



JAC
CONSTRUCTION COMPANY, INC.

BIG LAKE ESTATES

PURCHASER INFORMATION

BOOKLET



PURCHASER INFORMATION BOOKLET

FOR

BIG LAKE ESTATES

A Site Condominium Project

in

Springfield Township, Oakland County, Michigan

**Developed By: Big Lake, L.L.C.
a Michigan Limited Liability Company**

**Builder: JAC Construction Company, Inc.
a Michigan corporation**

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BIG LAKE ESTATES

INTRODUCTION

Dear Purchaser:

Welcome to Big Lake Estates. This booklet includes the documents required by Michigan law for the formation of a condominium. It will serve as a reference point for any questions you may have concerning the operation, maintenance and legal status of your condominium unit. It contains Section 84a of the Condominium Act, a Disclosure Statement, Master Deed, Condominium Bylaws (which are also the Corporate Bylaws), Articles of Incorporation and Escrow Agreement.

It is the responsibility of Big Lake, L.L.C. to provide a copy of this booklet to every purchaser who purchases a unit directly from Big Lake, L.L.C. It is thereafter the responsibility of each such purchaser (such as a builder) of a unit to provide its purchaser with another copy of this booklet.

Sincerely,

**BIG LAKE, L.L.C.,
a Michigan limited liability company**

By: _____

Its: _____



**BIG LAKE ESTATES
PURCHASER INFORMATION BOOKLET
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NOTE:

Documents are separated by divider sheets; page numbers are internal to each document and are not consecutive throughout this booklet.

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BIG LAKE ESTATES

RECEIPT AND INSTRUCTION SHEET

Dear Co-owner:

At this time we are furnishing you with the Big Lake Estates Condominium Purchaser Information Booklet, which includes the Big Lake Estates Master Deed, all of the Condominium Documents, together with copies of the project Disclosure Statement and all other documents required by the Michigan Condominium Act.

As provided in Section 84 of the Michigan Condominium Act, (the "Condominium Act") your Purchase Agreement (a copy of which you previously received or which is delivered herewith) cannot become binding until the expiration 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 Condominium 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.

Section 84a of the Condominium Act prescribes the information which must be given to you as a condominium purchaser and which is included in the accompanying documents. Section 84a(3) provides that, upon signing this receipt, you will be presumed to have received and understood such documents.

Please sign and return to us the additional copy of this instruction sheet and receipt to acknowledge that it and the documents described have been delivered to you.

Documents furnished herewith:

1. Purchaser Information Booklet containing:

Receipt and Instruction Sheet
Notice and Acknowledgment and Waiver of Time Limit
Section 84a of the Michigan Condominium Act
Disclosure Statement
Condominium Bylaws
Condominium Subdivision Plan
Master Deed

*** List Continued On Next Page ***

Articles of Incorporation, Northridge Preserve
Condominium Association
Certificate of Incorporation
Preliminary Reservation
Escrow Agreement
Purchase Agreement
Closing Waiver
Warranty Deed
Buyers Handbook

**BIG LAKE, L.L.C.,
a Michigan Limited Liability Company**

By: _____
JACK ROSENZWEIG
Its: Managing Member

Receipt of documents described on the attached receipt and instruction sheet is acknowledged.

WITNESS

PURCHASER

PURCHASER

Address

(if more than one Purchaser all must sign)

UNIT NO.: _____

DATED: _____

**NOTICE AND ACKNOWLEDGMENT AND
WAIVER OF NINE (9) BUSINESS DAYS**

The undersigned, _____ and _____
_____ hereby waive the right of withdrawal from a purchase of a Condominium Unit as
stated in the Michigan Condominium Act.

We specifically understand that Section 84 of the Michigan Condominium Act (Public Act 59 of 1978, as amended) specifically states and guarantees to us that the Purchase Agreement that we have entered into with the Developer, Big Lake, L.L.C., a Michigan limited liability company, and/or the Builder, JAC Construction Co., Inc., a Michigan corporation shall not become binding upon us, and that we may withdraw from the Purchase Agreement without cause and without penalty before the conveyance of the unit and within nine (9) business days after receipt of the documents required by Section 84a of the Michigan Condominium Act as previously stated. We further understand that the calculation of the nine (9) business day period shall include the day on which the documents were received by us if that day is a business day.

We further understand that all deposits made herein have been paid in escrow to Philip F. Greco Title Company, a Michigan Corporation, agent for Chicago Title Insurance Company, a Missouri Corporation, under an Escrow Agreement between the Developer and Philip F. Greco Title Company. In absence of this waiver, we understand that we could withdraw within nine (9) business days and Philip F. Greco Title Company would be required to return our money to us within three (3) business days after notification to them that we had withdrawn.

We further state that on , _____ 1997, we were provided the following documents:

- (a) The recorded Master Deed and all exhibits thereto of Big Lake Estates Site Condominium;
- (b) A copy of the Reservation and Subscription Agreement, with attached copy of the Escrow Agreement;
- (c) A copy of the Condominium Buyers' Handbook;
- (d) The Disclosure Statement for Big Lake Estates Site Condominium; and
- (e) A copy of the budget of Big Lake Estates Condominium Association, included in the Disclosure Statement.

We further state that we knowingly and voluntarily waive our rights to the protection provided by the right of withdrawal within nine (9) business days, as provided in Section 84 of the Michigan Condominium Act.

