns any unit in the project that it offers for sale.

(10) General. In the condominium documents and in the Condominium Act, certain tights and powers are granted or reserved to the Developer to facilitate the development and sale of the project as a condominium, 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.

E. Unit 9 Restrictions. The driveway servicing Unit 9 must be located within the South half of the Unit. In addition, no oak trees located in the Northerly half of Unit 9 and having a diameter greater than twenty-four (24) inches can be removed without the consent of the owner of the land located immediately North of Unit 9.

IV. Legal Documentation

A. General. The Hills of Tyrone was established as a condominium project pursuant to the Master Deed recorded in the Livingston County Records and contained in

The Hills of Tyrone Purchaser Information Booklet. The Master Deed includes the Bylaws as Exhibit A and the Condominium Subdivision Plan as Exhibit a.

B. Master Deed. The Master Deed contains the definitions of certain terms used in the condominium documents, the percentage of value assigned to each unit in the condominium project, a general description of the units and common elements included in the project and a statement regarding the relative responsibilities for maintaining the common elements, Article VI of the Master Deed contains the provisions relating to the subdivision and consolidation of units. Article VII provides for expansion of the project. Article VIII contains the convertible area provisions, Article X describes the proposed recreational amenities. Article XI covers easements. Article XII covers the provisions for amending the Master Deed and Article XIII provides that the Developer may assign to the Association or to another entity any or all of its rights and powers granted or reserved in the condominium documents or by law.

C. Bylaws. The Bylaws contain provisions relating to the operation, management and fiscal affairs of the condominium and, in particular, set forth the provisions relating to assessments of Association members for the costs of operating the condominium project. Article VI contains certain restrictions upon the ownership, occupancy and use of the condominium project. Article VI also contains provisions permitting the adoption of rules and regulations governing the common elements. At the present time no rules and regulations have been adopted by the Board of Directors of the Association.

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 and Other Service Organizations

A. Developer's Background and Experience. Hills of Tyrone Development, Inc. is a Michigan corporation formed for the sole purpose of developing The Hills of Tyrone. Timothy A. Dicks is President and has been a licensed builder for approximately fifteen years. Mr. Dicks has served as a director of the National Association of Home Builders of Washtenaw County.

B. Broker.

RE/MAX HOMES INCORPORATED, 873 SILVER LAKE RD. Fenton

C. Legal Proceedings Involving the Condominium Project or the Developer. The Developer is not aware of any pending judicial or administrative proceedings involving the condominium project or the Developer.

VI. Operation and Management of the Condominium Project

A. The Condominium Association. The responsibility for management and maintenance of the project is vested in the Hills of Tyrone Association, which has been incorporated as a non-profit corporation under Michigan law. The Articles of Incorporation of the Association are contained in the Purchaser Information Booklet. The Bylaws include provisions that govern the procedural operations of the Association. The Association is governed by its Board of Directors, the initial members of which are designees of the Developer.

Within 120 days after closing the sales of 25% of the units, the size of the Board shall increase from two to five directors and one of the five directors will be selected by the non-developer owners; within 120 days after closing the sales of 50% of the units, not less than two of the five directors will be selected by the non-developer owners; and within 120 days closing the sales of 75% of the units, the non-developer owners will elect all five directors, except that the Developer will have the right to designate at least one director as long as it owns at least 10% of the units in the project. Regardless of the number of units conveyed, 54 months after the first conveyance, non-developer owners may elect directors in proportion to the number of units that they own.

Within 120 days after closing the sales of one-third of the units or one year from the date of the first conveyance, whichever first occurs, the Developer must establish an advisory committee to serve as liaison between the non-developer owners and the Developer.

The First Annual Meeting may be convened any time after 501 of the units have been sold and must be held on or before the expiration of 120 days after 75% of the units have been sold or within 54 months after conveyance of the first unit, whichever first occurs. At the First Annual Meeting, the members of the Association will elect directors, and the directors in turn will elect officers for the Association.

The Developer’s voting rights are set forth in Article VIII, Section 2 of the Bylaws.

B. Percentages of Value. All of the units in The Hills of Tyrone have equal percentages of value. The percentage of value assigned to each unit determines each owner’s share of the common elements of the project.

C. Project Finances.

(1) Budget. Article II of the Bylaws requires the Board of Directors to adopt an annual budget for the operation of the project. The initial budget formulated by the Developer is intended to provide for the normal and reasonably predictable expenses of administration of the project and includes a reserve for major repairs to and replacement of common elements. Inasmuch as the budget must necessarily be prepared in advance, it reflects estimates of expenses made by the Developer. To the extent that estimates prove inaccurate during actual operation and to the extent that the goods and services necessary to service the condominium project change in cost in the future, the budget and the expenses of the Association also will require revision. The current budget of the Association has been included as Appendix I to this Disclosure Statement.

