

EXHIBIT A

DISCLOSURE
STATEMENT

DISCLOSURE STATEMENT

WHISPERING PINES OF GRAND BLANC

I - INTRODUCTION

Condominium development in Michigan is governed largely by Act 59 of the Michigan Public Acts of 1978, as amended, by Act 538 of the Michigan Public Acts of 1982, and Act 113 of the Michigan Public Acts of 1983 (together herein called the Condominium Act). The Condominium and Living Care Division of the Corporation and Securities Bureau of the Michigan Department of Commerce polices the law under which condominium projects are developed in this state.

This Disclosure Statement, together with copies of the legal documents required for the creation and operation of the project, are 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 which are offered for sale.

II - THE CONDOMINIUM CONCEPT

A condominium is a form of 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 applicable to the property.

A "site condominium," such as WHISPERING PINES OF GRAND BLANC, is identical in legal attributes to any other condominium. However, in a site condominium, the "unit" is the envelope of land and space within which the owner subsequently causes a house to be built. The improvement (i.e., the house) is not a part of the original unit - only the land and air space is being sold as a condominium unit.

Each owner receives a deed to his individual condominium unit. Each owner owns, in addition to his unit, an undivided interest in the common facilities ("common elements") which service the project. Title to the common elements is included as a 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.

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

The 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, real property taxes and assessments are levied individually against each unit in the project. The separate taxes and assessments cover the unit, improvements on it 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 expansion amendment is recorded, the taxes and assessments for the units covered by the Master Deed or expansion amendment 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.

Although the foregoing is generally accurate as applied to most residential condominium developments, the details of each development may vary substantially. Accordingly, each purchaser is urged to carefully review all of the documents contained in WHISPERING PINES OF GRAND BLANC Purchaser Information Booklet, as well as any other documents that have been delivered to the purchaser in connection with this development. Any purchaser having questions pertaining to the legal aspects of the project is advised to consult his own lawyer or other professional advisor.

III - SCOPE OF DEVELOPMENT

WHISPERING PINES OF GRAND BLANC, a site condominium, is being developed in Grand Blanc Township, Genesee County, Michigan. There are Twenty-Four (24) units being created in the Master Deed in the first phase with the possible expansion to a maximum of 124 units.

That portion of the land that is not designated as "units" on the Plan will be general or limited common elements. The general common elements will be used and maintained in common by all co-owners of units. Whispering Pines of Grand Blanc Association will be responsible for the maintenance of the general common elements. The Master Deed must be examined carefully to determine each co-owner's rights and obligations with respect to the common elements.

WHISPERING PINES OF GRAND BLANC is served by gas, electric and telephone service. Public water and sewer connections exist. Gas service is furnished by Consumers Power Co., electricity is furnished by Consumers Power telephone service is provided by Ameritech, and cable by Comcast Cable; and all are individually billed to each unit by the utility companies for payment by the co-owner. The costs of maintaining the storm drain system serving the project, to the extent those systems are located within the project boundaries, will be borne by the Condominium Association.

No recreational facilities are planned for WHISPERING PINES OF GRAND BLANC and none are proposed to be built. However, Developer has leased a portion of the Consumer Power property to the east of the Project and will consider assignment of the leased property to the Association of co-owners for a recreational field, if the Association wishes to do so and is willing to assume the leasehold costs.

IV - STRUCTURES AND IMPROVEMENTS WHICH "NEED NOT BE BUILT"

The Condominium Act of Michigan requires the Developer to label the structures and improvements on the Condominium Plan as either "MUST BE BUILT" or "NEED NOT BE BUILT"; however, as units are sold as undeveloped sites, there are few "MUST BE BUILT" improvements. All "MUST BE BUILT" improvements are so noted on the Condominium Plan to Whispering Pines of Grand Blanc.

V - ESCROW AGREEMENT

Developer has entered into an Escrow Agreement with FIRST AMERICAN TITLE COMPANY, as escrow agent, which provides that all deposits made under purchase agreements be placed in escrow. The Escrow Agreement provides for the release of an escrow deposit to any purchaser who withdraws from a Purchase Agreement in accordance with the Purchase Agreement. Such a withdrawal is permitted by each Purchase Agreement if it takes place within nine business days after the purchaser has received all of the condominium documents, or if the Purchase Agreement is conditional upon obtaining a mortgage and purchaser is unable to do so, or if the condominium documents are changed in a way that materially reduces a purchaser's rights. 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 the project drive) 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 do not include the costs of installation of utility leads or 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.

VI - WARRANTY

As the units being sold in this condominium project consist of the undeveloped sites only, no warranties, expressed or implied, are given by the Developer as to any improvements to be built thereon. Any and all warranties relating to structures built on and improvements to the units will be given by the contracting builder, under a separate construction agreement.

The Developer does not contemplate constructing any improvements to the common elements other than the project roads, storm drains and street lights. As to those common elements, the warranty from developer that same shall be free from defects in material and workmanship will extend for a period of one (1) year, starting with the first closing on a unit in the condominium or starting with the construction of the common element, whichever date is later. Written notice of any defect in the common elements must be given by purchaser to Developer within the one-year period in order to be covered by the warranty. Except for emergencies or in other extraordinary circumstances, all warranty claims must be submitted in writing to the Developer at its address appearing on the cover sheet of this Disclosure Statement within the applicable one-year warranty period. In the case of emergencies, purchaser should contact the Developer by telephone at the number shown on the cover sheet of this Disclosure Statement. This warranty as extended only to the first purchaser of each unit and is not transferable. THERE ARE NO WARRANTIES, EXPRESS OR IMPLIED, EXCEPT AS SPECIFICALLY STATED HEREINABOVE.

VII - MANAGEMENT OF THE CONDOMINIUM ASSOCIATION

The common affairs of the co-owners and all matters relating to the common elements of the condominium will be managed exclusively by the WHISPERING PINES OF GRAND BLANC Association, a Michigan non-profit corporation. As each individual purchaser acquires title to a condominium unit, the purchaser will also become a member of the Association. The manner in which the Association will be run by its members, its officers and its Board of Directors is set forth in the ByLaws and Articles of Incorporation which are included with each purchaser's ownership documents. The Association was formed by certain persons acting at the request of the Developer. These persons make up the first Board of Directors of the Association to control the affairs of the Association until other directors are elected. The election of directors of co-owners (including Developer voting as a co-owner) cannot take place later than 54 months after the first closing of a unit. It is likely that the non-developer co-owners will have voting rights sooner than that time, depending upon the number of units conveyed. Voting rights are set forth in detail in Article

VIII of the By-Laws, and these provisions should be carefully reviewed. Within one year after the first conveyance of a unit, or 120 days after conveyance of one-third of all the units which may be created, whichever occurs first, an advisory committee of co-owners will be established to facilitate communication and aid transition of control to the co-owners.

VIII - BUDGET AND ASSESSMENTS

The budget required to conduct the business of the Association has been estimated by the Developer. A copy of the estimated budget for the first year of operation is attached to this Disclosure Statement. The initial condominium assessments charged to members are based upon this budget; however, it must be kept in mind that this is an estimate only, and there can be no guarantee that the budget will be sufficient to meet the expenses of the Association. It is normal for Association expenses to increase on a regular basis. The Association's only source of revenue to fund its budget is by the assessment of its members. Each co-owner must pay to the Association an annual assessment which is determined in part by dividing the projected budget by the member's percentage of value which is stated in the Master Deed. The annual assessment must be paid to the Association by each co-owner in 12 equal monthly assessments. In the event that the Association incurs expenses which are not anticipated in the budget, the Association may also levy special assessments to cover such expenses. Any special assessments would be allocated to the co-owners in accordance with the percentages of value stated in the Master Deed. Before the first annual meeting of the co-owners, the Developer will not pay Association assessments but will pay for the maintenance and insurance of its own units. The Developer will only pay regular monthly assessments after the first annual meeting for completed units owned by Developer.

IX - RESTRICTIONS

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

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

1. No condominium unit in the condominium project may be used for other than a single-family residential purpose.

2. The Developer shall have certain architectural control power over proposed dwellings to be built.

3. Only household pets may be kept in the units.
4. The common elements may not be obstructed in any way.
5. No signs may be used on the premises, (but not including "For Sale" signs).
6. The Association may impose reasonable regulations in addition to the restrictions in the Condominium By-Laws.

X - THE DEVELOPER

A. DEVELOPER'S BACKGROUND AND EXPERIENCE

The Developer, WHISPERING PINES OF GRAND BLANC L.L.C., is an existing Michigan limited liability company. It has no prior experience in condominium development. The principal of that L.L.C. is Mr. Anthony McKerchie.

B. LEGAL PROCEEDINGS INVOLVING THE CONDOMINIUM PROJECT OR THE DEVELOPER

The Developer is not presently aware of any pending judicial or administrative proceedings involving the condominium project or the Developer.

XI - INSURANCE

An owner's title insurance policy will be supplied each individual purchaser as the sales of the units are closed. These title insurance policies will be ordered by the Developer at its own expense upon the closing of each sale. The policies will be in the face amount of the purchase price of each unit. The title policies will be issued by FIRST AMERICAN TITLE INSURANCE COMPANY, as agent. The policies will insure each purchaser that the purchaser's title to the unit received from the Developer is in the condition required by each Purchase Agreement.

XII - POSSIBLE LIABILITY FOR ADDITIONAL ASSESSMENTS

It is possible for co-owners to become obligated to pay a percentage share of assessment delinquencies incurred by other co-owners. This can happen if a delinquent co-owner defaults on a first mortgage and if the mortgagee forecloses. The delinquent assessments then become a common expense which is reallocated to all the co-owners, including the first mortgage, in accordance with the percentages of value in the Master Deed. The Bylaws provide in part:

"If the mortgagee of a first mortgage of record or other purchaser of a condominium unit obtains title

to the condominium unit as a result of foreclosure of the first mortgage, such person, its successors and assigns, is not liable for the assessments by the Association chargeable to the unit which became due prior to the acquisition of title to the unit by such person and the expiration of the period of redemption from such foreclosure. The unpaid assessments are deemed to be common expenses collectible from all of the condominium unit owners including such persons, their successors and assigns."

XIII - EASEMENTS

The condominium premises will be subject to a number of easements. The Master Deed describes certain reciprocal easements granted to condominium co-owners and to the condominium association. In the Master Deed, Developer has retained various easements over the condominium premises for various purposes including utility, ingress and egress easements to service the land within the condominium. There are also easements and other interests relating to utilities which will be described in each title insurance commitment and policy, which should be reviewed by purchasers and their attorneys prior to closing. The Master Deed permits Developer to maintain offices, model units and sales facilities in the condominium. The Master Deed also grants condominium owners certain easement rights over land adjacent to the condominium to assure ingress and egress to the condominium and access to water and storm sewer connections.

XIV - PURPOSE OF DISCLOSURE STATEMENT

This Disclosure Statement was prepared by Developer in compliance with the Michigan Condominium Act. This statement paraphrases various provisions of the Purchase Agreement, Escrow Agreement, Master Deed, and other documents required by law. This statement only highlights certain provisions of such documents and by no means contains a complete statement of all of the provisions of those documents which may be important to purchasers. In an attempt to be more readable, this statement omits most legal phrases, definitions and detailed provisions of the other documents. This statement is not a substitute for the legal documents which it draws information from, and the rights of purchasers and other parties will be controlled by the other legal documents and not by this Disclosure Statement. All of the documents referred to in this statement should be carefully reviewed by the prospective purchasers, and it is advisable to have professional assistance in making this review.

Developer is required by law to prepare this statement. However, Developer disclaims liability to any purchaser for misstatements herein (or for omissions which make statements herein appear misleading) if such misstatements were made by the Developer

in good faith, or were immaterial in nature, or were not relied upon by the purchaser, or did not result in any damages to the purchaser. Developer is required to give each purchaser a copy of The Condominium Buyers' Handbook. This handbook was prepared by the Michigan Department of Commerce, and Developer accepts no responsibility for its contents.

WHISPERING PINES OF GRAND BLANC ASSOCIATION
(proposed)
First Annual Budget

Insurance	\$ 400.00
Water	-0-
Electric	-0-
Lawn and Grounds	200.00
Snow removal	600.00
Maintenance (roadway, front sign, and storm drainage)	300.00
Supplies	50.00
Legal	100.00
Accounting	100.00
Miscellaneous	<u>100.00</u>
	\$1,450.00
Reserve for replacement (10%)	<u>185.00</u>
Total	<u>\$2,035.00</u>

2,035 divided by 24 units = \$85.00/yr.
 /qtr.

EXHIBIT B

MASTER DEED

MASTER DEED

WHISPERING PINES OF GRAND BLANC

This Master Deed is made and executed on this 27th day of June, 1996, by Whispering Pines of Grand Blanc, L.L.C., a Michigan Limited Liability Company (hereinafter referred to as "Developer"), the address of which is 9317 McWain, Grand Blanc, MI 48439, in pursuance of the provision 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, and copies of the detailed plans and specifications for the Project have been filed in the offices of Grand Blanc Township.

NOW, THEREFORE, the Developer does, upon the recording hereof, establish Whispering Pines of Grand Blanc as a Condominium Project under the Act and does declare that Whispering Pines of Grand Blanc (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 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, it is provided as follows:

ARTICLE I

TITLE AND NATURE

The Condominium Project shall be known as Whispering Pines of Grand Blanc, Genesee County Condominium Subdivision Plan No. _____. 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 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:

A parcel of land located in the SE 1/4 of Section 29, T6N-R7E, Grand Blanc Township, Genesee County, Michigan, described as follows: Beginning at a point on the east line of said Section 29 which is S00°17'35"W 290.40 feet from the E 1/4 corner of said section; thence from the point of beginning S00°17'35"W along said 1/4 line, a distance of 366.99 feet; thence S89°23'00"W 1341.59 feet to the centerline of McWain Road, so-called; thence N00°03'10"W 381.40 feet, to the south line of the recorded plat of "Whispering Winds" as recorded in Liber 60 of Plats on Pages 50 & 51, Genesee County Records; thence along said Plat line N89°59'56"E 1343.74 feet to the point of beginning. Said Parcel containing 11.52 acres of land.