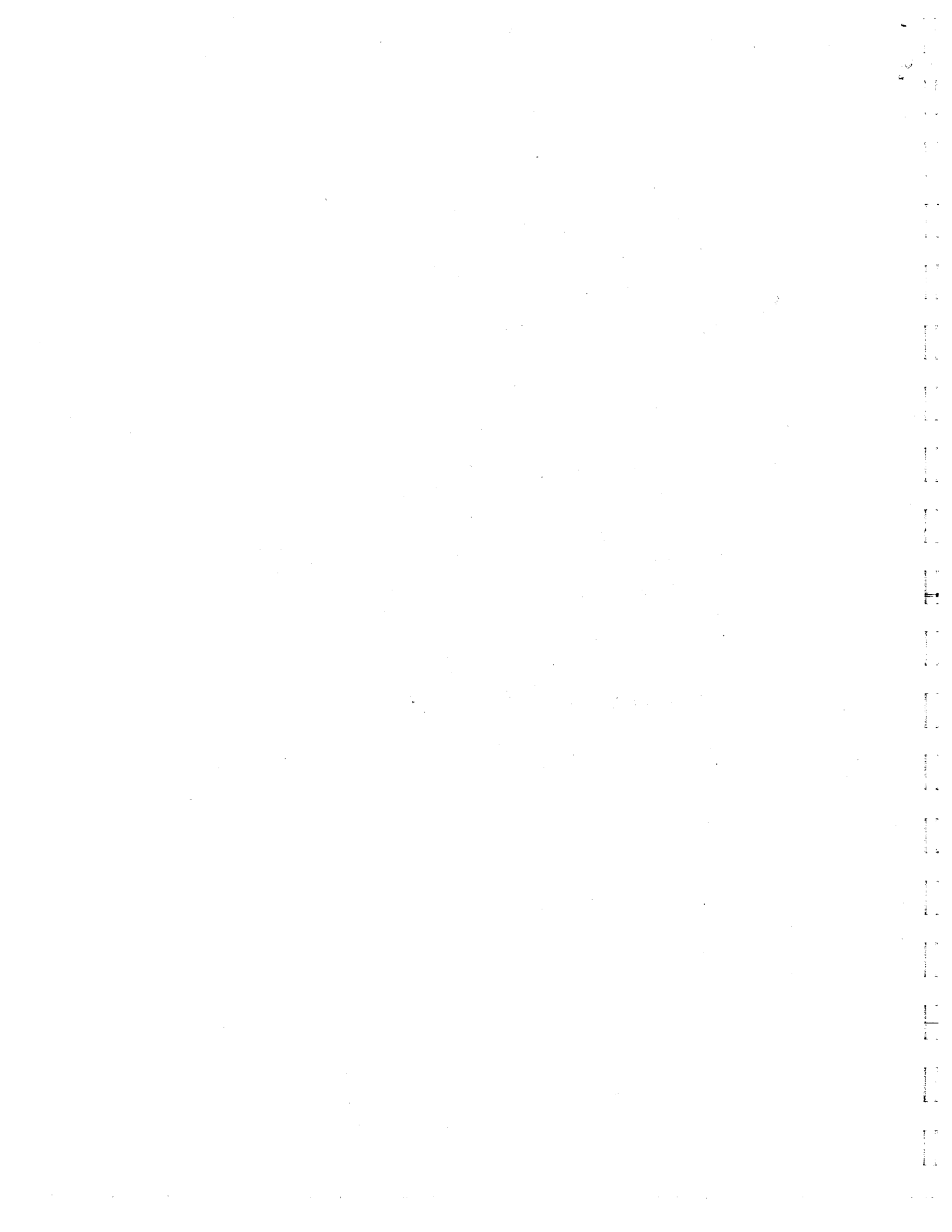
It is our desire to close the purchase of Unit No. ____, Big Lake Estates Site Condominium prior to the expiration of nine (9) business days from the date we received the documents required by the Michigan Condominium Act.

WITNESSES:

PURCHASER:

DATE: _____

f:\Big Lake\acknowl.



SECTION 84 AND 84(A)

(ACT 59, MICHIGAN PUBLIC ACTS OF 1978, AS AMENDED)

(MSA 26.50 (184) (184A)

Section 26.50(184) Exemption for business condominium units. Sec 84.(1) This section shall not apply to a business condominium unit.

Signed purchase agreement, withdrawal by purchaser. (2) Except as provided in subsection (5), a signed purchase agreement shall not become binding on a purchaser and a purchaser may withdraw from a signed purchase agreement without cause and without penalty before conveyance of the unit and within nine (9) business days after receipt of the documents required in section 84a. The calculation of the 9 business day period shall include the day of which the documents required under section 84a are received if that day is a business day.

Purchase agreement payments, escrow accounts; retention by developer, provision of other security, completion of uncompleted structures, improvements. (3) Upon receipt of payment, under a purchase agreement, the developer shall deposit all funds in an escrow account with an escrow agent. Funds due a developer from the closing of a unit sale need not be deposited in escrow if such funds are not required by other provisions of this act to be retained in escrow after such closing. After the expiration of the withdrawal period provided in subsection (2), the developer shall retain amounts in escrow or provide other adequate security as provided in section 103b to assure completion of only those uncompleted structures and improvements labeled under the terms of the condominium documents, "must be built".

Purchase agreement, contents. (4) A purchase agreement shall contain all of the following:

(a) A statement that all funds paid by the prospective purchaser in connection with the purchase of a unit shall be deposited in an escrow account with an escrow agent and shall be returned to the purchaser within 3 business days after withdrawal from the purchase agreement as provided in subdivision (b). The statement shall include the name and address of the escrow agent.