(2) Assessments. Each owner of a unit, including the Developer, must contribute to the Association to defray expenses of administration; while the Developer is obligated to contribute to the Association for such purpose, its contributions are determined differently than the other owners' contributions are determined. See Article II, Section 7 of the Bylaws. The Board of Directors may also levy special assessments in accordance with the provisions of Article II, Section 2 of the Bylaws.

(3) Foreclosure of Lien. The Association has a lien on each unit to secure payment of Association assessments. The Bylaws 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 notice of a hearing prior to the sale of his unit.

(4) Other Possible Liabilities. Each purchaser is advised of the following possible liability of each owner- under Section 58 of the Condominium Act:

> If the holder of the first mortgage or other purchaser of a condominium unit obtains title to that unit by foreclosing that mortgage, the holder of the first mortgage or other purchaser is not liable for unpaid assessments that are chargeable against that unit and that became due prior to foreclosure. These unpaid assessments are common expenses which are collectible from all unit owners including the holder of the first mortgage who has obtained title to the unit through foreclosure.

D. Management of Condominium. No management agent has been selected for the project at this time. Professional management is not required by the condominium documents. If and when a management agent is retained, the budget must be increased to cover the costs thereof.

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 American Title Insurance Company 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 is 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 condominium documents require that the Association carry fire and extended coverage for vandalism and malicious mischief and liability insurance and workers' compensation insurance, if applicable, with respect to all of the general common elements of the project. The insurance policies have deductible clauses and, to the extent thereof, losses will be borne by the Association. The Board of Directors is responsible for obtaining insurance coverage for the Association. Each owner's pro rata share of the annual Association insurance premiums is included in the monthly assessment. The Association insurance policies are available for inspection during normal working hours. A copy of the certificate of insurance with respect to the condominium project will be furnished to each owner upon request.

Each owner is responsible for obtaining fire and extended coverage insurance on his unit and the building and other improvements located thereon, as well as personal property, liability and other individual insurance coverage to the extent indicated in Article IV of the Bylaws. Each owner must deliver a certificate of insurance to the Association to confirm that the required insurance coverage is being maintained. If an owner fails to maintain any such insurance coverage or to provide evidence thereof to the Association, the Association may obtain such insurance and collect the cost thereof from the delinquent owner. The Association should periodically review all insurance coverage to be assured of its continued adequacy and owners should each do the same with respect to their individual insurance. The Bylaws also reserve the right for the Association to obtain the insurance required to be undertaken by the co-owners, or any portion thereof, and to include the expense therefor as an expense item in the Association budget. Upon such election, co-owners shall be given 60 days notice within which to cancel existing insurance coverage.

F. Restrictions on Ownership, Occupancy and Use. Article VI of the Bylaws sets forth restrictions on the ownership, occupancy and use of a unit in the condominium project. It is impossible to paraphrase these restrictions without risking the omission of some provision 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 residential purposes.

(2) An owner must disclose his intention to lease a unit and provide a copy of the exact lease form to the Association at least ten days before presenting a lease to a potential lessee.

(3) There are substantial limitations upon physical changes that may be made to the common elements and to the units in the condominium, 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 buildings anc. other improvements in the project.

(5) Reasonable regulations may be adopted by the Board of Directors of the Association concerning the use of common elements, without vote of the owners.

None of the restrictions apply to the commercial activities or signs of the Developer.

VII. Rights and Obligations as 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 accompanying Escrow Agreement. Those documents should be closely examined by all purchasers in order to ascertain the disposition at closing of earnest money deposits advanced by the purchaser, anticipated closing adjustments, and other important matters. 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. This provision does not, however, pertain to any dwelling or other appurtenances to be constructed on the building site, but relates only to the improvements (such as utilities and roadways) requisite to placing each unit

(site) in a condition suitable for issuance of a building permit, which improvements are shown as "must be built" on the Condominium Subdivision Plan until such improvements are substantially complete. Improvements that "must be built" with relation to condominium building sites such as those in The Hills of Tyrone include such improvements as are necessary to obtain a building permit for the construction of a dwelling but do not include the costs of construction of the dwelling itself, for which no such escrow is required. 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 by warranty deed fee simple title to his unit subject to no liens or encumbrances other than the condominium documents and those other easements and restrictions that are specifically set forth in the condominium 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) Condominium Project Warranties. Unless otherwise provided in any construction contract to be entered into by a purchaser and the Developer or the general contractor for the project, the Developer is warranting only that gas mains, telephone and electrical trunk lines, have or will be installed to serve the unit as shown on the Condominium Subdivision Plan and that the purchaser will, upon payment of normal fees, be entitled to issuance of a building permit with respect to the unit.

D. Construction Contract. Each purchaser must recognize that a Purchase Agreement covers only the building site and that it will be necessary to enter into a separate construct ion contract with a builder for the construction of the building and other improvements to be located on the building site.

VIII. 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 deciding whether to purchase a unit. In accepting title to a unit, 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 publishes The Condominium Buyers Handbook that the Developer has delivered to you. The Developer assumes no obligation, liability, or responsibility as to the statements contained in or omitted from The Condominium Buyers 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 condominium documents. Each purchaser is referred to the original Master Deed and other original instruments as contained in the Purchaser Information Booklet. 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 the Disclosure Statement and rules of the Michigan Department of Commerce.