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 rules and regulations of the Whispering Pines of Grand Blanc Association, and deeds, mortgages, liens, land contracts, easements and other instruments affecting the establishment of, or transfer of, interests in Whispering Pines of Grand Blanc 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 Whispering Pines of Grand Blanc 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 (and any additions thereto by subsequent amendment of this Master Deed), all improvements and structures thereon, and all easements, rights and appurtenances belonging to Whispering Pines of Grand Blanc as described above.

Section 7. Condominium Project, Condominium or Project. "Condominium Project", "Condominium" or "Project" means Whispering Pines of Grand Blanc, as a Condominium Project established in conformity with the Act.

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

Section 9. 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". A land contract purchaser of a condominium unit shall be considered the Co-Owner, provided: (1) an executed copy of the land contract has been filed with the Association, and (2) the land contract purchaser is not declared in default of the land contract pursuant to a written notice of default sent by the land contract seller and copied to the Association.

Section 10. Developer. "Developer" means Whispering Pines of Grand Blanc, L.L.C., a Michigan limited liability company, 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 11. 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.

Section 12. First Annual Meeting. "First Annual Meeting" means the initial meeting at which non-developer Co-Owners are entitled 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 which may be created are sold, or (b) mandatorily within (i) 54 months from the date of the first Unit conveyance, or (ii) 120 days after 75% of all Units which may be created are sold, whichever first occurs.

Section 13. 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 14. Unit or Condominium Unit. "Unit" or "Condominium Unit" each mean the enclosed space constituting a single complete Unit in Whispering Pines of Grand Blanc as such space may be 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

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

(a) Electrical, Telephone and Cable. The electrical, telephone and cable transmission mains throughout the Project up to the respective transformers for each Unit.

(b) Storm Sewers. Any storm sewer system which may ultimately be installed in the Condominium and the easements within which the same are located.

(c) Roadways. The roadways in the project as shown in Exhibit B, unless and until same may be dedicated to the Genesee County Road Commission.

(d) Sanitary Sewers. All sanitary sewers which may be installed in the Condominium, up to the point of connection with residential structures in or on the Unit.

(e) Other. Such other areas not described herein as units or Limited Common Elements.

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) Vertical Area Above and Below Unit. As depicted on Exhibit B, the vertical space above and below the unit shall be a limited common element appurtenant to said unit, provided, however, any subsurface mineral interests or rights therein shall remain a general common element controlled by the Association.

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

(a) Co-Owner Responsibilities.

(i) Units and Limited Common Elements. The responsibility for and the costs of maintenance, decoration, repair and replacement within the Unit and the setback area appurtenant to each Unit and the appurtenant limited common elements shall be borne by the Co-Owner of such Unit; Provided, however, that the exterior appearance of the improvements within Units and setback areas, to the extent visible from any other Unit or Common Element in the Project, shall be subject at all times to the reasonable aesthetic and maintenance standards prescribed by the Association in the Bylaws and in duly adopted rules and regulations.

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

In the event that a storm sewer is installed at the Developer's election, then the same shall be a General Common Element and shall be maintained, repaired and replaced by the Association.

(b) Association Responsibilities. The costs of maintenance, repair and replacement of all General Common Elements shall be borne by the Association, subject to any provisions of the Bylaws expressly to the contrary. The Association shall not be responsible, in the first instance, 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 and as the Co-Owners may unanimously agree (including, without limitation, lawn mowing, snow removal and tree trimming). 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.

Section 4. Utility Systems. Some or all of the utility lines, systems (including mains and service leads) and equipment and the telecommunications facilities, if any, described above may be owned by the local public authority or by the company that is providing the pertinent service. Accordingly, such utility lines, systems and equipment, and any telecommunications facilities, shall be 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 setback 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 setback 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.

ARTICLE V

UNIT DESCRIPTIONS AND PERCENTAGES OF VALUE

Section 1. Description of Units. There are 24 units in the Project. Each Unit in the Condominium Project is described in this Paragraph with reference to the Condominium Subdivision Plan of Whispering Pines of Grand Blanc as prepared by Cornerstone Engineering & Surveying, Inc. and attached hereto as Exhibit B. Each Unit shall consist of the space located within Unit boundaries as shown in Exhibit B hereto and delineated with heavy outlines.

Section 2. Percentages of Value. The percentage of value assigned to each Unit shall be equal, based on equal burdens and benefits of the roadway. The percentage of value assigned to each Unit shall be determinative of each Co-Owner's respective share of the Common Elements of the Project, the proportionate share of each respective Co-Owner in the proceeds and expenses of administration and the value of each Co-Owner's vote at Association meetings.

ARTICLE VI

EASEMENTS

Section 1. Easement for Utilities. There shall be utility easements for gas, electricity, telephone, sanitary sewer lines and storm drains as set forth on Exhibit B hereto. There shall be easements to, through and over those portions of the land (including all Units), structures, buildings and improvements in the Condominium for the continuing maintenance, repair, replacement, enlargement of any General Common Element utilities in the Condominium as depicted on the Condominium Subdivision Plan as the same may be amended from time to time.

Section 2. Easements Retained by Developer.

(a) Utility Easements. The Developer also hereby reserves for the benefit of itself, its successors and assigns, perpetual easements to utilize, tap, tie into, extend and enlarge all utility mains located in the Condominium, including, but not limited to, water, gas, 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 equitably borne by the Co-Owners of this Condominium.

Section 2. 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 easements, licenses, rights-of-entry and rights-of-way over, under and across the Condominium Premises for utility purposes, access purposes or other lawful purposes as may be necessary for the benefit of the Condominium subject, however to the approval of 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 benefited thereby.

Section 3. Association, Developer and Utilities 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. While it is intended that each Co-Owner shall be solely responsible for the performance and costs of all maintenance, repair and replacement of any decoration of the residence and all other appurtenances and improvements constructed or otherwise located within his Unit, it is nevertheless a matter of concern that a Co-Owner, may fail to properly maintain the exterior of his Unit, in a proper manner and in accordance with the standards set forth in Article VI of the Bylaws. Therefore, in the event a Co-Owner fails, as required by this Master Deed or the Bylaws, to properly and adequately maintain, decorate, repair, replace or otherwise keep his Unit or any improvements or appurtenances located therein, the Association (and/or the Developer during the Development and Sale Period) shall have the right, and all necessary easements in furtherance thereof, (but not the obligations) to take whatever action or actions it deems desirable to so maintain, decorate, repair or replace the Unit and its appurtenances all at the expense of the Co-Owner of the Unit. Failure of the Association (or 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 4. 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.

9. Units 1 and 23 shall be restricted for any driveway entrance purposes to Lindsay Lane.

ARTICLE VII

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, except as otherwise expressly provided above to the contrary.

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 Developer. Prior to one (1) year after expiration of the Development and Sales Period, the Developer may, without the consent of any Co-Owner or any other person, amend this

Master Deed and the Condominium Subdivision Plan attached as Exhibit B in order to correct survey or other errors made in such documents, reflect changes in location of limited common elements and to make such other amendments to such instruments and to the Bylaws attached hereto as Exhibit A as do not materially affect any rights of any Co-Owners or mortgagees in the Project.

Section 4. Change in Percentage of Value. The value of the vote of any Co-Owner and the corresponding proportion of common elements 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.

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 VIII

ASSIGNMENT

Any or all of the rights and powers granted or reserved to the Developer in the Condominium Document or Bylaws, 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 Genesee County Register of Deeds.

WITNESSES:

WHISPERING PINES OF GRAND BLANC, L.L.C.

Nancy L. Mumma
Nancy L. Mumma

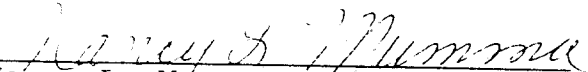
BY:

Richard Yenor
Richard Yenor, Member

John A. Stevens
John A. Stevens

STATE OF MICHIGAN)
) SS.
COUNTY OF OAKLAND)

On this 27th day of June, 1996, the foregoing Master Deed was
acknowledged before me by RICHARD YENOR, on behalf of said company.


Nancy L. Mumma, Notary Public
Oakland County, Michigan
My Commission Expires: 9/11/00

Master Deed drafted by:

John A. Stevens, Esq.
Matheson, Parr, Schuler,
Ewald & Jolly, LLP
2555 Crooks Road, Suite 200
Troy, MI 48084
(810) 643-7900
WHEN RECORDED, RETURN TO DRAFTER.

EXHIBIT C

CONDOMINIUM BYLAWS
AND
CORPORATE BYLAWS

“THE BYLAWS”

WHISPERING PINES OF GRAND BLANC CONDOMINIUM

EXHIBIT A

BYLAWS

ARTICLE I

ASSOCIATION OF CO-OWNERS

WHISPERING PINES OF GRAND BLANC Condominium, a residential Condominium Project located in the Township of Grand Blanc, Genesee County, Michigan, shall be administered by an Association of Co-owners 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 authorization 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 Common Elements or the administration of the Condominium Project shall constitute

expenditures affecting the administration of the Condominium 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 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 Common Elements that must be 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 that the assessments levied are or may prove to be insufficient to pay the costs of operation and management of the Condominium, the Board of Directors shall have the authority to increase the general assessments or to levy such additional assessment or assessments as it shall deem to be necessary.

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. 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. The Association may assess reasonable automatic late charges or may, pursuant to Article XIX, Section 4 hereof, levy fines for late payment of assessments. 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 the Developer shall be so personally liable and such land contract seller shall not be personally liable for all such assessments 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, late 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.

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 the 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 assessments for the pertinent fiscal year immediately due and payable.

(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. 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 ten (10) 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 other 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 of the 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 Township of Grand Blanc.

Section 8. 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 hereto 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 liability insurance, if applicable, pertinent to the ownership, use and maintenance of the General Common Elements and the administration of the Condominium Project. Each Co-owner shall be obligated and responsible for

obtaining fire and extended coverage and vandalism and malicious mischief insurance with respect to the buildings and all other improvements constructed or to be constructed within the perimeter of his Condominium Unit and its appurtenant Limited Common Element setback area and for his personal property located therein or thereon or elsewhere on the Condominium Project. 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 setback area or the improvements located thereon, and also for any other personal insurance coverage that the Co-owner wishes to carry. The Association may, at its option and election, obtain any of the insurance coverage required to be carried by an Co-owner, and include such expenses as a part of the administration of the project.

Section 2. 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 accordance on or within such individual Co-owner's Unit or appurtenant Limited Common Element setback 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 2 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 AND REPAIR/EMINENT DOMAIN

Section 1. Association Responsibility for Repair. Immediately after the occurrence of a casualty causing damage to a General Common Element, the Association shall obtain reliable and detailed estimates of the cost to place the damaged property in a condition as good as that existing before the damage. If the proceeds of insurance are not sufficient to defray the estimated cost of reconstruction or repair required to be performed by the Association, or if at any time during such reconstruction or repair, or upon completion of such reconstruction or repair, the funds for the payment of the cost thereof are insufficient, assessment shall be made against all Co-owners for the cost of reconstruction or repair of the damaged property in sufficient amounts to provide funds to pay the estimated or actual cost of repair.

Section 2. Timely Reconstruction and Repair. If damage to the General Common Elements adversely affects the appearance or utility of the Project, the Association shall proceed with replacement of the damaged property without delay.

Section 3. Co-owner's Responsibility. Each Co-owner shall be responsible for all maintenance, repair and replacement required within his Unit or the Limited Common Element Setback Area appurtenant thereto.

Section 4. 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 in number and in value shall determine whether to rebuild, repair or replace the portion so taken or to take such other action as they deem appropriate.

(c) Continuation of Condominium After Taking. In the event the Condominium Project continues after 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 an officer of the Association duly authorized by the Board of Directors without the necessity of execution or specific approval thereof by an Co-owner.

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

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

Section 5. 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 mortgagees 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. No building of any kind shall be erected except private residences and structures ancillary thereto. Only one residence may be erected within any Unit, which shall not exceed two stories in height. No mobile unit, building or trailer shall be moved onto any unit.

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 6 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. Within five (5) days after such a lease is executed, the Co-owners shall provide to the Association all information on the tenant(s) as the Association may require.

(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 conditions of the Condominium Documents. The relief provided for in this subparagraph may be summary proceeding. The Association may hold both the tenant and the Co-owner liable for any damages to the Common Elements caused by the Co-owner or tenant in connection with the Unit or Condominium Project.

(4) When a Co-owner is in arrears to the Association for assessments, the Association may give written notice of the arrearage to a tenant occupying a Co-owner's Unit under a lease or rental agreement and the tenant, after receiving the notice, shall deduct from rental payments due the Co-owner the arrearage and future assessments as they fall due and pay them to the Association. The deductions shall not constitute a breach of the rental agreement or lease by the tenant.

Section 3. Architectural Control. The Developer of the Project intends that there shall be a residential dwelling and certain other improvements within the boundaries of each of the Condominium Units in the Project. A Co-owner shall engage the services of a licensed builder to construct improvements (including the residential dwelling) within the boundaries of a Condominium Unit. Developer shall be entitled to require that the builder or Co-owner furnish to the Association adequate security, in Developer's discretion, to protect the Association against costs and expenses which it might incur in connection with the failure to complete construction in a timely and diligent manner in accordance with the approved plans and specifications for the dwelling and its appurtenances. 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. 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. The following building restrictions will apply to all units and improvements thereon:

(a) No residential structure with less than a 5/12 roof pitch will be permitted.

(b) No residential structure exceeding two (2) stories in height above grade level will be permitted without prior written approval of the Developer ; however, "tri-level" or "quad-level" structures, as approved by developer, shall not constitute a violation of this paragraph. All residential structures shall have an attached two-car (minimum) garage.

(c) Single-level ranch-type structures, with basement or crawl space below grade level shall be at least 1735 square feet in size. No ranch shall be constructed on a slab foundation.

(d) Tri-level residential structures (being 1-1/2 stories high above grade level) shall have finished floor area in the two upper floors of at least 2100 square feet.

(e) Quad-level residential structures (being 1-1/2 stories high above grade level) shall have total finished floor area in the upper two floors of at least 2100 square feet.

(f) Two story residential structures (two stories above grade level) shall have at least 1050 square feet at grade level and at least 2100 square feet total area, all finished.