(b) A statement that unless the purchaser waives the right of withdrawal, the purchaser may withdraw from a signed purchase agreement without cause and without penalty if the withdrawal is made before conveyance of the unit and within 9 business days after receipt of the documents required in section 84a including the day on which the documents are received if that day is a business day.

(c) A statement that after the expiration of the withdrawal period provided in subsection (2), the developer is required to retain sufficient funds in escrow or to provide sufficient security to assure completion of only those uncompleted structures and improvements labeled under the terms of the condominium documents, "must be built".

(d) The following paragraph:

"At the exclusive option of the purchaser, any claim which might be subject of a civil action against the developer which involved an amount less than \$2,500.00, and arises out of or relates to this purchase 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."

(e) A statement that the escrow agreement between the developer and the escrow agent is incorporated by referenced.

Withdrawal right, waiver, form. (5) The right of withdrawal in subsection (2) may be waived in exceptional cases, by a purchaser who is provided all of the documents listed in subsection (4) and who knowingly and voluntarily waives in writing the purchaser's right to the protection provided by the right of withdrawal. The waiver form shall include

an explanation of this section(MCL Section 559.184.)

Section 26.50(184a) Documents to be provided to prospective purchaser. Sec. 84a. (1) The developer shall provide copies of all of the following documents to a prospective purchaser of a condominium unit, other than a business condominium unit:

(a) the recorded master deed.

(b) A copy of a purchase agreement that conforms with section 84, and that is in a form in which the purchaser may sign the agreement together with a copy of the escrow agreement.

(c) A condominium buyer's handbook. The handbook shall contain, in a prominent location and in boldface type, the name, telephone number, and address of the person designated by the administrator to respond to complaints. The handbook shall contain a listing of the available remedies as provided in section 145.

(d) A disclosure statement relating to the project containing all of the following:

(i) An explanation of the association of owners possible liability pursuant to section 58.

(ii) The names, addresses, and previous experience with condominium projects of each developer and any management agency, real estate broker, residential builder, and residential maintenance and alteration contractor.

(iii) A projected budget for the first year of operation of association of owners.

(iv) An explanation of the escrow arrangement.

(v) Any express warranties undertaken by the developer, together with a statement that express warranties are not provided unless specifically stated.

(vi) If the condominium project is an expandable -condominium project, an explanation of the contents of the master deed relating to the election to expand the project prescribed in section 32, and an explanation of the material consequences of expanding the project.

(vii) If the condominium project is a contractible condominium project, an explanation of the contents of the master deed relating to the election to contract the project prescribed in section 33, an explanation of the material consequences of contracting the project, and a statement that any structures or improvements proposed to be located in a contractible area need not be built.

(viii) If section 66(2)(j) is applicable, an identification of all structures and improvements labeled pursuant to section 66 "need not be built".

(ix) If section 66(2)(j) is applicable, the extent to which financial arrangements have been provided for completion of all structures and improvements labeled pursuant to section 66 "must be built".

(x) Other material information about the condominium project and the developer that the administrator requires by rule.

(e) If a project is a conversion condominium, the developer shall disclose the following additional information:

(i) A statement, if known, of the condition of the main components of the building, including the roofs; foundations; external and supporting walls; heating, cooling, mechanical ventilating, electrical, and plumbing systems; and structural components. If the condition of any of the components of the building listed in this subparagraph is unknown, the developer

shall fully disclose that fact.

(ii) A list of any outstanding building code or other municipal regulation violations and the dates the premises were last inspected for compliance with building and housing codes.

(iii) The year or years of completion of construction of the building or buildings in the project.

Purchase agreement, condominium documents; amendment; effect on purchaser's withdrawal rights. (2) A purchase agreement may be amended by agreement of the purchaser and developer before or after the agreement is signed. An amendment to the purchase agreement does not afford the purchaser any right or time to withdraw in addition to that provided in section 84(2). An amendment to the condominium documents effected in the manner provided in the documents or provided by law does not afford the purchaser any right or time to withdraw in addition to that provided in section 84(2).

Receipt of documents by purchaser; explanation, form; evidence. (3) At the time the purchaser receives the documents required in subsection (1) the developer shall provide a separate form that explains the provisions of this section.