APPENDIX I

THE HILLS OF TYRONE ASSOCIATION
PROPOSED BUDGET FOR 1991
COVERING 11 UNITS

ADMINISTRATIVE:

Accounting and Record Keeping
$ 250
Insurance
500

LAND SERVICES:

Snow Plowing
1,000

RESERVES:

Replacement and deferred maintenance reserves for the common elements
900

Total operating expenses and reserves
$2,650

FIRST AMENDMENT TO THE MASTER DEED OF
THE HILLS OF TYRONE
AND REPLAT NO. 1 OF
LIVINGSTON COUNTY CONDOMINIUM
SUBDIVISION PLAN NO. 32.

Hills of Tyrone Development, Inc., a Michigan Corporation ("Developer"), 1407 Penniman, Plymouth, MI 48170, being the developer of The Hills of Tyrone, a condominium project established pursuant to the Master Deed thereof, recorded in Liber 1490, Pages 878-948, County Records, and known as Livingston County Condominium Subdivision Plan No. 32 hereby amends the Master Deed of The Hills of Tyrone pursuant to the authority reserved in Articles VII and XII thereof for the purposes of enlarging the Condominium Project from 11 Units to 17 Units by the addition of the land described in Paragraph 1, below, and amending Article XI, Section 6 of the Master Deed. Upon the recording of this amendment in the office of the Livingston County Register of Deeds, the Master Deed and Exhibit B thereto shall be amended in the following manner:

1. The land Ascribed below is added to the Condominium Project by this amendment:

> Part of the North ½ of Section 3, T4N-R6E, Township of Tyrone, Livingston County, Michigan, described as: Commencing at the North ¼ corner of Section 3; thence S 87 degrees 13 minutes 32 seconds E along the North line of said Section, 13.25 feet, thence S 02 degrees 19 minutes 47 seconds W, 33.0 feet; thence 30.0 degrees 19 minutes 47 seconds W, 367.08 feet to the point of beginning. Thence S 86 degrees 55 minutes 50 seconds E, 315.47 feet; thence S 02 degrees 27 minutes 00 seconds W, 793.06 feet; thence W. 87 degrees 03 minutes 07 seconds W 329.24 feet; thence N 02 degrees 24 minutes 19 seconds E, 793.77 feet; thence 3.87 degrees 04 minutes 03 seconds E. 14.46 feet, to the point of beginning containing 6.0 acres of land more or loss.

2. Amended Sheet 1 of the Condominium Subdivision Plan of The Hills of Tyrone, as attached hereto, shall replace an supersede Sheet 1 of the condominium Subdivision Plan of The Hills of Tyrone as originally recorded, and the originally recorded Sheet 1 of the Condominium Subdivision Plan shall be of no further force or effect. The legal description of the Condominium Project on Amended Sheet 1, attached

hereto, shall replace and supersede the description of the Condominium Premises contained in Article II of the originally recorder Master Deed.

3. Sheets 5 and 6 of the Condominium Subdivision Plan of The Hills of Tyrone, as attached hereto, shall supplement and be added to the Condominium Subdivision Plan of The Hills of Tyrone.

4. First Amended Article XI, Section 6 of the Master Deed of The Hills of Tyrone, as set forth below, shall replace and supersede Article XI, Section 6 of the Master Deed as originally recorded, and the originally recorded Article XI, Section 6 of the Master Deed shall be of no further force or effect:

FIRST AMENDED ARTICLE XI, SECTION 6 OF THE MASTER DEED OF THE HILLS OF TYRONE

Section 6. <u>Easements for Storm water Drainage System</u>. There shall exist easements in favor of the Association for storm water drainage, retention and detention in the areas within Units 1 through 5 and Unit 12, and their appurtenant Yard Areas as designated therefor on the Condominium subdivision Plan, which areas shall be maintained as to their physical configuration by the Association, but shall be initially constructed, excavated and landscaped by the owner of the Unit or Limited Common Element Yard Area over which the drainage easements are located. These easements are created for the purpose of facilitating drainage throughout portions of the Condominium and certain adjoining property and are for the benefit of all owners of all such real property. No residences or other permanent structures shall be placed within those easements. If detention or retention ponds within the easement area on Unit 12, as depicted in the attached condominium Subdivision Plan, are required by the Livingston County Drain Commissioner, then those detention or retention ponds shall be constructed by and at the expense of the Association. The Association will hold the Township of Tyrone harmless from any expense arising from the creation of a drainage district or the construction of drainage improvements resulting from establishment of the Project.