(g) Square foot area shall be computed by including exterior walls, partitions, bay windows, if same reach to the floor and are fully enclosed, heated areas. Attached garages, basements and crawl spaces shall not be so included.

(h) In-ground or above-ground pools may be constructed with prior written approval of the plans by the Developer.

(i) No fences other than living shrubs and wood fences of corral or picket-type shall be permitted. Corral or picket-type wood fences may be erected on side and street front lines, providing that such fences shall not exceed forty-two inches (42") in height. No hedge or living shrub will be permitted in front of the front building line in excess of four feet (4") in height.

(j) Basic landscaping, including finish grading and seeding or sodding and installation of driveways must be completed within nine (9) months after date of occupancy.

The design and location of all dog houses, sheds or other ancillary buildings 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 Homesite 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 constructed 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. 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. Public Health Requirements. All residential dwellings shall be served by the public individual sewer and water system. All toilet facilities must be located inside a residential dwelling.

Section 5. Front Yards. The front yard areas of all Homesites (unless such Homesite is unbuilt upon) shall have well-maintained lawns. The definition of the front yard area shall be a line or lines parallel to the front street and intersecting the front of the residential structure and running from the residential structure intersecting the boundary line between the Condominium Unit and its appurtenant Limited Common Element yard area and ending at the line where each Condominium Unit's Limited Common Element yard area adjoins another Condominium Unit's Limited Common Element (or side street, if such Condominium Unit is a corner Homesite). Well-maintained lawns shall mean lawns of a uniform, recognized grass type for lawns, regularly cut to a uniform height appropriate for such grass in a first-class residential development, trimmed and edged to preserve a neat, groomed and cared-for appearance in the Condominium.

Section 6. Setbacks. No building or improvements on any homesite shall be erected nearer than 30 feet to the front roadway line. Further, no building or improvements (including swimming pools, patios, decks, pet runs or other improvements) shall be located within the rear 35 feet of any Homesite or within 15 feet of side lot lines of each Homesite or as approved by Developer.

Section 7. Alterations and Modifications of Common Elements. No Co-owner shall make alterations, modifications or changes in any of the Common Elements without the express written approval of the Board of Directors, including, without limitation, the erection of antennas, lights, aerials, awnings, flag poles or other exterior attachments or modifications. No Co-owner shall in any way restrict access to any utility line, or any other element that must be accessible to service the Common Elements or any element which affects an Association responsibility in any way. 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 Homesite and such antennae shall not be permitted to be installed unless its location is 40 feet from a side or rear Limited Common Element boundary line adjoining a neighboring Limited Common Element of another Homesite or roadway boundary line. Such antennae must be approved by the Developer or the Association prior to their installation and such antennae may be rejected no matter where they are proposed to be installed if the Developer or the Association, in their sole judgment, deem such an antennae too large or visually unappealing.

Section 8. Activities. No immoral, improper, unlawful, noxious or offensive activity shall be carried on in any Unit or upon the Common Elements nor shall anything be done which may be or become any 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 9. Pets. No animals, other than household pets, shall be maintained by any Co-owner. 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 even if permission was previously granted to maintain the pet on the premises. The Association may charge all Co-owners maintaining animals a reasonable additional assessment to be collected in the manner provided in Article 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 or alternatively revoke the right to maintain such pets.

Section 10. Aesthetics. The Common Elements shall not be used for storage of supplies, materials, personal property or trash or refuse of any kind, except as provided in duly adopted rules and regulations of the Association. 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 or objectionable materials shall be allowed on any Homesite 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. In general, no activity shall be carried on nor conditioned maintained by a Co-owner, either in his Unit or upon the Common Elements, which is detrimental to the appearance of the Condominium.

Section 11. Vehicles. No house trailers, commercial vehicles, boat trailers, boats, camping vehicles, camping trailers, motorcycles, all-terrain vehicles, snowmobiles, snowmobile trailers or vehicles, other than automobiles or vehicles used primarily for general personal transportation purposes, may be parked or stored upon the premises of the Condominium unless in garages. Passenger vehicles shall be parked in garages to the extent possible. Garage doors shall be kept closed when not in use. No inoperable vehicles of any type may be stored outdoors under any circumstances. Commercial vehicles and trucks shall not be parked in or about the Condominium (except as above provided) unless while making deliveries or pickups in the normal course of

business. The Association may prohibit parking of vehicles other than passenger vehicles on the General or Limited Common Elements. Co-owners shall, if the Association shall require, register with the Association all cars maintained on the Condominium Premises.

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, (but not including "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, and shall become effective thirty (30) days after receipt by the 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. 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. No noisy vehicles such as motorcycles, mini-bikes or all-terrain vehicles shall be operated on the Condominium roadways except as may be minimally necessary for ingress and egress to and from Homesites.

Section 16. Co-owner Maintenance. Each Co-owner shall maintain his Unit and any Limited Common Elements appurtenant thereto for which he has maintenance responsibility in a safe, clean and sanitary condition. Each Co-owner shall also use due care to avoid damaging any of the Common Elements including, but not limited to, the telephone, water, gas, plumbing, electrical or other utility conduits and systems and any other Common Elements in any Unit which are appurtenant to or which may affect any other Unit. Each Co-owner shall be responsible for damages or costs to the Association resulting from negligent damage to or misuse of any of the Common Elements by him, or his family, guests, agents or invitees, unless such damages or costs are covered by insurance carried by the Association (in which case there shall be no such responsibility, unless reimbursement to the Association is limited by virtue of a deductible provision, in which case the responsible Co-owner shall bear the expense to the extent of the deductible amount). Any costs or damages to the Association may be assessed to and collected from the responsible Co-owner in the manner provided in Article II hereof.

Section 17. 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 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 (including a temporary building or mobile trailer), 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 Project by the Developer and may continue to do so during the entire Development and Sales Period.

(c) 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.

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 the 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 shall be the only person entitled to vote at a meeting of the Association until the First Annual Meeting of members and shall be entitled to vote during such period notwithstanding the fact that the Developer may own no Units at some time or from time to time during such period. At and after the First Annual Meeting, the Developer shall be entitled to one vote for each Unit which it owns.

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 in number and in value 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.

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% in value 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 and may require such majority to be one of both number and value of designated voting representatives present in person or by proxy, or by written vote, if applicable, at a given meeting of the members of the Association.

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 White House have been sold 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.

Section 3. Annual Meetings. Annual meetings of members of the Association shall be held on the third Tuesday of March each succeeding year after the year in which the First Annual Meeting is held, 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 one 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/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 one (1) year after conveyance of legal or equitable title to the first Unit in the Condominium to a purchaser or within one hundred twenty (120) days after conveyance to purchaser of three (3) of the Units, whichever first occurs, the Developer shall cause to be established an Advisory Committee consisting of at least one (1) non-developer Co-owner. The Committee shall be established and perpetuated in any manner the Developer deems advisable, except that if more than two (2) 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 shall 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. 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, except for the first Board of Directors, shall be comprised of three (3) members in accordance with the provisions of Section 2 hereof, all of whom 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 shall be composed of one person and such first Board, or its successors as selected by the Developer, shall manage the affairs of the Association until the appointment of the first non-developer Co-owner to the Board. Immediately prior to the appointment of the first non-developer Co-owner to the Board, the Board shall be increased in size from 1 person to 3 persons. Thereafter, elections for non-developer Co-owner Directors shall be held as provided

in subsections (b) and (c) below.

(b) Appointment of Non-developer Co-owners to the 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% of the Units, 1 of the 3 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. Upon certification by the Co-owners to the Developer of the Director so elected, the Developer shall then immediately appoint such Director 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% of the Units, 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 it owns at least 10% of the Units in the Project. 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 of 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 subsection (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 a 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, 2 Directors shall be elected for a term of 2 years, and 1 Director shall be elected for a term of 1 year. At such meeting, all nominees shall stand for election as one slate and the 2 persons receiving the highest number of votes shall be elected for a term of 2 years, and the 1 person receiving the next highest number of votes shall be elected for a term of 1 year. At each annual meeting held thereafter, either 1 or 2 Directors shall be elected depending upon the number of Directors whose terms expire. After the First Annual Meeting, the term of office (except for 1 of the Directors elected at the First Annual Meeting) of each Director shall be 2 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 meeting of Co-owners to elect Directors and conduct other business shall be held in accordance with the provisions of Article VII, Section 3 hereof.

Section 3. Powers and Duties. The Board of Directors shall have the power and duties necessary for the administration of the affairs of the Condominium and may do all acts and things as

are not prohibited by the Condominium Documents as 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 Association shall be responsible specifically for the following:

- (a) To manage and administer the affairs of and to maintain the Condominium Project and the 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 in the Condominium and 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 thereto 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 be 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 party, 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 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-owners 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% in number and in value of all of the Co-owners, 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. 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 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 at 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 1. 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 officers, 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 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 disburse-

ments 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 Board of 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 counsel fees, reasonably incurred by or imposed upon him in connection with any proceeding 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 in such cases wherein the Director or officer is adjudged guilty of willful or wanton misconduct or gross negligence in the performance of his duties; 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 Board of Directors (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 10 days prior to payment of any indemnification which it has approved, the Board of Directors shall notify all Co-owners thereof. Further, the Board of Directors 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 in number 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 two-thirds of all Co-owners in number and in value. 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 two-thirds 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 sale of all units in the Condominium, these Bylaws may be amended by the Developer without approval from any other person so long as any such amendment does not materially diminish 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 Genesee 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

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 XVIII

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 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 upon any Unit (but not inside any residence), 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-owners 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, 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 Bylaws.

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 reservations 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.

EXHIBIT D

PLANS AND DRAWINGS

GENESEE COUNTY CONDOMINIUM
SUBDIVISION PLAN No. _____

EXHIBIT 'B' TO THE MASTER DEED OF

WHISPERING PINES OF GRAND BLANC

GRAND BLANC TOWNSHIP, GENESEE COUNTY, MICHIGAN

DEVELOPER:
WHISPERING PINES OF GRAND BLANC LLC
9317 McWAIN ROAD
GRAND BLANC, MICHIGAN 48439

SURVEYOR:
JOSEPH A. WIZYNAJUTYS P.S.
212 SILVER LAKE ROAD
FENTON MICHIGAN 48430

ATTENTION COUNTY REGISTER OF DEEDS

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

LEGAL DESCRIPTION

THE WHISPERING PINES OF GRAND BLANC LLC
SUBDIVISION PLAN NO. _____
GENESEE COUNTY, MICHIGAN

SHEET INDEX:

1. COVER SHEET
2. SURVEY PLAN
3. SITE PLAN FOR UNITS 1 THRU 7 & 18 THRU 24
4. UTILITY PLAN FOR UNITS 1 THRU 7 & 18 THRU 24
5. SITE PLAN FOR UNITS 8 THRU 17
6. UTILITY PLAN FOR UNITS 8 THRU 17

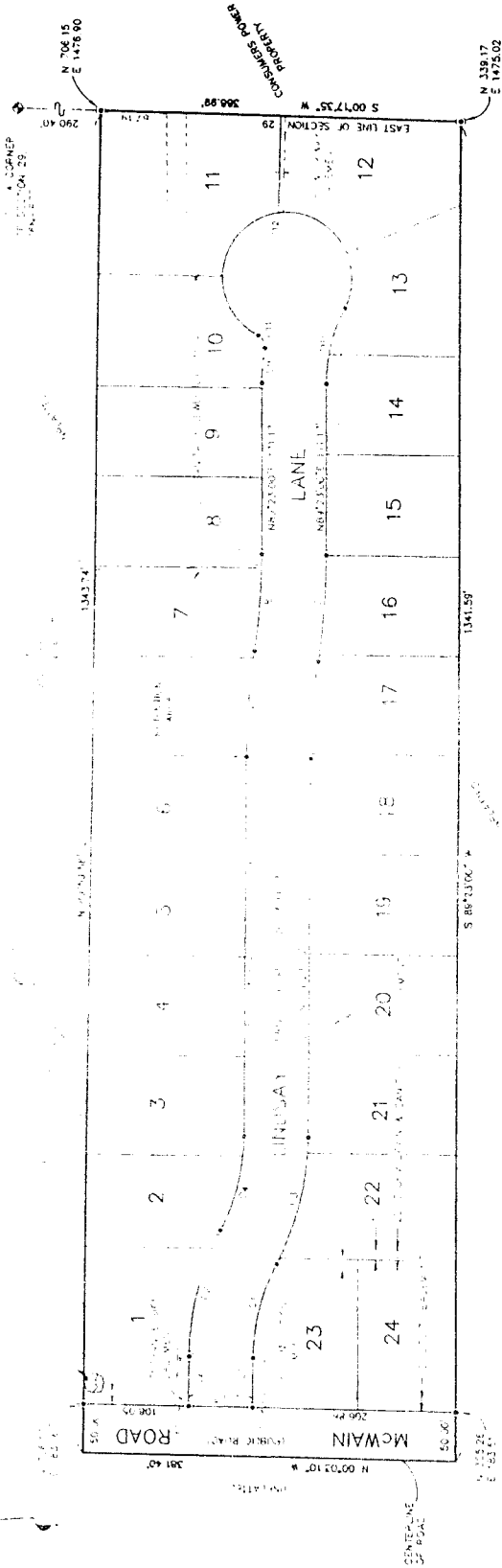
DATE: 01/24/00
BY: JAW
JOSEPH A. WIZYNAJUTYS P.S.
LICENSED PROFESSIONAL SURVEYOR NO. 21585
STATE OF MICHIGAN



7810000000 6-20-00
CORNERSTONE
SURVEYING AND ENGINEERING INC.
PO BOX 10000
ANN ARBOR MI 48106
SHEET 1 OF 6 SHEETS

WHISPERING PINES OF GRAND BLANC

BENCH MARK
NEAREST
TO THE
SECTION
E 1475 90
N 706 15



LINE DATA TABLE

LINE	BEARING	DISTANCE
1	N 706 15 W	290.00
2	E 1475 90	300.00
3	N 706 15 W	290.00
4	E 1475 90	300.00
5	N 706 15 W	290.00
6	E 1475 90	300.00
7	N 706 15 W	290.00
8	E 1475 90	300.00
9	N 706 15 W	290.00
10	E 1475 90	300.00
11	N 706 15 W	290.00
12	E 1475 90	300.00
13	N 706 15 W	290.00
14	E 1475 90	300.00
15	N 706 15 W	290.00
16	E 1475 90	300.00
17	N 706 15 W	290.00
18	E 1475 90	300.00
19	N 706 15 W	290.00
20	E 1475 90	300.00
21	N 706 15 W	290.00
22	E 1475 90	300.00
23	N 706 15 W	290.00
24	E 1475 90	300.00