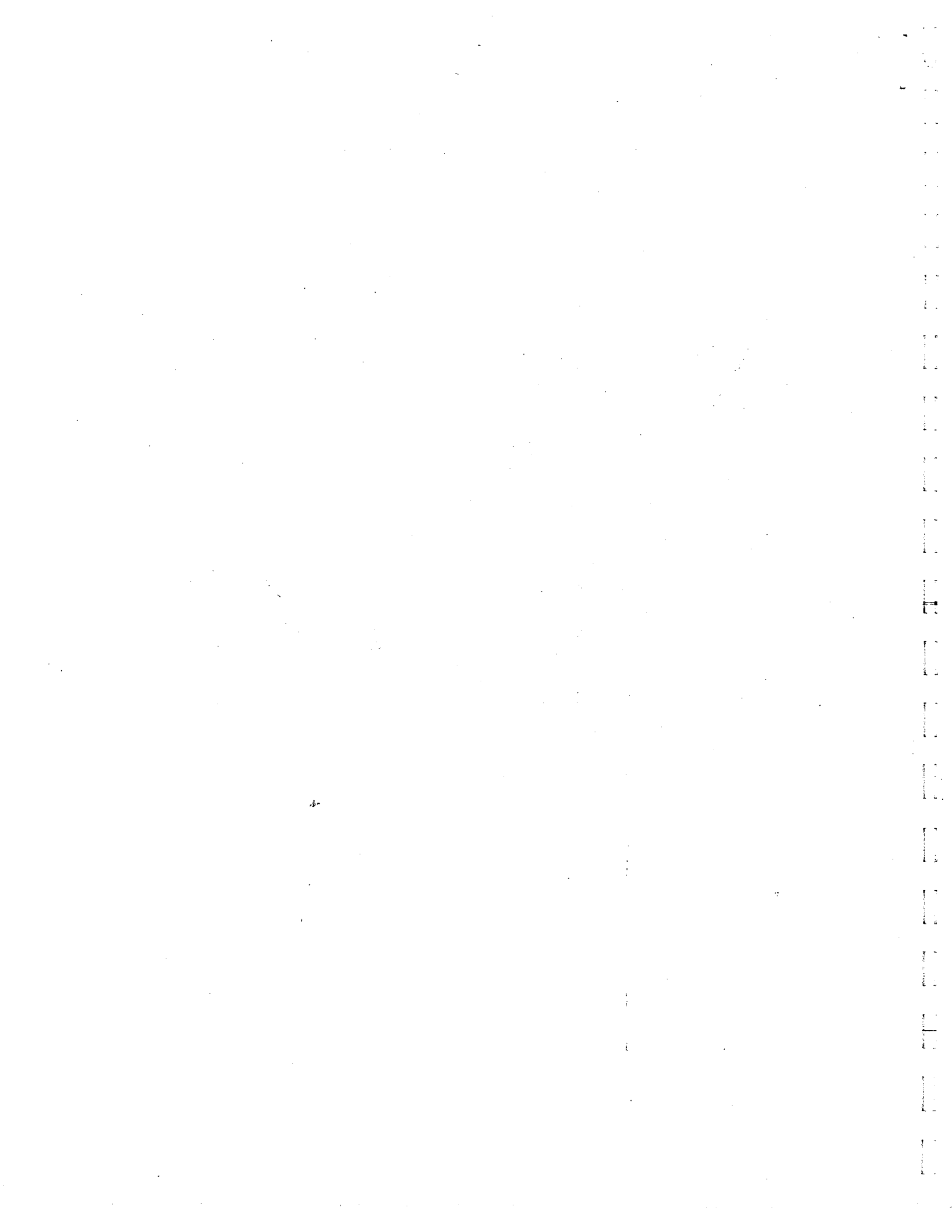
The signature of the purchaser upon this form is prima facie evidence that the documents required in subsection (1) were received and understood by the purchaser.

Recorded master deed, business condominium unit; provision to prospective purchaser. (4) Promptly after recording a master deed for a condominium project containing a business condominium unit, the developer shall provide to a prospective purchaser of a business condominium unit a copy of the recorded master deed for the project.

Facts disclosed, omitted or misstated in documents, prohibitions. (5) With regard to any documents required under this section, a developer shall not make an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading.

Changes or corrections in documents; amendments by developer. (6) The developer promptly shall amend a document required under this section to reflect any material change or to correct any omission in the document.

Liabilities, penalties. (7) In addition to other liabilities and penalties, a developer who violates this section is subject to section 115. (MCL Section 559.184a.)



DISCLOSURE STATEMENT NOTICE
REQUIRED BY ACT NO. 538 PUBLIC ACTS OF 1982
REGARDING
BIG LAKE ESTATES SITE CONDOMINIUM

Located in the Township of Springfield, Oakland County, Michigan

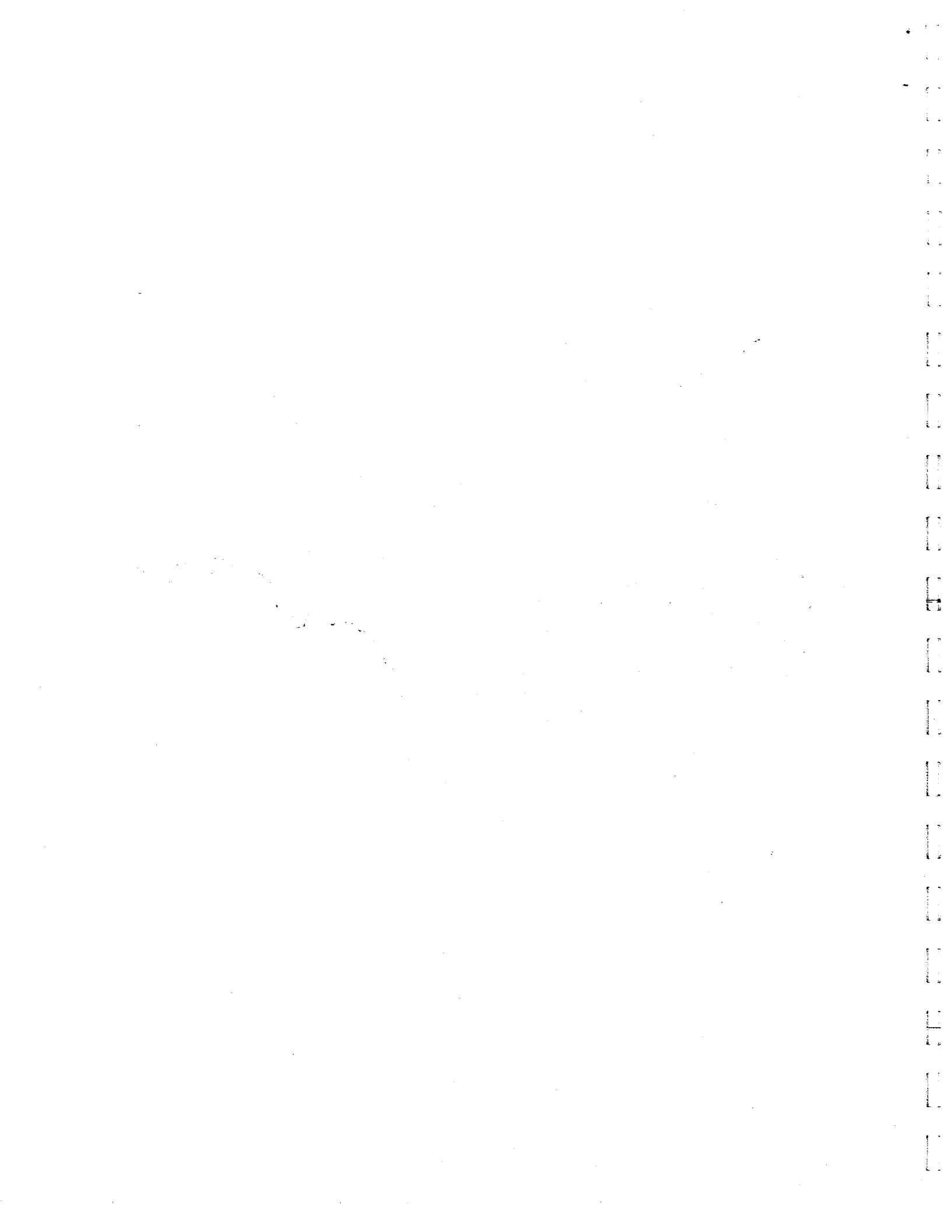
Developer:

Big Lake, L.L.C., a Michigan
Limited Liability Company
1700 North Woodward, Suite 200
Bloomfield Hills, MI 48304-2249

Big Lake Estates Site Condominium is a residential site condominium development located in Springfield Township, Oakland County, Michigan, consisting of fourteen (14) residential lots (units).

THIS DISCLOSURE STATEMENT IS NOT A SUBSTITUTE FOR THE MASTER DEED OR OTHER LEGAL DOCUMENTS AND ALL BUYERS SHOULD READ ALL DOCUMENTS TO FULLY ACQUAINT THEMSELVES WITH THE PROJECT AND THEIR RIGHTS AND RESPONSIBILITIES RELATED THERETO.

WE RECOMMEND THAT YOU CONSULT WITH AN ATTORNEY OR OTHER ADVISOR PRIOR TO PURCHASING A CONDOMINIUM UNIT.



**BIG LAKE ESTATES SITE CONDOMINIUM
DISCLOSURE STATEMENT
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DISCLOSURE STATEMENT

BIG LAKE ESTATES

I. Introduction

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

This Disclosure Statement, together with copies of the legal documents required for the creation and operation of the Project, are furnished to each Purchaser pursuant to the requirement of Michigan Law that the Developer of a Condominium Project disclose to prospective purchasers the characteristics of the Condominium Units which are offered for sale.

II. The Condominium Concept

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 contained in the Condominium Documents.

Each Co-owner receives a Deed to his individual Condominium Unit. Each Co-owner owns, in addition to his Unit, an undivided interest in the common facilities, "Common Elements," which service the Project. Title to the Common Elements is included as part of, and is inseparable from, title to the individual Condominium Units. Each Co-owner's proportionate share of the Common Elements is determined by the percentage of value assigned to his Unit in the Master Deed described in Section IV of this Disclosure Statement.

All portions of the Project not included within the Units constitute the Common Elements. Limited Common Elements are those Common Elements which are set aside for use by less than all Unit Co-owners. General Common Elements are all Common Elements other than Limited Common Elements.

Except for the year in which an individual Unit is established, real property taxes and assessments are levied individually against each Unit in the Project. The separate taxes and assessments cover the Unit and its proportionate share of the Common Elements. No taxes or assessments are levied independently against the Common Elements. In the year in which any particular Unit is established, the taxes and assessments for the Units covered by the Master Deed are billed to the Association and are paid by the Co-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 the Big Lake Estates 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. Description of the Condominium Project

A. Size, Scope and Physical Characteristics of the Project. Big Lake Estates is a site condominium consisting of fourteen (14) Units located in the Township of Springfield. Each Unit has direct access to either dedicated roadways or General Common Elements which may be dedicated in the future. All Units are designed to accept construction of single family residences with at least two car attached garages.

B. Convertible Area. Some portion of the Common Elements of the Project may be converted into Limited Common Elements or Condominium Units by the Developer. If the Developer elects to do so, this change must be made no later than six (6) years after the recording of the Master Deed. These changes would typically include relocation of roads, septic fields or utilities to serve new Units that may be constructed in the future. Any changes made will not unreasonably diminish the appearance of the Project or view of any Unit which is near the modified Unit or Common Elements. Any structures or improvements proposed to be located in the Convertible Area, need not be built.

IV. Legal Documentation

A. General. Big Lake Estates was established as a Condominium Project pursuant to the "Master Deed" recorded in liber 17344, pages 62 through 113 of the Oakland County Records and contained in the Big Lake Estates Purchaser Information Booklet. The Master Deed includes the Condominium Bylaws as Exhibit "A" and the Condominium Subdivision Plan as Exhibit "B". The Master Deed, Condominium Bylaws and Condominium Subdivision Plan may be amended from time to time.