5. The submission of the land described in Paragraph 1 of this amendment shall not be deemed a conveyance of title of that land. Rather, the purpose of submission of that land is to include that land in the Condominium so that the respective owners thereof can share in the benefits, burdens and Common Elements established pursuant to the Master Deed, as amended hereby, and to abide by the restrictions set forth in the Master Deed, as amended hereby. Upon recording of this Amendment in the office of the Livingston County Register of Deeds, the following persons shall, as among the parties to this document, own title to the following Units, respectively, that are added to the Condominium by this amendment:

Owner(s)	**Unit Nos.**
Philip R. Anibal and Edna L. Anibal, husband and wife	12, 13, 14, 17
Craig A. Banes and Amy A. Banes, husband and wife	15
Anthony Delecki and Lori Delecki husband and wife	16

The persons listed above join in the execution of this Amendment for the sole purpose of agreeing to incorporate in the Condominium the portions of the land described in Paragraph 1, above, that they respectively own.

6. In all respects other than as hereinabove indicated, the original Master Deed of The Hills of Tyrone, Including the Bylaws and Condominium Subdivision Plan respectively attached thereto as Exhibits A and B, recorded as aforesaid, is hereby ratified, confirmed and redeclared.

Dated this 3 day of May, 1992.

WITNESSES:

_____
SALLY JO READER

Hills of Tyrone Development, Inc. a Michigan Corporation

_____ By:_____

_____

Its:_____

STATE OP MICHIGAN)
:SS
COUNTY OP GENESEE)

The forgoing instrument was acknowledged before me this 3rd day of May, 1992 by Timothy A. Dicks, the President of Hills of Tyrone Development, Inc., a Michigan Corporation, on behalf of the corporation.

_____
Notary Public
Genesee County, Michigan
My Commission Expires:_____

The undersigned join in the execution of this First Amendment to the Master Deed of the Hills of Tyrone for the purpose set forth in Paragraph 5, above.

WITNESSES:

_____ _____
Philip R. Anibal

_____ _____
Edna L. Anibal

_____ _____
Craig A. Banes

_____ _____
Any A. Banes

_____ _____
Anthony Delecki

Lori Delecki

STATE OF MICHIGAN)
:SS
COUNTY OP GENESEE)

The foregoing instrument was acknowledged before me this 3rd day of August, 1992, by Philip R. Anibal and Edna L. Anibal, his wife.

Notary Public
Genesee County, Michigan
My Commission Expires: 12-11-95

STATE OP MICHIGAN)
:SS
COUNTY OF GENESEE)

The foregoing instrument was acknowledged before me this 2nd day of June 1992, by Craig A. Banes and Amy A. Banes, his wife.

Notary Public
Genesee County, Michigan
My Commission Expires: 6-14-93

STATE OF MICHIGAN)
:SS
COUNTY OF GENESEE)

The foregoing instrument was acknowledged before me this 15th day of June, 1992, by Anthony Delecki and Lori Delecki, his wife.

_____
Notary Public Ellen Daly Venos

Genesee County, Michigan
My Commission Expires: 9-15-93

DRAFTED BY AND WHEN RECORDED RETURN TO:
Rizik & Zintemaster, P.C.
George F. Rizik, II (P30595)
Attorneys at Law
5405 Gateway Centre, Suite A
Flint, MI 48507
(313) 767-8200
c:mm/dana/hilland

SECOND AMENDMENT TO THE MASTER DEED OF
THE HILLS OF TYRONE
AND REPLAT NO. 2 OF
LIVINGSTON COUNTY CONDOMINIUM
SUBDIVISION PLAN NO. 32.

Hills of Tyrone Development, Inc., a Michigan Corporation (Developer"), 1407 Penniman, Plymouth, MI 48170, being the developer of The Hills of Tyrone, a condominium project established pursuant to the Master Deed thereof, recorded in Liber 1490, Pages 878-948, inclusive, Livingston County Records, and known as Livingston County Condominium Subdivision Plat No. 32 as amended by the First Amendment, thereto recorded in Liber 1609, Pages 178 through 185, inclusive, and known as Livingston Count Condominium Subdivision plan No. 32, hereby further amends the Master Deed of the Hills of Tyrone, pursuant to the authority reserve in Articles VII and XII thereof for the following purposes:

(a) To expand the condominium project and increase the number of units in the project from 17 to 50, by the addition of the land described in paragraph 1. Here in,

(b) To amend the legal description of condominium project in Article II and page 1 of Exhibit "B", and add pages 7 through 10 to Exhibit "b".

(c) To amend Article IV, Section 1(b) and (d),

(d) To add Article IV, Section 1(j) and (k),

(e) To amend Article IV, Section 3(c), Article VIII, Sections 1 and 2, and Article XI, Section 6.

(f) To amend Article VI, Section 21 of The Hills of Tyrone Exhibit "A" Bylaws.