CURVE DATA TABLE

LINE	FAIRWAY	CHORD	BEARING	CENTRAL ANGLE
1	60.00	96.75	N 706 15 W	2750 45
2	60.00	134.01	N 706 15 W	2750 45
3	60.00	134.01	N 706 15 W	2750 45
4	60.00	96.75	N 706 15 W	2750 45
5	60.00	96.75	N 706 15 W	2750 45
6	60.00	134.01	N 706 15 W	2750 45
7	60.00	134.01	N 706 15 W	2750 45
8	60.00	96.75	N 706 15 W	2750 45
9	60.00	96.75	N 706 15 W	2750 45
10	60.00	134.01	N 706 15 W	2750 45
11	60.00	134.01	N 706 15 W	2750 45
12	60.00	96.75	N 706 15 W	2750 45
13	60.00	96.75	N 706 15 W	2750 45
14	60.00	134.01	N 706 15 W	2750 45
15	60.00	134.01	N 706 15 W	2750 45
16	60.00	96.75	N 706 15 W	2750 45
17	60.00	96.75	N 706 15 W	2750 45
18	60.00	134.01	N 706 15 W	2750 45
19	60.00	134.01	N 706 15 W	2750 45
20	60.00	96.75	N 706 15 W	2750 45
21	60.00	96.75	N 706 15 W	2750 45
22	60.00	134.01	N 706 15 W	2750 45
23	60.00	134.01	N 706 15 W	2750 45
24	60.00	96.75	N 706 15 W	2750 45

LOCATION MAP NTS



LEGEND
CONDOMINIUM LOTS
UNIT LINES
EASEMENT LINES
EASEMENT MONUMENTS

SURVEY PLAN

SURVEYOR'S CERTIFICATE

I, CLARENCE E. BLANK, LICENSED PROFESSIONAL SURVEYOR OF THE STATE OF MICHIGAN, HEREBY CERTIFY THAT THE SUBDIVISION PLAN KNOWN AS WHISPERING PINES OF GRAND BLANC, GENESEE COUNTY CONDOMINIUM SUBDIVISION PLAN NO. 142 OF ACT NO. 59 OF THE PUBLIC ACTS OF 1978, AS SHOWN ON THE ATTACHED DRAWING, REPRESENTS A SURVEY OF THE GROUND MADE UNDER MY SUPERVISION AND IN ACCORDANCE WITH THE RULES AND REGULATIONS OF THE BOARD OF SURVEYORS OF THE STATE OF MICHIGAN, AND THAT THERE ARE NO EXISTING ENCROACHMENTS UPON THE LANDS AND PROPERTY HEREIN DESCRIBED.

THAT THE REQUIRED MONUMENTS AND IRON MARKERS HAVE BEEN LOCATED IN ACCORDANCE WITH THE RULES AND REGULATIONS OF THE BOARD OF SURVEYORS OF THE STATE OF MICHIGAN, AND THAT THE REQUIRED MONUMENTS AND IRON MARKERS HAVE BEEN LOCATED BY THE RULES PROMULGATED UNDER SECTION 142 OF ACT NO. 59 OF THE PUBLIC ACTS OF 1978, AND THAT THE REQUIRED MONUMENTS AND IRON MARKERS HAVE BEEN LOCATED BY THE RULES PROMULGATED UNDER SECTION 142 OF ACT NO. 59 OF THE PUBLIC ACTS OF 1978.

DATE: 01/27/88
CLARENCE E. BLANK, P.E.
STATE OF MICHIGAN



CORNERSTONE SURVEYING AND ENGINEERING, INC.
212 SILVER LAKE ROAD
FENTON, MICHIGAN 48430

"PROPOSED" 8-26-86
CORNERSTONE
SURVEYING AND ENGINEERING, INC.
SHEET 2 OF 6 SHEETS

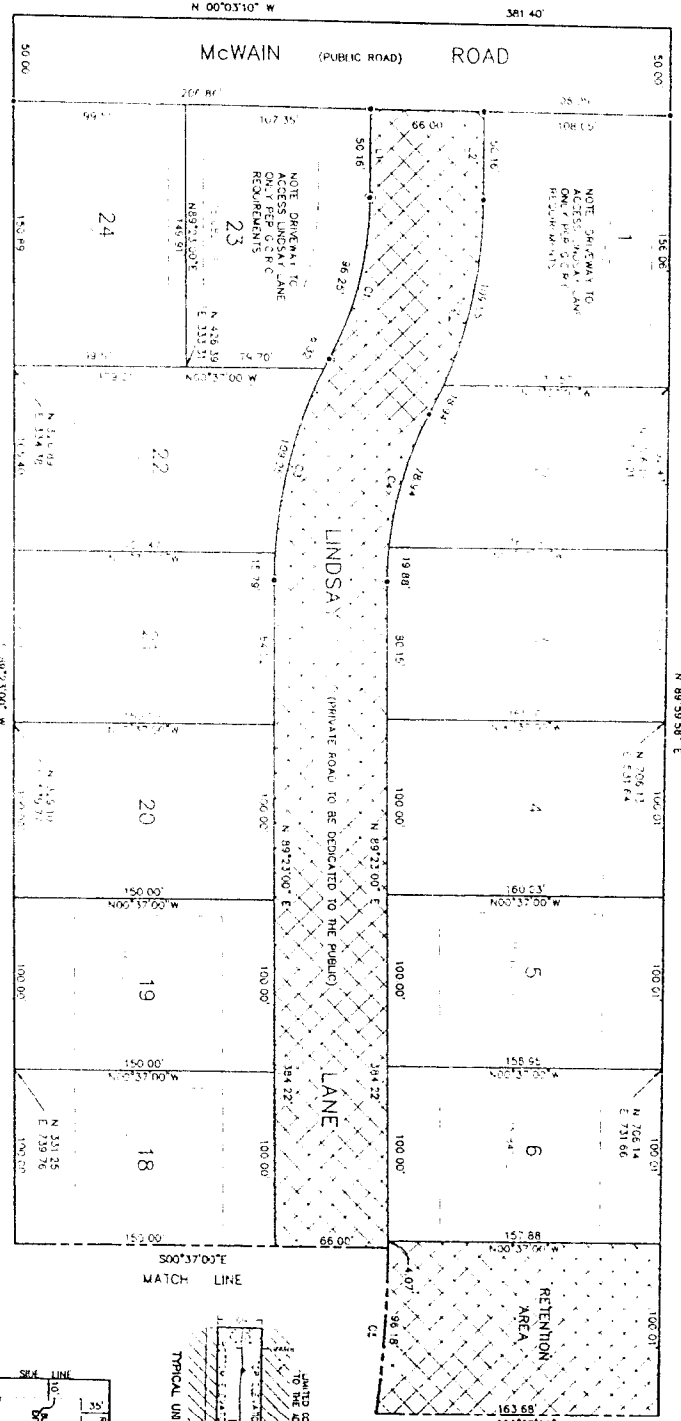
CURVE DATA TABLE

CURVE	PAVEMENT	CHORD	BEARING	CENTRA	ANGLE
C1	200.00'	96.25'	N 76° 04' 38" W	277.50'	45°
C2	268.00'	128.01'	N 76° 04' 38" W	277.50'	45°
C3	268.00'	128.01'	N 76° 04' 38" W	277.50'	45°
C4	268.00'	128.01'	N 76° 04' 38" W	277.50'	45°
C5	268.00'	128.01'	N 76° 04' 38" W	277.50'	45°
C6	268.00'	128.01'	N 76° 04' 38" W	277.50'	45°

WHISPERING PINES OF GRAND BLANC

LINE DATA TABLE

LINE	DIRECTION	DISTANCE
1	N 89° 59' 28" E	30.10'
2	N 89° 59' 28" E	30.10'



LEGEND

- LIMITED COMMON ELEMENT AREA
- GENERAL COMMON ELEMENT AREA
- OWNERSHIP HIGHLIGHT LINE
- UNIT LINES
- BUILDING ENVELOPE
- ROAD RIGHT-OF-WAY LINES
- RETENTION AREA
- RETENTION AREA

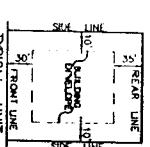
SITE PLAN FOR UNITS 1 THRU 7 AND 18 THRU 24



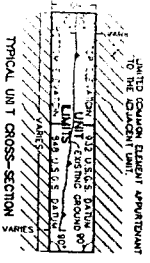
PROPOSED 6-26-96
CORNERSTONE
 SURVEYING AND ENGINEERING INC.
 12500 W. 120TH AVE. SUITE 100
 SHIRT 3 OF 6 SHEETS



TYPICAL UNIT CROSS-SECTION



500' 37' 00" E
 MATCH LINE



Handwritten signature and notes:
 DATE: 6/26/96
 BY: [Signature]
 CHECKED: [Signature]
 SCALE: AS SHOWN
 CONTACT: THE SURVEYING AND ENGINEERING INC.
 12500 W. 120TH AVE. SUITE 100
 SHIRT 3 OF 6 SHEETS

[illegible]

SANITARY SEWER
STORM DRAIN
WATERMAIN

ELECTRICITY
GAS
CONSUMERS POWER
CENTRAL REGION
ENGINEERING DEPT
2400 WEISS STREET
SAGINAW, MI 48602
PH (517)-799-7110

AMETECH
ENGINEERING DEPT
502 BEECH STREET
PLANT, MI. 48502
PH (313)-766-0150

SANITARY SEWER
STORM DRAIN
WATERMAIN

ELECTRICITY
GAS
CONSUMERS POWER
CENTRAL REGION
ENGINEERING DEPT
2400 WEISS STREET
SAGINAW, MI 48602
PH (517)-799-7110

AMETECH
ENGINEERING DEPT
502 BEECH STREET
PLANT, MI. 48502
PH (313)-766-0150

"PROPOSED" 6-26-96
CORNERSTONE
 SURVEYING AND ENGINEERING INC.
 22 SILVER LAKE RD. PENTON 14 #4000 1000 750-000
 SHEET 4 OF 6 SHEETS

"PROPOSED" 6-26-96

CORNERSTONE
SURVEYING AND ENGINEERING INC.

SEA LACE RD PENTON MA 01460 (IND)
SHEET 4 OF 6 SHEETS

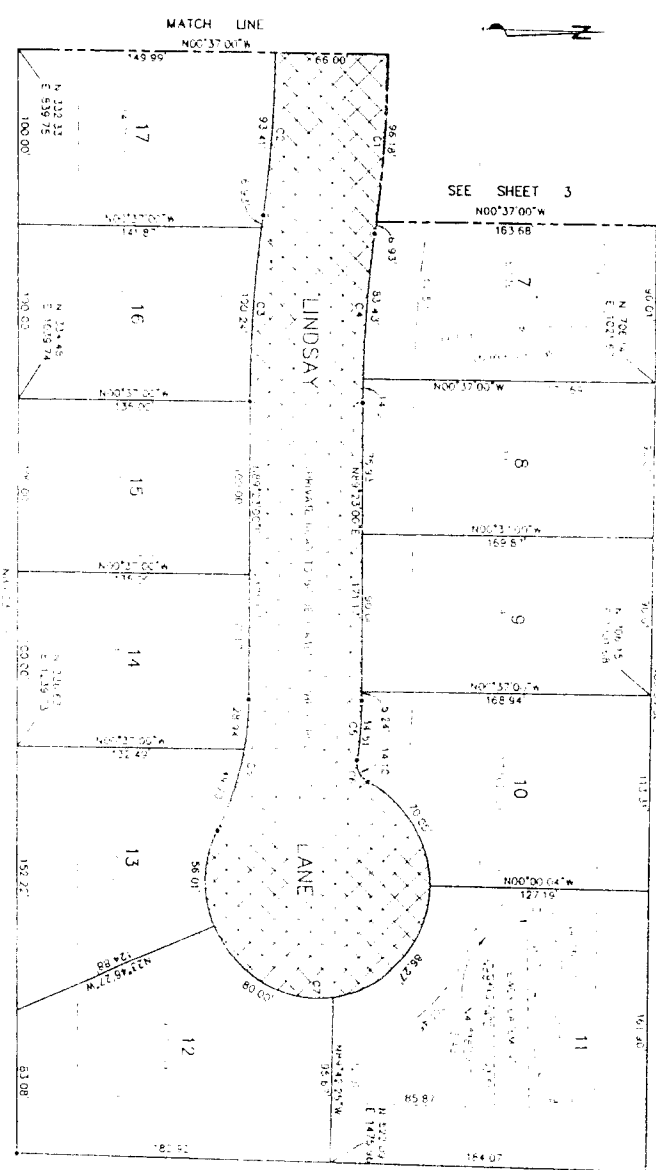


DATE _____
JOSEPH X WZINAUTYS
LICENSED PROFESSIONAL SURVEYOR NO. 21585

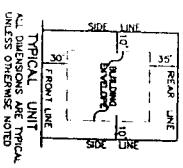
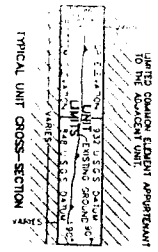
CORNEPOSTONE SURVEYING AND ENGINEERING, INC.
212 SILVER LAKE ROAD
FENTON, MICHIGAN 48430

WHISPERING PINES OF GRAND BLANC

SEE SHEET 3
N00°37'00"W
163.68



CURVE DATA TABLE			
STATION	CHORD	BEARING	CENTRAL ANGLE
1+00.00	101.00	N88°15'19"W	08°09'20"
1+10.00	101.00	N88°15'19"W	08°09'20"
1+20.00	101.00	N88°15'19"W	08°09'20"
1+30.00	101.00	N88°15'19"W	08°09'20"
1+40.00	101.00	N88°15'19"W	08°09'20"
1+50.00	101.00	N88°15'19"W	08°09'20"
1+60.00	101.00	N88°15'19"W	08°09'20"
1+70.00	101.00	N88°15'19"W	08°09'20"
1+80.00	101.00	N88°15'19"W	08°09'20"
1+90.00	101.00	N88°15'19"W	08°09'20"
2+00.00	101.00	N88°15'19"W	08°09'20"