B. Master Deed. The Master Deed contains a definition of terms used within the Condominium Project (see Article III), the percentage of value assigned to each Unit in the Condominium Project, a general description of the Units and General and Limited Common Elements included in the Project, and a statement regarding the relative responsibilities for maintaining the Common Elements. Article VII of the Master Deed covers easements. Article VIII reserves in favor of the Developer the right to amend the Condominium Documents to make immaterial changes therein, to provide for the correction of errors, and to comply with the requirements of certain lending institutions.

C. Condominium Bylaws. The Condominium Bylaws contains provisions relating to the operation, management, and fiscal affairs of the Condominium and, in particular, set forth the provisions relating to assessment of Association members for the purposes of paying the costs of operation of the Condominium Project, restrictions upon the ownership and use of the Condominium Project, and provisions permitting the adoption of Rules and Regulations governing the Common Elements. At the present time no Rules and Regulations have been adopted by the Board of Directors of the Association.

D. Condominium Subdivision Plan. The Condominium Subdivision Plan is a three dimensional survey depicting the physical location and boundaries of each of the Units and all of the Common Elements in the Project. The Developer is under no obligation to construct any structure or improvements labeled "need not be built" on the Subdivision Plan. The Developer is required to construct all structures and improvements labeled "must be built." Costs of these improvements will be paid by the Developer from its own funds and a construction mortgage.

E. Escrow Agreement. The Developer is required by the Act to enter into an Escrow Agreement and place all funds received from the Purchaser with the Escrow Agent. Philip F. Greco Title Insurance Co., agent for Chicago Title Insurance Company, is the Escrow Agent for this Condominium Project and is bound by the Escrow Agreement to release funds to you or the Developer upon certain terms and conditions more fully enumerated in the Escrow Agreement and Section 103a of the Act. Any interest on the escrowed funds shall go to the Developer. The Developer cannot receive any funds from the sale of a Unit until all that is labeled "must be built" on the Subdivision Plan is substantially completed or there is adequate security on deposit with the Escrow Agent to complete them. After nine (9) months from the closing of the first Unit, the Escrow Agent, if requested by an interested party, shall give notice to the Developer to complete the improvements labeled "must be built." If he does not do so in three (3) months, the Escrow Agent shall administer completion of the improvements, which may include filing suit for a Circuit Court to decide any disputes between the parties and delivering the escrowed security to the Court.

V. The Developer and Other Service Organizations

A. Developer's Background and Experience. Big Lake, L.L.C. is a Michigan Limited Liability Company which was formed in 1996. The managing members of the limited liability company are Jack Rosenzweig, Clifford J. Dovitz, Todd Rosenzweig and Marc Rosenzweig. Jack Rosenzweig has been actively involved in the real estate development, construction and management business since 1968. Jack Rosenzweig, individually and through various entities, including Big Lake, L.L.C., has successfully developed, built and managed many residential subdivisions as well as apartments, mobile home parks, office buildings and industrial buildings. Clifford J. Dovitz has been an attorney licensed by the State of Michigan since 1982 and has been in the real estate development and construction business since 1993. Todd Rosenzweig is certified as a Real Property Administrator (RPA) and holds a Michigan Builder's License. Mr. Rosenzweig has been a founder in two other real estate partnerships and worked extensively in the planning and development of real estate projects in Arizona. Since 1989, he has been in charge of property management and new property acquisitions. During that time, he has been responsible for the management of over 750 mobile home spaces in three parks and the acquisition of several properties. Marc Rosenzweig is certified as a Real Property Administrator (RPA) and holds both a Michigan Builder's License and a Michigan Real Estate License. Mr. Rosenzweig was a founder of T & M Consulting Enterprises, a real estate partnership that worked extensively in the planning and development of real estate projects in Arizona. Since 1988, he has been in charge of architectural design and construction.

B. Legal Proceedings Involving the Condominium Project or the Developer. The Developer states that there are no pending judicial or administrative proceedings involving the Condominium Project or the Developer or any of its principals.

C. The Real Estate Broker. The Developer does not intend to enter into an exclusive listing agreement with any real estate broker. However, the Developer will cooperate with licensed real estate brokers on a negotiated basis.

D. The Builder. JAC Construction Company, Inc. has entered into an option to purchase the units from Big Lake, L.L.C. JAC Construction Company, Inc. intends to construct structures (including wells) on Units in Big Lake Estates and sell them to individuals.

VI. Operation and Management of the Condominium Project

A. The Condominium Association. The responsibility for management and maintenance of the Project is vested in Big Lake Estates Owners Association, Inc., which has been incorporated as a non-profit corporation under Michigan law. The Articles of Incorporation and Bylaws of the Association are contained in the Purchaser Information Booklet and govern the procedural operations of the Association. The Association is governed by its Board of Directors whose initial member is the Developer and who is empowered to serve pursuant to the provisions of the Condominium Bylaws until the First Annual Meeting of Members of the Association, which must be held (a) in the Developer's sole discretion after fifty (50%) percent of the units which may be created are sold, or (b) mandatory within (i) fifty-four (54) months from the date of the first unit conveyance, or (ii) one hundred twenty (120) days after seventy-five (75%) percent of all units which may be created are sold, whichever first occurs.

At the First Annual Meeting of Members of the Association the Co-owners members of the Association will elect Directors and the Directors in turn shall elect officers for the Association. The Developer will be entitled to cast votes at any meeting with respect to all Units then remaining title in its name. The Developer shall have the right to designate at least one Director as long as it owns at least one percent (1%) of the Units that may be created subject to the provisions of the Condominium Act and the Condominium Documents.