The following amendments to the Master Deed of The Hills of Tyrone shall be effective upon recording this Second Amendment in the Office of the Livingston County Register of Deeds:

1. The condominium project is expanded to include the following land, which is hereby added to the condominium project:

Part of the S ½ of the NW fractional ¼ and part of the S ½ of the NE fractional ¼ and part of the SE ¼ and part of the SW ¼ of Section 3,
T4N°R6E, Township of Tyrone, Livingston County, Michigan, more particularly described as: Commencing at the North ¼ corner of Section 3; thence S 87°13′32″ E along the North line of said Section, 13.25 feet;
thence S 02°19′47″ W, 400.08 feet; thence N 87°04′03″ W, 14.46 feet;
thence S 02°24′19″ W, 795.13 feet; thence 184.65 feet along a curve to the left having a radius of 194.48 feet and a cord which bears S 24°47′32″ E, 177.79 feet;
thence 164.17 feet along a curve to the right having a radius of 263.00 feet and a cord which bears S 34°06′52″ E, 161.49 feet;
thence N 73°45′54″ E, 160.06 feet; thence S 02°27′00″ W, 688.85 feet to the Point of Beginning of the land to be described; thence S 02°27′00″ W, 659.73 feet; thence S 88°15′33″ E, 331.95 feet; thence S 02°18′58″ W, 1320.03 feet; thence N 89°15′33″ W, 662.22 feet; thence N 15°57′24″ E, 196.43 feet; thence N 74°02′36″ W, 193.18 feet;
thence N 22′30′42″ E, 203.58 feet; thence N 62°27′50″ E, 234.25 feet;
thence N 18°08′07″ E 15.59 feet; thence N 22°43′51″ W, 319.82 feet;
thence N 68°55′14″ W, 274.82 feet; thence N 87°49′01″ W, 130.00 feet; thence N 02°10′59″ E, 231.00 feet; thence N 87°49′01″ W, 137.66 feet;
thence S 02°10′59″ W, 42.00 feet; thence N 87°49′01″ W, 142.35 feet;
thence N 02°10′59″ E, 150.00 feet; thence S 87°49′01″ E, 142.35 feet;
thence S 02°10′59″ W, 42.00 feet; thence N 87°49′01″ E, 107.66 feet;
thence N 02° 10′59″ E 231.00 feet; thence N 87°49′01″ W, 130.00 feet;
thence N 02°10′59″ E 189.00 feet; thence N 87°49′01″ W, 142.35 feet;
thence N 02°10′59″ E 150.00 feet; thence S 87°49′01″ W, 142.35 feet;
thence N 02°10′59″ E 188.87 feet; thence S 88°26′42″ E, 12.29 feet;
thence S 87°49′01″ E, 871.06 feet to the point of beginning,
containing 38.02 acres, more or less.

2. The legal description of the condominium project in Article II is hereby amended to read its entirety:

Part of the S ½ of the NW factional ¼ and par of the S ½ of the NE fractional ¼ and part of the SE ¼ and part of the SW ¼ of Section 3,
T4N°R6E, Township of Tyrone, Livingston County, Michigan, more particularly described as: Commencing at the North ¼ corner of Section 3; thence S 87°13′32″ E along the North line of said Section, 13.25 feet;
thence S 02°19′47″ W, 33.00 feet to the Point of Beginning of the land to be described:
thence S 02°19′47″ W, 367.08 feet; thence S 86°55′50″ E, 315.47 feet;

thence S 02°27′47″ W, 793.06 feet; thence N 87°03′07″ E, 329.24 feet;
thence S 02°24′19″ W, 1.39 feet; thence 184.65 feet along a curve to the left having a radius of 194.48 feet and a cord which bears S 24°47′32″ E, 177.79 feet; thence 164.17 feet along a curve to the right having a radius of 263.00 feet and a cord which bears S 34°06′52″ E, 161.49 feet;
thence N 73°45′54″ E, 160.06 feet; thence S 02°27′00″ W, 1348.58 feet; thence S 88°15′33″ E, 331.95 feet; thence S 02°18′58″ W, 1320.00 feet;
thence N 89°15′33″ W, 662.22 feet; thence N 15°57′24″ E, 196.43 feet;
thence N 74°02′36″ W, 193.18 feet; thence N 22°30′42″ E, 203.58 feet;
thence N 62°27′50″ E, 234.25 feet; thence N 18°08′07″ E, 15.59 feet;
thence N 22°43′51″ W, 319.82 feet; thence N 68°55′14″ W, 274.82 feet; thence N 87°49′01″ W, 130.00 feet; thence N 02°10′59″ E, 231.00 feet;
thence N 87°49′01″ W, 137.66 feet; thence S 02°10′59″ W, 42.00 feet;
thence N 87°49′01″ W, 142.35 feet; thence S 02°10′59″ E, 150.00 feet;
thence S 87°49′01″ E, 142.35 feet; thence S 02°10′59″ W, 42.00 feet;
thence S 87°49′01″ E, 107.66 feet; thence N 02°10′59″ E, 231.00 feet;
thence N 87°49′01″ W, 130.00 feet; thence N 02°10′59″ E, 189.00 feet;
thence N 87°49′01″ W, 142.35 feet; thence N 02°10′59″ E, 150.00 feet;
thence S 87°49′01″ E, 142.35 feet; thence N 02°10′59″ E, 188.87 feet;
thence S 88°26′42″ E, 12.29 feet; thence N 87°49′01″ E, 534.66 feet;
thence N 01°43′15″ E, 675.87 feet; thence S 88°28′25″ E, 98.52 feet;
thence 55.00 feet along a curve to the left having a radius of 197.00 feet and a chord hearing N 43°59′42″ W, 54.83 feet thence 247.31 feet along a curve to the right having a radius of 260.48 feet and a chord bearing N 24°47′32″ W, 238.13 feet, thence N 02°24′19″ E, 8.16 feet; thence N 88°28′25″ W, 208.25 feet; thence N 03°33′26″ E, 793.20 feet;
thence S 86°57′47″ E, 192.33 feet; thence N 04°24′22″ E, 367.03 feet;
thence S 87°02′35″ E, 54.35 feet; thence S 87°13′32″ E, 12.78 feet
to the point of beginning, containing 55.12 acres, more or less and subject to all easements and restrictions of record and all governmental limitations and further subject to reservation by the Developer of all oil, gas, and mineral rights; further subject to certain Bancroft Court easements recorded in Liber 1381 at Page 480 and Liber 1389 at page 258, Livingston County Records, and a certain Agreement for Maintenance recorded in Liber 1389 at Page 258, Livingston County Records and further subject to the rights of adjoining owners to use Bancroft Court.