- LEGEND
- LIMITED COMMON ELEMENT AREA
 - CONDOMINIUM BOUNDARY LINES
 - UNIT LINES
 - ENCLOSING ENCLOSURE
 - HOOD HEIGHT - 10' MAX. LINES
 - SUPPLEMENTARY SEE PLANS FOR 10' MAX. LINES

SITE PLAN FOR UNITS 7 THRU 17



PROPOSED 6-26-96
CORNERSTONE
SURVEYING AND ENGINEERING INC.
217 S. 1ST AVE. #100
SHEET 3 OF 8 SHEETS



RECEIVED BY THE NATIONAL ARCHIVES
JAN 14 1964



CONDOMINIUM BOUNDARY LINES
URBIT LINES
CALL LEE HILL & TELEPHONE
SAME TRENCH
SANITARY SEWER LINE
STORM DRAIN LINE
8" WATER MAIN

CORNERSTONE SUPPLYING AND ENTERPRISES, INC.
212 S. LAKE ROAD
PENTON, N. J. 08433
PM (202) 750-0100

CONSUMERS POWER
CENTRAL REGION
ENGINEERING DEPT.
2400 WEISS STREET
SACINAW MI 48602
PH (517)-799-7110

AMERITECH
ENGINEERING DEPT.
502 BEECH STREET
EAST MI. 48502
508 (810)-768-0150

DATE _____
JAMES W. WYNANTS, U.S.
PROFESSIONAL SURVEYOR NO. 21585
STATE OF MICHIGAN

THE UNIVERSITY OF TEXAS AT AUSTIN
DEPARTMENT OF CIVIL ENGINEERING
AUSTIN, TEXAS 78712-0260



"PROPOSED" 6-26-96
CORNERSTONE
 SURVEYING AND ENGINEERING INC.
 270 SILVERLAK BL. POKHONKI, IL 60460 (708) 730-0000
 SHEET 6 OF 6 SHEETS

EXHIBIT E

ARTICLES OF
INCORPORATION
OF THE ASSOCIATION

WHISPERING PINES OF GRAND BLANC

PURCHASE AGREEMENT

THIS AGREEMENT, made by WHISPERING PINES OF GRAND BLANC, L.L.C., a Michigan limited liability company, whose address is 9317 McWain Road, Grand Blanc, MI 48439 (herein referred to as "Developer") and _____, whose address is _____;

Telephone: Business () _____, Home () _____;
(herein referred to as "Purchaser"):

1. PLAN OF DEVELOPMENT. Developer is engaged in the development of a site condominium project known as WHISPERING PINES OF GRAND BLANC to initially consist of 24 units located in the Township of Grand Blanc, (the "Project"), and has organized a Michigan non-profit corporation (the "Association") for the purpose of operating and maintaining the common elements of the Project. Each site, as described in the Master Deed shall constitute a "Condominium Unit" as that term is defined in Act 59 of the Public Acts of 1978, as amended (the "Act").

All co-owners of the Condominium Units in the Project shall become members of the Association and shall be entitled to one vote, the value of which shall equal the total of the percentages allocated to all Units owned by such co-owner. By executing this Agreement, Purchaser agrees that upon becoming a member of the Association he will be subject to and abide by all the terms and provisions contained in the Master Deed, Condominium By-Laws and Subdivision Plan of the Project and in the Articles of Incorporation, By-Laws and Rules and Regulations, if any, of the Association of Co-Owners.

2. PURCHASE OF THE UNIT. Purchaser hereby agrees to purchase from the Developer, pursuant to the terms and conditions hereinafter set forth, the exclusive ownership of Unit No. _____, more commonly known as _____, as depicted on the Site Plan of the Project prepared by Cornerstone Surveying & Engineering, Inc., Registered Land Surveyor, together with the undivided percentage interest appurtenant thereto in the common elements of the Project. (Said Condominium Unit, and the interest in the common elements and rights appurtenant thereto are hereinafter called the "Unit").

The purchase of the Unit shall include such fixtures and extra features as are specified in Paragraph 20 hereof, but no such extra features shall be included in the purchase price for the Unit unless specifically provided therein.

The Unit, the Purchaser's rights thereto, shall be subject to the terms of the Act.

3. TERMS OF PURCHASE. The Purchase Price shall be _____ (\$_____) and Purchaser agrees that he will (strike all but that which applies):

- A. Pay the full Purchase Price in cash; or
- B. Pay \$_____ of Purchase Price in cash and finance the balance under a conventional mortgage.
- C. Pay on Land Contract per terms attached as Addendum A hereto.

If subparagraph B is applicable, this Agreement is contingent upon the ability of Purchaser to secure, within thirty (30) days after this Agreement becomes a binding purchase obligation, a mortgage commitment for _____ (\$_____) to be amortized over _____ (_____) years, at the interest rate (either fixed or variable) and service charge then being offered by the proposed lender to comparable borrowers for comparable mortgages. If Purchaser is unable to obtain such commitment, Purchaser shall notify Developer in writing within said 30-day period. If Developer is not so notified, it shall be conclusively presumed that Purchaser has secured such commitment or will purchase the Unit without mortgage financing.

If Developer is so notified of Purchaser's inability to obtain mortgage financing, Developer may, at Developer's option, secure a mortgage commitment for Purchaser or extend the time for Purchaser to secure a mortgage commitment; provided, that Purchaser shall not be bound to accept any such commitment on terms less favorable to Purchaser than those set forth herein. In the event Developer elects to attempt to secure the mortgage commitment, Purchaser agrees to timely furnish to Developer and/or any prospective mortgagee all requested credit information and to sign customary papers relating to the application and securing of mortgage commitments, and to pay for all costs of applying for and obtaining such mortgage.

4. PAYMENT OF PURCHASE PRICE. Purchaser agrees to pay the purchase price as follows:

- A. Deposit upon execution of this Agreement: \$_____;
- B. At time of closing \$_____.

Purchaser agrees that, in addition to the purchase price set forth herein, he will be liable for his proportionate share of the current monthly assessment imposed by the Association for maintenance, repair, replacement or other expenses of administration as set forth in the Condominium By-Laws of said Project, and for his proportionate share of any taxes or special assessments levied against the Project as a whole for the year in which the Unit which is the subject of this Agreement is completed. Such sums shall be paid to Developer at closing if then ascertainable, otherwise promptly upon demand when the same become ascertainable.

5. CONVEYANCE OF TITLE. Developer agrees to convey to Purchaser good and marketable title to the Unit, subject to: (1) current general real estate taxes; (2) special township or county taxes or assessments for improvements not yet completed; (3) easements, covenants, restrictions and building liens of records; (4) applicable zoning and building laws or ordinances; (5) acts done or suffered by Purchaser; (6) the Michigan Condominium Act, as amended; (7) the Master Deed for the Project and all amendments thereto; and (8) liens and other matters over which the title insurer provided for herein commits to insure. Purchaser further agrees to consummate the purchase of said Unit with 10 days after notice from Developer that Developer is prepared to tender title and possession, and to pay the balance of the purchase price as set forth above which shall be disbursed in accordance with the terms of the Escrow Agreement attached hereto. In the event the Unit is subject to an existing lease, Developer makes no warranty or guarantee as to the performance of the terms of such lease by the tenant thereof.

General real estate taxes, current installments of special assessments, rents, condominium assessments, insurance and any other items customarily prorated are to be adjusted to the date of closing. General real estate taxes and special assessments shall be prorated on a due date basis as if paid in advance, on the basis of the last ascertainable tax bill. If the last ascertainable tax bill is assessed on the entire condominium property, then the tax on the Unit shall be computed by multiplying the total tax bill by the percentage of value assigned by the Master Deed to that Unit. In such case, Purchaser shall pay to Developer, upon receipt of a bill, Purchaser's proportionate share of such taxes and assessments accruing after the closing. If Purchaser shall on the date of this Agreement have possession of the Unit as a tenant or as lessee under written or oral lease, his possession shall continue on that basis and he shall make all rent payments due until this sale is closed. At closing, Purchaser's interest as tenant or lessee shall be merged into his title as co-owner.

In the event that Purchaser has entered into a contract for the modification of the Unit or for the acquisition and installation of extras related thereto with a party other than the Developer, the rights of the parties shall be governed by such contract and the Developer assumes no responsibility for any performance or payments required by such contract.

6. ASSUMPTION OF OBLIGATIONS. Prior to the delivery of the deed hereunder, Developer shall cause to be recorded in the Office of the Register of Deeds of Genesee County, a Master Deed for the Project. Such Master Deed shall be in substantially the same form as has been disclosed to Purchaser prior to the execution of this Agreement, except that prior to recording the Master Deed, Developer reserves the right to make such modifications or amendments to any condominium documents that it deems necessary or desirable to facilitate the development of the Project. Purchaser will be

notified of any changes in such Master Deed made before closing which materially affect Purchaser's interest in the Project.

Purchaser agrees that he will assume and hereby assumes as of the date of closing all obligations appurtenant to the Unit under the Master Deed. At closing, Purchaser also agrees to deposit with the Developer, in addition to the pro rata share of the current monthly assessments for the Unit being purchased, an amount equal to two months' assessments based on the current budget of the Association. The sum deposited shall be forwarded promptly by the Developer to the Association for use as a reserve for major repair and replacement of the common elements of the Project as provided in the Master Deed.

7. CANCELLATION RIGHTS OF PURCHASER. All funds paid by Purchaser pursuant to this Agreement shall be deposited with FIRST AMERICAN TITLE COMPANY, as escrow agent (or with such other escrow agent qualified to act as such as may be later substituted in said capacity), under a certain Escrow Agreement between Developer and said Company attached hereto as Exhibit A and incorporated herein by reference, the terms of which are accepted by Purchaser who agrees to be bound thereby as though originally made a party to said agreement. In the event of Purchaser's withdrawal from this Agreement prior to the date on which it shall become a binding Purchaser Agreement, said funds shall be returned to Purchaser within three business days after written notification of such withdrawal has been received by escrow agent, and thereupon all rights and liabilities of Purchaser and Developer hereunder shall wholly cease and terminate.

Unless Purchaser elects to voluntarily waive his right of withdrawal, Purchaser may withdraw from this Agreement without cause and without penalty if such withdrawal is made before the conveyance of the Unit and within nine business days after receipt of the documents required by Section 84a of the Act, which withdrawal period shall include the day of which said documents are received if that day is a business day.

After expiration of said withdrawal period, Developer shall retain sufficient funds in escrow (or provide sufficient security) to assure completion of only those uncompleted structures and improvements labeled "must be built" under the terms of the condominium documents, and the remaining deposit moneys shall be paid to Developer to apply against the purchase price at closing.

8. CANCELLATION OF RIGHTS OF DEVELOPER. If, prior to the date on which this Agreement becomes a binding purchase agreement, the Developer determines not to construct the Unit to be purchased hereunder or for any other reason desires to withdraw as a party to this Agreement, then Developer shall so notify Purchaser in writing. In either case, Developer reserves the right to cause to be returned to Purchaser or his successors all sums paid hereunder, and thereupon all rights or Purchaser shall cease and terminate without further liability on the part of the Developer.

It is understood that Purchaser's credit is subject to approval by Developer and by any proposed mortgagee. Subsequent to the date on which this Agreement becomes a binding purchase agreement, Purchaser's rights may be cancelled by Developer in the event that a mortgage commitment as described in Paragraph 3 cannot be secured under the terms provided therein. In such event, Developer shall cause to be returned to Purchaser all of the sums paid hereunder and this Agreement shall be deemed null and void and all Purchaser's and Developer's rights shall cease and terminate without further liability on the part of either party.

9. DEFAULT BY PURCHASER. If Purchaser shall default in the performance of any of the payments or obligations called for in this Agreement and such default shall continue for ten days after written notice sent by Developer to Purchaser, then, forthwith at the option of Developer all rights of Purchaser under this Agreement shall terminate.

If Purchaser's rights terminate prior to the time this Agreement becomes a binding purchaser agreement as set forth above, or if Developer shall default in any manner hereunder, all sums paid by Purchaser shall be refunded to him, and neither party hereto shall be obligation further. If Purchaser's rights are terminated subsequent to this Agreement becoming a binding purchaser agreement, any amount paid by Purchaser toward the purchaser price not to exceed ten percent (10%) of the total costs thereof (including any extras or modifications specified in Paragraph 22) may be retained by the Developer as liquidated damages, or Developer, at its option, may elect to pursue any legal or equitable remedy available to it under the laws of the State of Michigan for recovery of actual damages or otherwise.

10. POSSESSION. Developer agrees to deliver possession of the Unit at time of closing unless otherwise mutually agreed by Purchaser and Developer.

11. CLOSING. This sale shall be closed and the payment of the purchase price and delivery of the deed shall be made in accordance with this Agreement at such place and on such date as Developer shall designate by notice to Purchaser as provided in Paragraph 5. At or prior to closing, the Developer shall provide Purchaser at Developer's expense with standard form commitment for issuance of a policy of title insurance by Sargents' Title Insurance Co. (or such other title insurance company as Developer may designate) showing title in Purchaser subject to (a) the general printed exceptions contained in the policy and (b) the title exceptions set forth above in Paragraph 5, and promptly after closing shall cause to be issued and delivered to Purchaser an Owner's policy of title insurance based upon such commitment. The title policy or commitment therefore shall be conclusive evidence that a good and marketable title is being conveyed to Purchaser, and shall be in the amount of the purchaser price designated in Paragraph 3 hereof. Purchaser shall pay for recording the deed to the Unit (including documentary stamps), mortgage costs (if any), and other closing costs customarily paid by purchasers of

comparable real estate in Michigan. If the Owner's policy or commitment shows a defect in Developer's title, Developer shall have 60 days from date of receipt by Developer of a letter from Purchaser's attorney specifying the claimed defect (which shall be provided to Developer within 10 days of receipt by Purchaser of Title Commitment) to cure said defect or to cause the title insurance company to insure against loss or damage to Purchaser occasioned thereby. If Developer fails to clear its title as aforesaid, then at option of Purchaser, this Agreement shall become null and void and all deposits made by Purchaser shall be returned to him forthwith.