B. Percentages of Value. The percentages of value were computed on the basis of the comparative characteristics of the Units including the square footage of the condominium unit area, and the Co-owners' respective share of the common condominium premises. The percentage of value assigned to each Unit shall determine, among other things, each Co-owner's respective share of the Common Elements of the Condominium Project, the proportionate share of each respective Co-owner in the proceeds and expenses of administration and the value of such Co-owner's vote at meetings of the Association of Co-owners.

C. Project Finances. (1) Budget. Article II, Section 3, of the Condominium Bylaws requires the Board of Directors to adopt an annual budget for the operation of the Project. The initial budget was formulated by the Developer and is intended to provide for the normal and reasonably predictable expenses of administration of the Project and to include a reserve for replacement of major structural and other components of the Project in the future. Inasmuch as the budget must necessarily be prepared in advance, it reflects estimates of expenses made by the Developer based in part on bids, in part upon experience in similar projects, and in part upon the estimates of others. To the extent that estimates prove inaccurate during actual operations and to the extent that the cost of goods and services necessary to service the Condominium Project change in the future, the budget and the expenses of the Association also will require revision. The current budget of the Association has been included in this Disclosure Statement.

(2) Assessments. Each Co-owner of a Unit included within the Project must contribute to the Association to defray expenses of administration. Assessments are based upon the percentages of value assigned to the Units. The Board of Directors may also levy special assessments in accordance with the provisions of Article II, Section 3, of the Condominium Bylaws.

Until occupancy of a particular Unit, the Developer, although a member of the Association, is not required to pay Association assessments for that Unit. Instead, the Developer must contribute only its proportionate share of the Association's expenses actually incurred as described in Article II, Section 8, of the Condominium Bylaws. After occupancy of a residential structure on a particular Unit, the Developer must contribute to the Association in accordance with the percentages of value assigned to occupied residential structures on Units owned by it.

(3) Other Possible Liabilities. Pursuant to Section 84a(1)(d) of the Condominium Act, each Co-owner under Section 58 of the Condominium Act:

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

In other words, if a bank forecloses on a mortgage, the bank does not have to pay any unpaid assessments from the Condominium on that Unit. Instead, all of the other Co-owners along with that bank divide that assessment equally. Everyone pays a share of the assessment instead of the bank paying the assessment completely.

D. Condominium Association Management Contracts. Currently, the Developer has agreed to manage the Project on a month-to-month basis at a no fee basis, which agreement can be terminated upon ninety (90) days notice by either party.

E. Insurance. The Condominium Documents require that the Association carry fire, liability insurance, and workmen's compensation insurance, if applicable, with respect to all of the Common Elements of the Project. Insurance is carried with Citizens Insurance Company the agent of which is Davidson-Brenner Insurance Agency. The insurance policies have deductible clauses and, to the extent thereof, losses will be borne by the Association or respective Co-owners. The Association is responsible for obtaining insurance coverage for the Association. Each Co-owner's pro rata share of the annual Association insurance premiums is included in the monthly assessment. The Association insurance policies are available for inspection during normal working hours. Each Co-owner is responsible for obtaining insurance coverage with respect to the structure erected on his Unit to the extent indicated in the Condominium Bylaws and for liability for injury within his Unit and upon Limited Common Elements assigned to his Unit. The Association should periodically review all insurance coverage to be assured of its continued adequacy and Co-owners should each do the same with respect to their personal insurance.

F. Restrictions on Ownership, Occupancy and Use. Article VI of the Condominium Bylaws sets forth restrictions upon the ownership, occupancy, and use of a Unit in the Condominium Project. It is impossible to paraphrase these restrictions without risking the omission of some portion that may be of significance to a purchaser. Consequently, each purchaser should examine the restrictions with care to be sure that they do not infringe upon an important intended use. The following is a list of certain of the more significant restrictions:

- (1) Units are to be used for single-family residential purposes;
- (2) Plans for any structure must be approved by the Developer or the Association.
- (3) Wells must be constructed before any structure on a Unit can be occupied, consistent with the requirements of the Oakland County Health Department.
- (4) There are substantial limitations on physical changes which may be made to the Common Elements, the Units in the Condominium, and any use to which the Common Elements and Units may be put.
- (5) Reasonable regulations may be adopted by the Board of Directors of the Association concerning the use of Common Elements, without vote of the Co-owners.
- (6) All Purchasers are required to plant three trees on their Unit within six months of closing.

None of the restrictions apply to the commercial activities or signs of the Developer and the Developer is also not subject to the restrictions upon the lease of any of the Units owned by him.

G. Lake Access. To the best of the Developer's knowledge and belief, the Association has the right to use Big Lake, subject to lake restrictions. In addition, to the best of the Developer's knowledge and belief, the Association has the right to apply to the Township of Springfield and other government entities to obtain dockage rights on Big Lake. The developer makes no representation or warranty as to the extent of the dockage rights.

VII. Rights and Obligations as Between Developer and Co-owners

A. Before Closing. The respective obligations of the Developer and the Purchaser of a Condominium Unit in the Project prior to closing are set forth in the Purchase Agreement and the Escrow Agreement. Both of those documents should be closely examined by all Purchasers in order to ascertain disposition of earnest money deposits advanced by Purchaser at the time of closing, anticipated closing adjustments, and the obligation of both parties with respect to modifications to the standard Unit and extra installations. Developer recommends that all Purchasers seek the advice of an attorney prior to executing any documents relating to the purchase of a Unit in the Project.