3. Sheet 1 of Exhibit “B” to the Master Deed of The Hills of Tyrone as attached hereto, and by this reference incorporated therein to be recorded, shall replace ad supersede all previously recorded versions of Sheet 1 of Exhibit “B”

4. Sheets 7 through 10 of Exhibit "B" to the Master Deed to the Hills of Tyrone as attached hereto, and by this reference incorporated herein to be recorded, shall be added to and become a part of Exhibit "B."

5. Article IV, Section 1 (b) and (d) are hereby amended to read in their entirety:

(b) Roads, Bancroft Court, Ridge View Trial, and Weathered Wood Court, and such other interior roads as may subsequently be added to the Condominium. The cul-de-sacs on Ridge View Trial as shown on the attached Condominium Subdivision Plan shall be a General Common Element until such time as Ridge View Trail is later extended to serve the Condominium as enlarged. Parking within the road right of way is not allowed at any time and is enforceable by any member of the Association.

(d) Site Lighting. Any lights designed to provide illumination for the Condominium Premises as a whole. Roadway Site Lighting or Street Lighting is not being installed by the developer in the development please however if the Association determines, at a later date, that lighting is needed they may install such or require that each unit install and maintain a coach lamp in each units front yard area or simply require each unit to have photoelectric porch lighting. The above mentioned is not in conformance with the Tyrone Township Subdivision Ordinance No. 16 off. Jan. 3, 1976, 17.103. Sec. 13 – Street Lighting Requirements (which state) "As a result of the propensity for crime rates to decrease where street lighting is installed, street lights shall be installed at interval of the not less than (1) street light every two hundred fifty (250) feet of roadway". The Developer shall save and hold the Township, the County of Livingston and its departments harmless from any and all liability whatsoever arising out of the said noncompliance until the condominium is turned over to the members, and then the Association shall continue to save the aforementioned until the entire Condominium is in compliance with the Ordinance and receives permit from the Township.

6. Article IV, Section 1(j) and (k) are hereby added to the Master Deed of the Hills of Tyrone to read:

(j) Wetlands, Based upon the National Wetland Inventory Map wetlands have been indicated on the Site Plan. These Wetlands have been located on the Site Plan of this Amendment. The Wetlands shall not be built upon, cleared, trees or plants cut or destroyed, drained, dumped in, landscaped, or in any other way altered or changed or compromise the natural condition of the Wetlands. In the event of a natural disaster such as wind or fire the Association under the supervision of an Environmental Engineer and with the permission of The D.N.R.

may enter the Wetlands and perform such clean-up as is approved, other than such approval no one is allowed to enter these Wetlands for any reason. Violation of this provision shall result in a fine by the Association upon the first known violation of not less than $500.00 for the first offense.

(k) Wildlife Areas. Two Wildlife Areas have been established by the developer adjacent to the road right of way between u nits 25 and 26, and units 31 and 32. These Wildlife Areas are also adjacent to Wetlands and are for the peaceful enjoyment of the members. Parking of vehicles along the road side is not permitted at these locations nor are any type of vehicles allowed within these areas. The planned use of these areas is for the observation of wildlife which are attracted to the Wetlands, birdhouses and feeders may be placed within these areas and park bench seating is allowed and may be installed by the Developer. Wood Chip pathways may also be installed by the Developer.