12. FAILURE TO PERFORM. Tender of deed or purchaser money shall not be necessary where the other party has defaulted. A failure to appear at the time and place stated above on notice to close the transaction shall be a default. A failure to furnish to Developer and/or mortgagee all requested credit information and to sign customary papers relating to the application and securing of a mortgage commitment pursuant to Paragraph 3 shall be a default. Time is of the essence of this Agreement and the words "date hereof" mean date of acceptance of this Agreement by Developer.

13. ADVERTISING. For the purpose of completing the sale promotion of the Project, Developer, its agents, successors and assigns, are hereby given full right and authority to maintain on the condominium property (excluding the Unit) until the sale of the last unit therein, such signs, transient parking, and/or sales offices as Developer may desire, together with rights of ingress and egress therefrom for Developer and its agents, successors and assigns, and any of their respective licensees or invitees. Developer shall restore the common elements to habitable status upon termination of use.

14. ASSIGNABILITY. This Agreement is personal to Purchaser and Purchaser may not assign this Agreement without the prior written consent of the Developer which may be withheld with or without cause. Any purported assignment of this Agreement in violation of this Paragraph shall be voidable at the option of the Developer. Developer's refusal to consent to an assignment shall not entitle Purchaser to terminate this Agreement or give rise to any claim for damages against Developer. Developer may assign its rights hereunder and, if such assignment shall be for the purpose of securing a lender to Developer, Purchaser's rights hereunder shall, at the option of such lender, be subject and subordinate to the rights of such lender.

15. ENTIRE AGREEMENT. This Agreement constitutes the entire agreement between the parties. NO REPRESENTATIONS, WARRANTIES, UNDERTAKINGS, OR PROMISES, WHETHER ORAL, IMPLIED OR OTHERWISE, CAN BE MADE OR HAVE BEEN MADE BY EITHER DEVELOPER OR ITS AGENTS OR BROKERS, TO PURCHASER OR ANYONE ACTING ON BEHALF OF PURCHASER UNLESS EXPRESSLY STATED HEREIN OR UNLESS MUTUALLY AGREED IN WRITING BY THE PARTIES. ALL AMENDMENTS, SUPPLEMENTS OR RIDERS HERETO, IF ANY, SHALL BE IN WRITING EXECUTED BY BOTH PARTIES AND ATTACHED TO THIS AGREEMENT. PURCHASER SHALL NOT RECORD THIS AGREEMENT OR ANY MEMORANDUM THEREOF.

16. NOTICES. All notices and demands required by this Agreement shall be made in writing and shall be deemed received on the day following the day on which such notice is deposited in the United States mail, first class postage prepaid, and addressed to Developer, or to Purchaser, at the respective addresses given herein, or to Purchaser's attorney, or said written notices and demands may be made by personal delivery to either party or to such Party's attorney.

17. ARBITRATION. The parties agree to the following provisions which relate to certain requirements of the Condominium Act:

A. The deposit and any other funds paid by Purchaser hereunder shall be deposited in an escrow account with an Escrow Agent and shall be returned to the Purchaser within three (3) business days after withdrawal from the Purchaser Agreement as provided in Subparagraph B below.

B. Unless Purchaser waives the right of withdrawal, Purchaser's may withdraw from the Purchaser Agreement without cause and without penalty if the withdrawal is made before conveyance of the unit and within nine (9) business days after receipt of the documents required to be given to Purchaser by Paragraph 5 above, including the day on which the documents are received if that day is a business day.

C. At the exclusive option of the purchaser, any claim which might be the subject of a civil action against the Developer which involves an amount less than \$2,500.00, and arises out of or related to this Purchaser Agreement or the unit or project to which this Agreement relates, shall be settled by binding arbitration conducted by the American Arbitration Association. The arbitration shall be conducted in accordance with applicable law and the currently applicable rules of the American Arbitration Association. Judgment upon the award rendered by arbitration may be entered in a circuit court of appropriate jurisdiction.

D. The escrow agreement between the Developer and the escrow agent is incorporated by reference.

18. BROKERAGE. Purchaser and Developer acknowledge that this Agreement was procured through the services of Developer's sales representatives, without the intervention of any other real estate broker or agent. Purchaser shall indemnify Developer against the claim of any other real estate broker or agent, including attorney fees incurred as a result of such claim.

19. ENFORCEABILITY. The contract arising from the execution of this Agreement shall be binding upon the specifically enforceable by the parties and their respective heirs, personal representatives and assigns.

20. EXTRAS. There are no extras which are being contracted under this Purchase Agreement. Purchaser is entering into a separate

construction agreement for a private residence to be built on this unit.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written.

IN THE PRESENCE OF:

PURCHASER

DATE OF ACCEPTANCE: _____

WHISPERING PINES OF GRAND BLANC,
L.L.C.

BY: _____, Member

DATE OF ACCEPTANCE: _____

NON-PROFIT

ARTICLES OF INCORPORATION

These Articles of Incorporation are signed and acknowledged by the incorporator for the purpose of forming a non-profit corporation under the provisions of Act No. 162 of the Public Acts of 1982, as follows:

ARTICLE I

NAME

The name of the corporation is WHISPERING PINES OF GRAND BLANC ASSOCIATION.

ARTICLE II

PURPOSES

The purposes for which the corporation is formed are as follows:

- (a) To manage and administer the affairs of and to maintain WHISPERING PINES OF GRAND BLANC MEADOWS, a site condominium in Genesee County (hereinafter called "Condominium");
- (b) To levy and collect assessments against and from the members of the corporation and to use the proceeds thereof for the purposes of the corporation;
- (c) To carry insurance and to collect and allocate the proceeds thereof;
- (d) To rebuild improvements after casualty;
- (e) To contract for and employ persons, firms, or corporations to assist in management, operation, maintenance and administration of said Condominium;
- (f) To make and enforce reasonable regulations concerning the use and enjoyment of said Condominium;
- (g) To own, maintain and improve, and to buy, sell, convey, assign, mortgage, or lease (as landlord or tenant) any real and personal property, including, but not limited to, any Unit in the Condominium, any easements or licenses or any other real property, whether or not contiguous to the Condominium, for the purpose of providing benefit to the members of the corporation and in furtherance of any of the purposes of the corporation;

- (h) To borrow money and issue evidences of indebtedness in furtherance of any or all of the objects of its business; to secure the same by mortgage, pledge or other lien;
- (i) To enforce the provisions of the Master Deed and Bylaws of the Condominium and of these Articles of Incorporation and such Bylaws and Rules and Regulations of this corporation as may hereinafter be adopted;
- (j) To do anything required of or permitted to it as administrator of said Condominium by the Condominium Master Deed or Bylaws or by Act No. 59 of Public Acts of 1978, as amended; and
- (k) In general, with respect to the Condominium only, to enter into any kind of activity, to make and perform any contract and to exercise all powers necessary, incidental or convenient to the administration, management, maintenance, repair, replacement and operation of said Condominium and to the accomplishment of any of the purposes thereof.

ARTICLE III

ADDRESSES

Location of the first registered office is 2555 Crooks Rd., Ste. 200, Troy, MI 48084.

Post office address of the first registered office is SAME AS ABOVE.

ARTICLE IV

RESIDENT AGENT

The name of the first resident agent is John A. Stevens.

ARTICLE V

BASIS OF ORGANIZATION AND ASSETS

Said corporation is organized upon a non-stock, membership basis.

The value of assets which said corporation possesses is -- \$ -0- Dollars.

Real Property - None
Personal Property - None

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

ARTICLE VI

INCORPORATOR

The name of the incorporator is John A. Stevens, and his place of business is 2555 Crooks Rd., Ste. 200, Troy, MI 48084.

ARTICLE VII

EXISTENCE

The term of corporate existence is perpetual.

ARTICLE VIII

MEMBERSHIP AND VOTING

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

- (a) Each Co-Owner (including the Developer) of a Unit in the Condominium shall be a member of the corporation, and no other person or entity shall be entitled to membership; except that the subscriber hereto shall be a member of the corporation until such time as his membership shall terminate, as hereinafter provided.
- (b) Membership in the corporation (except with respect to the nonco-owner incorporator, who shall cease to be a member upon the qualification of membership of any co-owner) shall be established by acquisition of fee simple title to a Unit in the Condominium and by recording with the Register of Deeds of Genesee County, Michigan, a deed or other instrument establishing a change of record title to such Unit and the furnishing of evidence of same satisfactory to the corporation (except that the Developer of the Condominium shall become a member immediately upon establishment of the Condominium) the new Co-Owner thereby becoming a member of the corporation, and the membership of the prior co-owner thereby being terminated.
- (c) The share of a member in the funds and assets of the corporation cannot be assigned, pledged, encumbered or transferred in any manner except as an appurtenance of his Unit in the Condominium.

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

ARTICLE IX

FIRST BOARD OF DIRECTORS

The name and address of the first Board of Directors is as follows:

Mr. Richard A. Yenor
9317 McWain Road
Grand Blanc, MI 48439

ARTICLE X

LIMITATION OF DIRECTOR LIABILITY

No volunteer director, as that term is defined in Act 162, Public Acts of 1982, as amended ("Act"), shall be personally liable to the corporation or its members for monetary damages for breach of fiduciary duty as a director, provided that the foregoing shall not eliminate the liability of a director for any of the following: (i) breach of the director's duty of loyalty to the corporation or its members; (ii) acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law; (iii) a violation of Section 551(1) of the Act; (iv) a transaction from which the director derived an improper personal benefit; or (v) an act or omission that is grossly negligent. If the Act hereafter is amended to authorize the further elimination or limitation of the liability of directors, then the liability of a director of the corporation, in addition to the limitation on personal liability contained herein, shall be limited to the fullest extent permitted by the amended Act. No amendment or repeal of this Article IX shall apply to or have any effect on the liability of any director of the corporation for or with respect to any acts or omissions of such director occurring prior to such amendment or repeal.

Signed this 28th day of June, 1996.

John A. Stevens, Incorporator

**CURRENT WILL BE RETURNED TO NAME AND MAILING ADDRESS
INDICATED IN THE BOX BELOW. Include name, street and number
(P.O. box), city, state and ZIP code.**

Attn: John A. Stevens
Matheson Parr et al
2555 Crooks Road, Ste 200
Troy, Michigan 48084

Name of person or organization
remitting fees:

MICHIGAN RUNNER SERVICE

(517) 663-2525

Preparer's name and business
telephone number:

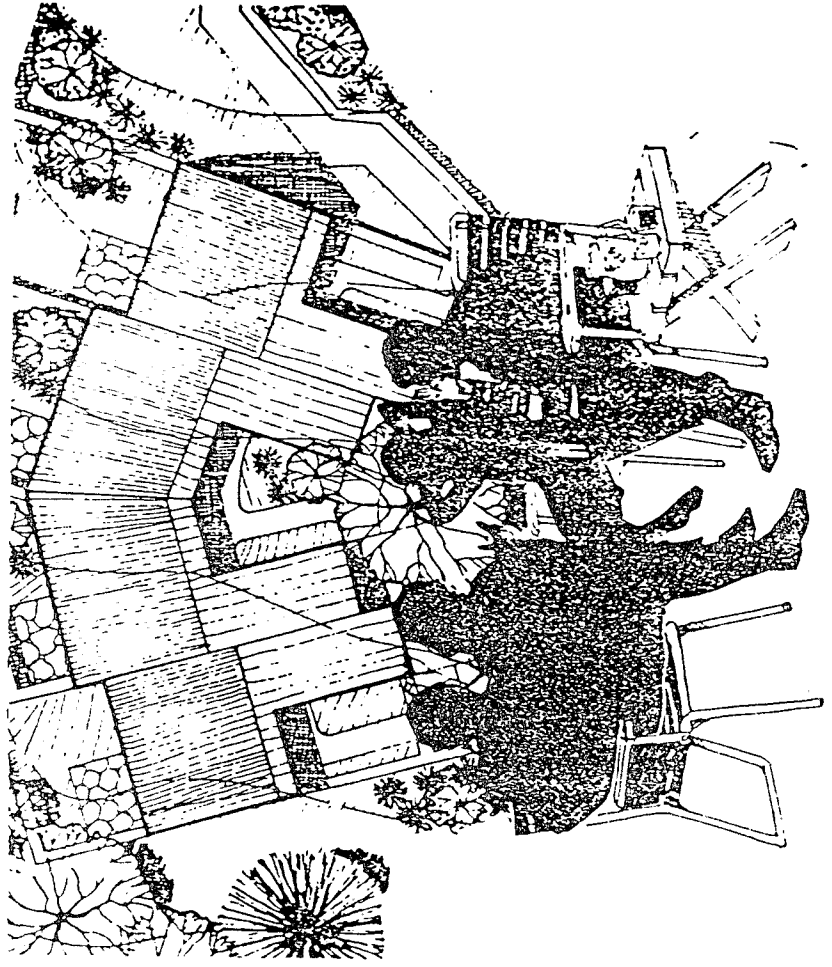
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EXHIBIT F

CONDOMINIUM **BUYERS HANDBOOK**

[illegible]

Corporation and Securities Bureau/Michigan Department of Commerce



Do You Know . . .

- Your rights and responsibilities as a co-owner?
- The developer's background and financial references?
- What's planned for future development in the project?
- The developer's rental policy?
- When the recreation facilities will be completed?
- Who will control the recreation facilities?
- What's included as standard equipment in your unit?
- What's under warranty?
- What costs are included in the monthly assessment?
- When the co-owners will be permitted to vote for directors of the condominium's Association?
- How condominium living differs from other types of residential living?
- The difference between a Preliminary Reservation Agreement and a Purchase Agreement?

You Should Know The Answers To These Questions Before Buying A Condominium

Introduction

The first edition of this booklet was published by the Corporation and Securities Bureau, Michigan Department of Commerce in 1975. Since then, there have been changes in both the condominium industry and the law governing the development of condominiums. On March 14, 1978, a new condominium act, designed in part to provide condominium purchasers more protection than the previous Horizontal Real Property Act of 1963, was signed into law and the handbook was revised to reflect the changes.