7. Article IV, Section 3(e) is hereby amended to read in its entirety:

(c) General Common Elements. The cost of maintenance, repair and replacement of all General Common Elements shall be borne by the Association, subject to any provision of the Condominium Documents expressly to the contrary. It is acknowledged that Tyrone Township granted developers certain variances from the standard specifications for road grades due to the topography of the land. The Hills of Tyrone Association shall save and hold Tyrone Township, the County of Livingston and its departments harmless from any and all liability whatsoever arising out of the said variances and agree to indemnify them from any and all losses, judgments, awards or settlements arising out of the variances. It shall be incumbent upon the Association to maintain a liability insurance policy to this effect in an amount of not less than one million dollars. The variances were granted on September 1, 1992 by the Township Board and are as follows: Road grade variance of up to 8 percent on Ridge View Trail and any back slopes steeper than a 3:1 ratio would require a permanent ground cover. The private Storm Sewer System located in the General Common and Limited Common Elements shall be under the charge of the Association and the Livingston County Drain Commissioner will in no way be responsible for the maintenance of the system.

8. Article VIII, Section 1 and 2 are hereby amended to read in their entirety:

Section 1. Designation of Convertible Areas. The Limited Common Element yard areas adjacent to the respective Units are hereby designated as Convertible Areas within which the Units and Common Elements may be modified as provided herein. All General Common Elements roads in the Condominium shall also be convertible areas to enable upgrading of the surface of such roads by the Developer and to enable expansion of the condominium.

Section 2. Reservation of Rights to modify Units and Common Elements. The Developer reserves the right, in its sole discretion, during a period ending no later than six years from the date of recording this Master Deed, to create enlarge or extend Units and/or General or Limited Common Elements within Convertible Areas; provided, however, any such enlargement, extension or modification shall comply with all governmental rules, regulations or ordinances then in effect. Under no circumstances, however, shall the Developer, the Association or any other Co-owner or assignee of the Developer modify, enlarge or diminish any Limited Common Element yard area or any rights in connection therewith without the express written consent of the Co-owner or assignee of the Developer modify, enlarge or diminish any Limited Common Element yard area or any rights in connection therewith without the express written consent of the Co-owner to whose Unit such yard area is appurtenant. Ridge View Trail and its temporary cul-de-sacs may also be modified physically and in the condominium Subdivision Plan as may be required from time to time in a manner consistent with the number of Units it is required to serve, when the cul-de-sacs are no longer needed without obtaining consent of the Owners or the mortgagees of the affected Units.

9. Article XI, Section 6 is hereby amended to read in its entirety;

Section 6. Easements for Storm Water Drainage System. There shall exist easements in favor of the association for storm water drainage, retention and detention in the areas within Units 1 through 5 and Unit 12, 29, 30, 31, 47, 48, 49 and their apartment Yard Areas as designated therefore on the Condominium Subdivision Plans, which areas shall be maintained as to their physical configuration by the by the Association, but the upkeep, such as grass cutting seeding weeding and feeding, shall be by the Owner of the Unit or Limited Common Element yard area over which the drainage easements are located. These easements are created for the purpose of facilitating drainage throughout portions of the Condominium and certain adjoining property and is for the benefit of all owners of all such real property. No residences or other permanent structures shall be placed within such easements. If detention or retention ponds within the easement area on Unit 12, as depicted in the attached Condominium Subdivision Plan, are required by the Livingston County Drain Commissioner, then those detention or retention ponds shall be constructed by and at the expense of the Association. The Association will hold the Township of Tyrone harmless from any expense arising from the creation of a drainage district or the construction of drainage improvements resulting from establishment of the Project.

10. Article VI, Section 21 of The Hills of Tyrone Exhibit “A” Bylaws is hereby amended to read in its entirety:

Section 21. Public Health Requirements. Permits for the installation of wells and sewage disposal systems shall be obtained for the Livingston County Health Department prior to any construction on the individual building sites. Face Co-owner shall be solely

responsible for installation, maintenance, repair and replacement of the well/water supply system and the septic tank/drain field/sanitary disposal system on his building site and the Association shall have absolutely no financial responsibility or other duty with respect thereto. All wells installed for private water supply must, except as set forth below, penetrate a minimum of feet protective clay overburden or be drilled to a depth of feet if clay is not encountered and prospective building site owners are hereby advised of and agree to this requirement. When and adequate aquaculture cannot be demonstrated, additional safeguards in the form of increased instances and/or depth requirements may be required. The Michigan Department of Public Health, the Livingston County Health Division will determine the necessary depth of water wells in order to penetrate an aquaclude. The test well located on Unit 36 shall be properly abandoned if not intended to be used as a potable water supply.

All wells and septic shall be located in the areas designated on the plans prepared by Progressive Architects, Engineers, Planners, Inc. and Delta Land Surveying and Engineering, Inc. and field with the Livingston County Health Department. When deemed necessary, due to the size or configuration of a building site, grade conditions or evidence of elevated ground water, an engineered building site plan or system design plan may be required by the Livingston County Health Department. Such plans, if required, must be submitted for review and approval prior to the issuance of a sewage disposal systems. All systems are to be installed according to Livingston County Sanitary Code specifications.

All residential dwellings shall be served by an adequate sewage disposal system. Each such sewage system shall be utilized for disposition of human metabolic waste only and not for processed waste of any sort. Private septic tanks and drain fields constructed in compliance with the regulations of the Livingston County Health Department and with applicable Michigan Department of Public Health Division regulations may be installed and shall be limited in waste flow in accordance with the terms and conditions of the On-Site Sewage Disposal Permit issued by the Livingston County Health Department as may be amended or replace from time to time. No underground utility lines shall be located within the area designated as active and reserve septic systems. The reserve septic locations as designated on the plan prepared by Progressive Architects, Engineers, Planners Inc, and Delta Land Surveying and Engineering, Inc. and filed with the Livingston County Health, must remain vacant so to be accessible for future sewage use. Further, the active and reserve on site sewage system servicing units 1, 2, 12 and 31 must be a minimum of fifty (50) feet from the storm drainage casements. Easements for Storm Sewer pipe, the on site sewage system shall be no closer than twenty five (25) feet from said Storm Sewer pipe.

The bottom of the sewage disposal system located on Units 28, 29, 37, and 20 shall be placed on original grade. Pumping may be necessary if gravity flow cannot be achieved. Original grade elevations can be found on the preliminary plat which is on file at the LCHD.

The bottom of the sewage disposal system located on Units 20 and 29 shall be placed on original grade and shall have a 3200 sq. foot area reserved for both the active and reserve septic system for a three bedroom home. Original grade elevations can be round on the preliminary plat which is on file at the LCHD.

The bottom of the sewage disposal systems on Units 26, 27, and 41 shall be placed no deeper than 6 inches below the original grade. Original grade elevations can be found on the preliminary plat which is on file at the LCHD

The bottom of the sewage disposal systems on Units 21, 23, 38 and 44 shall be placed no deeper than 12 inches below the original grade. Original grade elevations can be found on the preliminary plat which is on file at the LCHD.

The bottom of the sewage disposal systems on Units 22, and 24 shall be placed no deeper than 18 inches below the original grade. Original grade elevations can be found on the preliminary plat which is on file at the LCHD.

The bottom of the sewage disposal system on Unit 30 shall be placed no deeper than 3 feet below original grade. Original grade elevations can be found on the preliminary plat which is on file at the LCHD.

The bottom of the sewage disposal system on Unit 40 shall be placed no deeper than 3.5 feet below original grade. Original grade elevations can be found on the preliminary plat which is on file at the LCHD.

Units 32, 33, 42, and 43 will require 100% removal of the clay suits down to the permeable soils in the area of the septic system ranging from 0.5 feet to 8 feet. This may incur and added expense onto the septic .system installation for these particular units.

Two Units throughout the development required preparation for both the active and reserve sewage systems. These Units have been prepared in accordance with engineer specification these areas were prepared in accordance with their specifications. In addition, the engineer has submitted “as-built” drawings and fill elevations in order to define the exact areas prepared. The following Units have been prepared and certified prior to final plat approval; Unit 36 cut down to 11 feet, and Unit 25 18 inches above original grade.

All restrictions placed on the preliminary site condominium project by Livingston County Health Department are not severable and shall not expire under any circumstances unless otherwise amended or approved by the Livingston County Health Department.

At some time subsequent to the initial development, it may become necessary to construct a community water supply and or sewage disposal system. The construction of

such public systems, or either of them, may be financed, in whole or in part by the creation of a special assessment district on district which may include all site condominium Units in the Hills of Tyrone. The acceptance of a conveyance or the execution of a land contract by any Owner or purchaser shall constitute the agreement by such Owner or purchaser, his heirs, executors, administrators and assigns that such Owner or purchaser will execute and petition circulated for the purpose of creating such a special assessment district. The Board of Directors of the Association shall be vested with full power and authority to obligate all Co-owners to participate in a special assessment district or districts an d to consider and act upon all other community water and sewer issues on behalf of the Association and will Co-owners. Further, each Owner will pay such special assessments as may be levied against his Unit by any such special assessment district and shall take the necessary steps as required by the appropriate state, county and township agencies and by the Association, acting through its Board of Directors to connect, at his own expense, his water intake and sewage discharge facilities to such community system within ninety (90) days following the completion of said system or systems.

WITNESSES:

HILLS OF TYRONE DEVLOPMNET, INC.,
a Michigan corporation

_____
Marcia J. Dicks

By:_____
Timothy A. Dicks
President

_____
Elizabeth J. Bansberg

STATE OF MICHIGAN)
) SS:
COUNTY OF WAYNE)

On the_____ day of November, 1992, the foregoing instrument was acknowledged before me by Timothy A. Dicks, President, of Hills of Tyrone Development. Inc., a Michigan corporation, on behalf of the corporation.

_____
Elizabeth J. Bansberg
Notary Public, Wayne County, Michigan

My commission expires: 3/9/94

DRAFTED BY AND WHEN RECORDED RETURN TO:

Timothy A. Dicks, of Hills of Tyrone Development, Inc.
1407 Penniman, Plymouth Michigan 48170