On January 17, 1983, an amendment to the Condominium Act (1978, PA 59) became effective. This amendment, P.A. 538 of 1982, changed the law so that condominium developers will no longer file applications with the Department of Commerce for approval of their project before marketing units or establishing the project by recording the condominium documents with the county register of deeds. This latest edition updates the information to include 1982 PA 538 and subsequent amendments.

While the condominium concept has expanded in recent years to include commercial and industrial projects, the information presented in this booklet is directed primarily toward the prospective buyer of a residential condominium. Read this booklet and all documents relating to the particular project carefully so you may make an informed decision.

Keep in mind that most developers have well-earned reputations for honesty, integrity and competence. If a negative factor is encountered in a particular project, it does not necessarily mean the project is unsound or that the developer is unscrupulous. It may be due to an oversight or lack of understanding which can be easily corrected.

In all cases, we recommend that you seek professional assistance from a lawyer or other business advisor before buying a condominium.

What Is a Condominium

You've heard about condominiums, read newspaper ads, or perhaps have a friend or relative who is living in one. Now you are considering the purchase of a condominium unit for yourself.

What, actually, is a condominium?

The word *condominium* comes from a Latin word meaning common ownership or control. Ordinarily it means individual ownership of all the space inside the inner walls of an apartment or house and common ownership of the structures and land. This division between exclusive and common ownership exists regardless of the form or design of the project. The project may take the form of a high-rise, duplex, townhouse, or single family dwelling. In other forms of condominium projects such as mobile homes, campground, or marina, the exclusive ownership may be merely a cube of airspace within which a mobile home, recreational vehicle, or boat is parked or anchored. The common ownership would be the land and improvements such as concrete pads and piers and the utility systems.

The inner space, which you own, is yours to decorate, to maintain, to live in. Usually, everything else in the condominium development—the exterior walls, the land, the common hallways, the recreation facilities—is the common property of everyone who owns a unit and is termed *common elements*.

Limited or General Common Elements

Some of this commonly-owned property, such as your patio or balcony or carport space, is called *limited common elements* and is restricted to use by your family only. In the case of stairways or laundry facilities it may be limited to other families who live in your building, but it remains the common property of all the co-owners in the development. The rest of the common elements—roads, green areas, recreation facilities—are termed *general common elements* and are available for use by everyone in the development. You must read your legal documents carefully to understand which parts of your condominium are designated as limited, or general, common elements.

The co-owners of a condominium are legally organized into an association, which is responsible for governing and maintaining the common elements of the condominium. Each co-owner pays a monthly fee or assessment for these services.

Condo Advantages

Condominiums account for an increasing share of the housing market. There are several reasons for this:

- Condominiums, like single-family homes, offer owners certain tax deductions, appreciate in equity value and (unlike rentals) offer assurance of long-term occupancy.
- Condominiums often are more convenient to shopping and business facilities due to land use patterns, and demand less individual maintenance than single-family homes.
- Condominium projects may contain more recreational facilities (such as swimming pools and tennis courts) than an individual homeowner could reasonably afford.
- Condominiums are an economical and environmentally sound use of land compared to a subdivision containing the same number of living units.

How They Began

Condominiums are not a new concept in housing. The Romans used them and they were popular in the walled cities of the Middle Ages in what is now Western Europe. In the first half of the 20th century other European countries enacted statutes permitting condominiums.

A few condominiums existed in the United States as early as 1947, but they were not legally established in this country until 1961.

The concept of condominium housing was first incorporated into Michigan law with the passage of the Horizontal Real Property Act in 1963. Fifteen years later this law proved inadequate to meet the needs of the fast-growing condominium industry and in 1978, a new Michigan condominium law was enacted, PA 59 of 1978. This law, administered by the Corporation and Securities Bureau of the Michigan Department of Commerce, is important to buyers and developers of condominiums in Michigan because it provides safeguards for both parties and outlines the rights and responsibilities of each.

For condominium purchasers it establishes the legal basis for two relationships: (1) between the buyer and the developer of the condominium, and (2) between the owner of a condominium unit and the association of co-owners.

The Buyer and the Developer

Section 21 of the Michigan Condominium Act provides in part that: "A condominium unit located within this state may not be offered for its initial sale in this state unless the offering is made in accordance with this Act or the offering is exempt by rule of the administrator."

P.A. 538 of 1982, effective January 17, 1983, changed the law, in that the developer is no longer required to have a Permit To Take Reservations or Permit To Sell prior to offering condominium units to the public. In addition, developers and associations will no longer be required to obtain approval of amendments to project documents, even though the documents may indicate approval is required.

Under the amended Condominium Act, the developer will be required, unless exempt, to meet a more stringent escrow requirement. The developer is required to create a series of escrow accounts to assure completion of the construction of a phase of a project once sales have started. A licensed architect or engineer would determine if the project was substantially complete or would set the amount of escrow necessary to ensure the developer's ability to complete those portions of the project that must be built.

Advertising and Sales

There are some prohibitions on the content of the developer's advertising, including newspaper ads, radio and television announcements, brochures, material in the sales office, sales presentations, and the housing models themselves.

The developer or salesman cannot advertise or tell you orally

- that your unit will automatically increase in value if you wish to sell in the future;
- that you must act quickly to purchase a unit because of limited availability or because the price will increase, unless this is actually the case;
- that you will receive a discount or savings, or that you will receive "free" goods or services for purchasing a unit, unless this is actually the case.

In a model of the unit, the developer must tell you which items are not standard equipment, such as special flooring, carpeting, ceiling beams, moldings, light fixtures, patios, fences, or other features.

Persons selling condominiums in Michigan are also subject to the rules of the Michigan Department of Licensing and Regulation and are usually required to hold a real estate broker's or salesperson's license.

Preliminary Reservation Agreements and Purchase Agreements

Once you've made up your mind which condominium you want, you will be asked to sign one of the following agreements:

Preliminary Reservation Agreement This agreement will never become a binding sales document. It is not binding on either you or the developer. It simply gives a prospective purchaser the first opportunity to buy a specific unit once the developer has established the project. Many developers use this method to test the market for their project. Since the Preliminary Reservation Agreement can never become a binding sales

document, you must then enter into a Purchase Agreement with the developer, if you decide to buy. However, should you cancel, the developer must refund your money within three business days.

Purchase Agreement This agreement may be the first agreement you sign with the developer or it may follow the use of a Preliminary Reservation Agreement. In either case, this agreement is not binding until nine business days after the developer has delivered the condominium documents to you, as the prospective purchaser. The condominium documents that must be delivered would include:

- the recorded master deed, which would include as attachments the condominium bylaws and condominium subdivision plans
- a copy of the purchase and escrow agreements
- Condominium Buyers Handbook
- Disclosure Statement

—If the project is a conversion, the developer must disclose known information regarding the condition of the building, any building code or other regulation violations, and the year(s) of construction of the building

If you decide not to buy during the nine business day "cooling off" period, you may still request and receive your deposit in full, within three business days of cancellation notification.

If you decide to withdraw after the cooling off period, your deposit may be forfeited. A provision in a purchase agreement for liquidated damages in case of default is limited by the Condominium Act to a reasonable percentage of the purchase price of the condominium unit. The provision does not prevent the developer from recovering actual damages.

If you want to close the transaction immediately without waiting for the nine business day "cooling off" period, you can do so by signing a written waiver. The sale of the unit could then be concluded when the certificate of occupancy is issued to the developer, and other requirements in the purchase agreement are completed.

The agreements and other documents used for the offer and sale of a condominium are different from those used for the offer and sale of conventional real estate. It is important that you seek professional advice or assistance when reviewing the package of documents received before signing a preliminary reservation agreement or purchase agreement. You may also find it necessary to modify an agreement or contract to meet your particular needs or circumstances. You may be subject to a binding purchase agreement before construction begins or is completed.

The Master Deed, Condominium Bylaws and the Disclosure Statement

The condominium documents mentioned in the preceding section—the master deed, condominium bylaws and disclosure statement—contain important information about the project in which you're interested.

The master deed and condominium bylaws, along with the condominium subdivision plans, are the basic documents establishing and describing your condominium and the future operation of the project. These documents must be recorded with the Register of Deeds in the county where the condominium is located.

The disclosure statement contains a summary of important information about the developer's previous experience.

What Percent of the Project Do You Own?

The master deed will designate the percentage of ownership each condominium unit has in the total project. This percentage of value will determine your obligation for payment of assessments and may determine your voting percentage at association meetings. In some instances, the master deed may state that all votes and obligations to pay assessments will be equal. The percentage of value in that case only describes what your percentage of ownership in the total property will be. Read your master deed carefully to determine which method is used. This can be a controversial matter if not fully understood from the beginning.

Pitfalls and Safeguards

Since a condominium is a large investment of your money, ranging from about \$20,000 to more than \$150,000, it is important that you be fully informed before you buy. And, beyond being fully informed about the condominium itself, the single most important step you can take before you buy is to *know your developer* before entering into a binding agreement. The two things you should be looking for in a developer are competence and integrity. Ask about the developer's previous experience. The disclosure statement will list the names and addresses of projects with which the developer has been associated. Visit those projects and talk to the people who live in them. If people are already living in the condominium project you are considering, discuss the project and the developer with them.

The "pitfalls" mentioned here represent problems a person could conceivably encounter in the purchase of a condominium. The "safeguards" describe steps one can take to avoid them.

1. *Pitfall*—Yielding to a high pressure sales pitch by signing contracts or agreements which you do not fully understand.

Safeguard—Do not take a chance on losing your investment. Carefully review all documents and seek professional assistance.

2. *Pitfall*—Falling for a sales pitch which emphasizes the advantages of equity buildup and maintenance-free living, but does not point out the responsibilities of owning a condominium.

Safeguard—Do not be gullible; get all the facts and weigh them. Owning a condominium is not the same as renting an apartment where you can rely on the landlord to maintain your building. You and other co-owners are your own landlords and will be collectively responsible for arranging for the upkeep of your project.

3. *Pitfall*—Entering into a binding purchase agreement which does not depend on your being able to obtain a mortgage commitment or acceptable financing.

Safeguard—Do not sign a binding purchase agreement until you have arranged your financing or unless the agreement specifies that it is dependent upon your ability to obtain a mortgage commitment for the condominium you wish to buy. Otherwise you could lose your deposit as liquidated damages if you are unable to obtain financing.

4. *Pitfall*—Assuming that you will have to pay only the purchase price before moving into your condominium.

Safeguard—Determine in advance the total amount due at the time you complete the deal. In addition to the purchase price, you may have to pay settlement or closing costs. Some developers also charge advance assessments which are due at closing. Find out if your developer does this and determine how the advance assessments will be used.

5. *Pitfall*—Relying on verbal promises regarding such matters as when your unit will be ready for occupancy, warranties, stability of monthly assessments and items the developer will install.

Safeguard—Do not rely on verbal promises. If you are promised something, insist that it be put in writing and signed by the person who made the promise. If you have been given a date when your condominium will be ready, find out if the date has been given on a firm commitment basis (that it will be ready on that date no matter what), or if the date is subject to change under certain conditions (strikes, material shortages or other reasons). If you are shown a model unit, find out what items will be included in your unit and be sure they are written into the purchase agreement.

6. *Pitfall*—Assuming that you will not be able to hear your neighbor because your condominium has been "sound conditioned."

Safeguard—Sound conditioning is not the same as sound proofing. Sound conditioning merely means that the developer has taken some steps to reduce the transmission of sound between units—not to eliminate it.

7. *Pitfall*—Deciding to purchase a unit in a "conversion" condominium project because "they don't make 'em like they used to and the price is right."

Safeguard—Purchase price savings can be quickly used up through high assessments. When buying a condominium in a structure which has been converted from an existing building, keep in mind that you will not only become the owner of a unit, but also a joint owner of the furnace, roof, pipes, wires and other common elements. Ask for a copy of an architect or engineer's report on the condition of all building components and their expected useful life. Ask to see copies of the building maintenance records for preceding years. Find out what improvements the developer has made. Do not be misled by a fresh coat of paint and new carpeting. Find out what, if any, warranties remain.

The Buyer and the Association

When you take title to your unit, you automatically become a co-owner and a voting member of the co-owners' association formed to administer the affairs of the condominium. The association is usually a non-profit corporation. The value of each vote is normally determined by the percentage of value given to each living unit and is stated in the master deed. However, voting and the obligation to pay assessments may not necessarily be equal, and this fact also must be stated in the master deed and condominium bylaws.

Who's in Charge?

The association is governed by a board of directors appointed by the developer until the first annual meeting. This initial meeting of the co-owners to elect members to the board of directors may take place one year or more after the master deed is recorded. The provisions for holding the annual meeting and designating the voting procedures are included in the condominium bylaws, along with other information about the operation of the association. The condominium bylaws are attached to and incorporated by reference in the master deed you receive when you buy a condominium. The bylaws should be read carefully as they may contain complete provisions outlining your rights as an owner as well as the scope of activities permitted co-owners of the project during the transition.

Before the first annual meeting of the association, the developer may have the ability to amend the condominium bylaws so long as the amendment does not materially affect the rights of the co-owners. If units are still being sold after the first association meeting, the developer votes and pays assessments as any other co-owner.

Associations Have Bylaws, Too!

The association also operates under its own bylaws, in addition to the condominium bylaws. Association bylaws provide for the operation of the association as a non-profit corporation including details regarding officers, directors, meetings, order of business, and so forth.

Responsibilities and Rights

The Association

The association usually is responsible for maintenance of the outside of the condominium units, such as hallways, lobby, building exterior, lawn care, snow removal, trash pick-up, street maintenance (if the roads are private), and operation of the common elements, including the recreation facilities, heating plant, water or electric systems. These jobs are done through a management firm or manager hired by the association, by employees hired directly by the association, or, in some cases, by co-owners themselves.

The association sets fees for the maintenance of those common elements which fall under its responsibility as stated in the master deed or other condominium documents and may increase the charges. Special assessments may be made by the board of directors to cover capital improvements, but generally any substantial increase in the monthly assessment must first be approved by a vote of the co-owners. The condominium bylaws often set the dollar limit on what may be approved by the board of directors without a vote of the co-owners.

The condominium bylaws also provide methods for settling disputes concerning interpretation or application of the master deed, bylaws, management agreement or between co-owners, between co-owners and the association, or between the association and the management firm.

The Co-owners

While the association is responsible for maintaining the common elements of the condominium, you are responsible for the maintenance and upkeep of your unit interior.

There may be restrictions on your use of your unit that can be enforced by the association. They include such things as: restrictions on pets; selling or renting your unit to someone of your choice; willing it to another person. Check for these in the condominium bylaws.

The association also sets rules for use of the recreational facilities and other common elements. It may require approval of repairs or structural modifications you wish to make in your unit. If

you mortgage your unit, you must notify the association of the name of the lender who is holding the mortgage, and the association may inform the mortgage holder of unpaid assessments due from you for your unit. Late charges and other penalties for non-payment of assessments are also common provisions found in the condominium bylaws.

All condominium associations created and operating under the Condominium Act must make provisions for a reserve fund to be used for major repairs and replacement of common elements. Ultimately, the co-owners must determine whether the amount kept in the reserve account is adequate for their project.

and More Questions . . .

Some additional questions often asked by prospective buyers are:

- What does the monthly assessment include?
- If I don't use all the facilities, why do I have to pay for them?
- What happens regarding unpaid monthly assessments if a co-owner defaults?

The monthly assessment varies from one development to another, but generally includes repairs and maintenance costs, insurance, reserve funds, management costs and upkeep for recreation facilities. You should receive a disclosure statement itemizing the budget at the time you are given the master deed.

If the project is a conversion—that is, converted from rental housing to condominium ownership—the developer should report actual past costs of maintenance and repairs and taxes from previous years and how they compare with the proposed budget. Remember, however, that the project may be assessed differently for tax purposes when it is converted, which could mean a tax increase.

The monthly assessment is considered as a lien on the condominium and you cannot exempt yourself from paying it, whether you use all the facilities provided or not.

If a co-owner loses a condominium unit through foreclosure to a lender, the lender is not liable for assessments charged to the unit and still owing. The unpaid assessments will be allocated among all of the units, including the foreclosed unit.

What to Do If You Have a Complaint

A reputable developer is interested in dealing with you fairly if you have problems with your condominium. It is in the developer's best interest to create satisfied owners, and, therefore, the majority of your questions and complaints usually can be handled by direct communication and negotiation between the two of you.

Ask your developer for the name, address and telephone number of the person within its organization to contact when you have a complaint.

If your project was established after the Condominium Act amendments took effect in 1983, your purchase agreement should contain wording that explains your right to take any claims against the developer, which involve \$2,500.00 or less, before the American Arbitration Association.

There are procedures to follow if you are not satisfied with the construction of the development, or you think you have been misinformed by a condominium sales representative, or you are in disagreement with the practices of the co-owners' association, or if some other problem does arise.

If your difficulty is with the developer, first contact the developer by letter. If no response is received within 15 days after the developer receives a certified, return receipt requested letter, contact:

1. For Construction Defects:

- A. Your local building inspector
- B. Michigan Department of Licensing and Regulation,
Bureau of Commercial Services, Enforcement Division,
P.O. Box 30018, Ottawa Building North,
Lansing, MI 48909
Telephone: (517) 373-9153

2. For Sales Misrepresentations:

Michigan Department of Licensing and Regulation,
Bureau of Commercial Services, Enforcement Division,
P.O. Box 30018, Ottawa Building North,
Lansing, MI 48909
Telephone: (517) 373-9153

3. Actions Regarding Purchase Agreement or Master Deed:

Corporation and Securities Bureau
Michigan Department of Commerce,
P.O. Box 30222, Lansing, Michigan 48909
Telephone: (517) 334-6203

If you have a complaint with the association at the time it is controlled by the co-owners or with other co-owners, check the condominium bylaws to find out what recourse you have. Neither the Corporation and Securities Bureau nor other state agencies generally have jurisdiction over complaints between these parties.

The Condominium Act now provides in Section 145 that upon receipt of an oral or written complaint with respect to a developer of a condominium project, the Corporation and Securities Bureau shall forward a copy of the complaint to the affected developer, and shall mail a notice of the available remedies to the complainant. At the end of this handbook is a section entitled, "Available Remedies Under the Condominium Act."

The jurisdiction of certain agencies such as the Michigan Department of Licensing and Regulation may be limited to complaints filed within a specific period of time after construction or sale. For this reason it is important that you pursue any complaints quickly and be able to back up any claims.

Remember:

The best protection in buying a condominium is your own common sense. Follow these steps and you should enjoy condominium ownership:

1. **Know Your Developer.**
2. **Read and Know the Contents of Your Condominium Documents.**
3. **Get Sales Promises in Writing.**
4. **Don't Submit to High Pressure Sales Tactics.**
5. **Get the Answers to the Questions in This Book.**

What the Words Mean

Assessment (Operating)

Proportionate share of the budgeted annual cost which is paid as a monthly charge to maintain the common areas and elements of a condominium and to maintain a sufficient reserve fund to assure financial stability.

Assessment (Special)

An assessment made for some special purpose or because of inadequate budgeting of operating expenses.

Association of Co-Owners

All of the co-owners acting as a group in accordance with the master deed and bylaws for the administration of the project. The co-owner can exercise voting rights in the association.

Condominium Bylaws

The operation of the property is governed by a set of bylaws which are recorded with the master deed. The bylaws impose certain duties and obligations on the co-owners and the association such as timing of meetings, record keeping, and determination and collection of assessments.

Association Bylaws

The association bylaws set forth the operating procedures for the association.

Common Interest

The percentage of undivided interest in the common elements apportioned to each unit as expressed in the master deed.

Co-Owner

A person who buys a unit in a condominium project becomes a co-owner. A co-owner owns a divided interest in the unit purchased, which may be a fee simple interest or a land contract vendee's interest, and has an undivided co-interest in all the common property in the condominium project.

Default

The failure to meet certain contractual obligations, such as monthly payments or maintenance of the property.

Easement

An easement in a condominium refers to the right of use under, across or over the land and improvements in the condominium, such as the sewer pipe or utility easement running beneath the surface of the land, the right to walk over a parking area or over the lobby area and stairways, and the right to have the utility lines running through the walls of a building.

Escrow Funds

Subscription deposits or downpayments required to be held unused, until the condominium project is recorded and titles are conveyed to each buyer.

Liability and Hazard Insurance (Association)

Insurance to protect against negligent actions of the co-owners association and damages caused to property by fire, windstorm, and other common hazards. This policy differs from the homeowner's personal insurance on the unit and furnishings.

Lien

A claim recorded against a property as security for payment of a just debt.

Limited Common Element

Those common elements designated in the Master Deed and reserved for the use of a certain unit to the exclusion of other units, such as hallways on a given floor reserved for the use of the apartment owners on that floor, carports, patios, or balconies.

Master Deed

The basic document used in the creation of a condominium, describes the division of the project into units and common elements.

Mortgage Commitment

The written notice from the bank or other lender saying that it will advance the mortgage funds in a specified amount to enable one to buy the unit.

Reserve Funds (Replacement)

Funds which are set aside usually in escrow from monthly association assessments to replace common elements, such as roofs, at some future date.

Taxes

Local real estate taxes are levied on the individual units and not on the condominium association.

Undivided Interest

In condominium law, the joint ownership of common areas in which the individual percentages are known but not applied to separate the areas physically. This situation is similar to the joint ownership of an automobile or home by husband and wife.

Available Remedies Under The Condominium Act

Section 145 of the Act provides that at a minimum, a purchaser would have the following remedies available to resolve a complaint:

1. The right to bring an action under Section 115 of the Act.

Section 115 provides a person or association of co-owners adversely affected by a violation of, or a failure to comply with, the Act, Rules promulgated under the Act, or any provision of an agreement or a Master Deed, may bring an action for relief in a court of competent jurisdiction. This section provides that the court may award costs to the prevailing party. The section also provides that under certain circumstances, the court may award damages to the purchaser because of the developer's actions.

A purchaser or association of co-owners considering this remedy should consult with their legal advisor.

2. The right to arbitration under Section 144 of the Act. Section 144 provides:

“(1) A contract to settle by arbitration may be executed by the developer and any claimant with respect to any claim against the developer that might be the subject of a civil action.

- (2) At the exclusive option of the purchaser, co-owner or person occupying a restricted unit under section 104b, a contract to settle by arbitration shall be executed by the developer with respect to any claim that might be the subject of a civil action against the developer, which claim involves an amount less than \$2,500.00 and arises out of or relates to a purchase agreement, condominium unit, or project.

- (3) At the exclusive option of the association of co-owners, a contract to settle by arbitration shall be executed by the developer with respect to any claim that might be the subject of a civil action against the developer, which claim

arises out of or related to the common elements of a condominium project, if the amount of the claim is \$10,000.00 or less.

- (4) The period of limitations prescribed by law for the bringing of a civil action shall apply equally to the execution of a contract to settle by arbitration under this section.
 - (5) All costs of arbitration under this section shall be allocated in the manner provided by the arbitration association.
 - (6) A contract to settle by arbitration under this section shall specify that the arbitration association shall conduct the arbitration.
 - (7) The method of appointment of the arbitrator or arbitrators shall be pursuant to reasonable rules of the arbitration association.
 - (8) Arbitration under this act shall proceed according to sections 5001 to 5065 of Act No. 236 of the Public Acts of 1961, being sections 600.5001 to 600.5065 of the Michigan Compiled Laws, which may be supplemented by reasonable rules of the arbitration association.
 - (9) An arbitration award shall be binding on the parties to the arbitration.”

A purchaser or association of co-owners considering this remedy should consult with their legal advisor.
3. The right to lodge a complaint pursuant to Article 5 of the Occupational Code (Section 501 to 522 of 1980 P.A. 299).

A condominium developer may be required to be a licensed residential builder under the Occupational Code. Complaints concerning construction would be filed with the Department of Licensing and Regulation, Complaint Division, P.O. Box 30018, Lansing, Michigan 48909.
 4. The right to initiate an investigation or bring an action under the Michigan Consumer Protection Act, 1976 P.A. 331.

This is an Act to prohibit certain methods, acts, and practices in trade or commerce; to prescribe certain powers and duties; to provide for certain remedies, damages, and penalties; to provide for the promulgation of rules; to provide for certain investigations; and to prescribe penalties.

Complaints may be filed with the Department of Attorney General, Consumer Protection Division, 525 West Ottawa, Lansing, Michigan 48913. Complaints may also be filed with the Prosecuting Attorney in the county in which the condominium project is located.

A purchaser or association of co-owners considering this remedy may wish to consult with their legal advisor.

5. The right to notify the appropriate enforcing agency of an alleged violation of the State Construction Code, other applicable building code, or construction regulations. The term "enforcing agency" is defined in the State Construction Code, 1972 P.A. 230, as the local building official.

This handbook is published as a general guide for people who are considering buying a condominium. It is not intended as a substitute for the Michigan Condominium Act (1978 P.A. 59), or for the rules of the Corporation and Securities Bureau that pertain to condominiums, or for the specific condominium documents of any development.

Read the Fine Print!

Read all these documents carefully. You should be aware of restrictions or covenants which govern the use of your condominium and the surrounding land. Check the master deed and your preliminary reservation agreement or purchase agreement to learn what, if anything, the developer reserves the right to change or modify in the future. The most common reservation is the right to expand or contract the project. Make sure you understand just how the developer plans to do this. Many developers build a small number of units at a time, holding sections of nearby land for other phases or future parts of the condominium. The right to do this is reserved in the master deed. It is important to know what will be built in the vicinity of your condominium.

Other usual reservations are the right to correct survey errors, the right to make changes in the documents that do not materially diminish the rights of the co-owners or mortgagees, the right to assign specific garage or parking space locations at a later date and the right to rent units that are not sold.

You should also inquire about any unusual conditions that might affect the project. If the roads are private, for example, how much will it cost for maintenance? Is there a private water or sewage system? Are there any easements other than public utility easements which might affect the condominium project or your unit?

If your project contains recreational facilities, find out what the developer's financial obligations are for these facilities and the responsibilities of the co-owners for the financing and management of the facilities. Find out if third parties will be using the facilities and when the facilities will be turned over to the association.

Warranties

Most buyers also are interested in the kind of warranty that comes with their condominium. The answer usually is found in the purchase agreement. The developer normally warrants the project against building defects in materials or workmanship for one year. Be sure to find out when the warranty begins and whether it covers building structures, recreational facilities, roads, sidewalks and

shrubbery. Remember that warranties generally cover only new construction. There may be no warranty if you are buying a unit in a conversion project.

Conversions—How Good?

Many conversion projects are offered "as is" to the buyer. Although local authorities may inspect the building's heating, plumbing, and electrical systems, roofing and structure, the developer will not guarantee the project if it is offered "as is." You may want to personally inspect the building for these items.

It is important to be aware when local authorities inspect the building it is to be sure it conforms to construction codes in effect at the time the structure was originally erected or remodeled. This may or may not be up to the current code for new construction depending on the age of the building. Any extensive remodeling done at the time of conversion, however, would have to meet current construction standards.

EXHIBIT G

RECEIPT
AND
INSTRUCTION SHEET

WHISPERING PINES OF GRAND BLANC

RECEIPT AND INSTRUCTION SHEET

Dear Co-Owner:

At this time, we are furnishing you with the Whispering Pines of Grand Blanc Purchaser Information Booklet which includes:

- A. Disclosure Statement
- B. Master Deed
- C. Condominium Bylaws and Corporate Bylaws (the "Bylaws")
- D. Plans and Drawings
- E. Articles of Incorporation of the Association
- F. Condominium Buyers Handbook

As provided in Section 84 of the Michigan Condominium Act, as amended, your Purchase Agreement (a copy of which you previously received or which is delivered herewith) cannot become binding until the elapse of nine (9) business days from today. During that time, you should be sure to carefully read the accompanying documents which control the operation of the project and are of extreme importance to you in understanding the nature of the interest which you are purchasing and your relationship with the condominium project, its Co-Owners and the Developer.

Please sign and return to us the additional copy of this Receipt and Instruction Sheet to acknowledge that it and the above-described documents have been delivered to you.

Very truly yours,

WHISPERING PINES OF GRAND BLANC, L.L.C.

Receipt of described documents acknowledged:

By: _____

(If more than one purchaser, all must sign.)

Unit No.: _____
Dated: _____