B. At Closing. Each Purchaser will receive by Warranty Deed fee simple title to his Unit subject to no liens or encumbrances other than the Condominium Documents and those other easements and restrictions as are specifically set forth in the Condominium Documents and Title Insurance Commitment.

C. After Closing. Subsequent to the purchase of the Unit, relations between the Developer and the Co-owner are governed by the Master Deed, Bylaws, and the Condominium Act, except to the extent that any contractual provisions of the Purchase Agreement that are intended to survive the closing.

VIII. Local Government, Taxes, and Utility Service

A. Local Government. The Project is located in Springfield Township and the Clarkston School District.

B. Real Property Taxes. Taxes upon the Condominium Units are assessed by the Township of Springfield, the County of Oakland, and the Clarkston School District. Pursuant to Michigan Law, taxes are required to be assessed annually on the property. During the year in which the Condominium Master Deed was initially recorded, real property taxes attributable to each Unit constitute an expense of administration to be shared by the Co-owners of such Units in proportion to their respective percentages of value. In that initial year, the Association will receive one (1) tax bill with respect to the Condominium Units which must be paid by the Association rather than by the individual Co-owners of such Units. The Developer will contribute to payment of taxes its proportionate share for such Units as it owns at the time taxes fall due. In subsequent years, each Co-owner will receive an individual tax bill attributable to his Unit only. It is impossible to determine with accuracy the amount of real property taxes which will fall due in subsequent years since those taxes are a function of both real property values and tax rates, which may either rise or fall.

C. Building Inspections. Approval of the building plans for the Project was granted by the Springfield Township Building Department.

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

- (1) Electricity Detroit Edison;
- (2) Natural Gas Consumers Power;
- (3) Telephone Ameritech; and
- (4) Cable TV TCI Cable

IX. Purpose of Disclosure Statement

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

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

The descriptions of the Master Deed and other instruments contained herein are summary only and may or may not completely and adequately express the content of the various Condominium Documents. Each Purchaser is referred to the original Master Deed and other original instruments as contained within the Purchaser Information Booklet. Legal phraseology, technical terms, and terms of art have been minimized and brevity has been the objective to the extent consistent with the purposes of the Disclosure Statement and rules of the Michigan Department of Commerce.

X. Proposed Budget

INCOME:

ASSESSMENTS (\$ 60.00 per quarter per unit)	\$ 3,360.00
INITIAL RESERVE*	\$ 3,360.00
TOTAL INCOME:	\$ 6,720.00

EXPENSES:

SNOWPLOWING	\$ 2,000.00
INSURANCE	\$ 500.00
AUDIT, ACCOUNTING & LEGAL	\$ 500.00
MISCELLANEOUS EXPENSES	\$ 720.00
RESERVE FOR REPAIRS	\$ 3,000.00
TOTAL EXPENSES:	\$ 6,720.00

An amount equal to Two Hundred and Forty (\$240.00) Dollars per Unit will be collected from the initial owners at closing for this purpose. There is no assurance that it will be adequate.

1. In the first year Condominium Units are established, taxes may be assessed on more than one Unit. If that is the case, additional monthly assessments will be due in the amount of the tax bill divided by the number of Units affected.

2. If the assessments collected prove inadequate to cover expenses, the Board of Directors may have to change the amount of the assessment or levy a special assessment pursuant to the By-laws.

3. The initial assessment will be set equally for all Units at Sixty (\$ 60.00) Dollars per quarter plus any tax bill assessed against the Property as described in paragraph 1 above. Once individual assessments are made and taxes are billed individually, those taxes will be the responsibility of the individual Co-owners.

4. Electricity is for Common Elements and would be in addition to any electric expense for Co-owner use which is metered and billed separately.

Recorded June 30, 1997 in Liber page 62 Oakland County Records
MASTER DEED
BIG LAKE ESTATES
OAKLAND COUNTY CONDOMINIUM
SUBDIVISION PLAN NO. 1053

This Master Deed is made and executed this 24th day of March, 1997, by Big Lake LLC., a Michigan Limited Liability Company (hereinafter referred to as "Developer", whose address is 1700 N. Woodward, Suite 200, Bloomfield Hills, MI 48304, in pursuance of the provisions of the Michigan Condominium Act (being Act 59 of the Public Acts of 1978, as amended), hereinafter referred to as the "Act".

WITNESSETH:

WHEREAS, Developer desires by recording this Master Deed, together with the Condominium Bylaws attached hereto as Exhibit A and the Condominium Subdivision Plan attached as Exhibit B (both of which are incorporated 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 Condominium under the provisions of the Condominium Act of Michigan.

NOW, THEREFORE, the Developer does, upon the recording hereof, establish Big Lake Estates as a Condominium under the Act and does declare that the Condominium shall, after such establishment, be held, conveyed, hypothecated, encumbered, leased, rented, occupied, improved or in any other manner utilized, subject to the provisions of the Act, and to the covenants, conditions, restrictions, uses, limitations, and affirmative obligations set forth in this Master Deed and Exhibits 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 said real property, their grantees, successors, heirs, executors, administrators and assigns.

ARTICLE I

TITLE AND NATURE

The Condominium shall be known as Big Lake Estates, Oakland County Condominium Subdivision Plan No. _____. The architectural plans and specifications for each Residence of the Condominium will be filed with the Township of Springfield. The number, boundaries, dimensions and volume of each Unit in the Condominium are set forth in the Condominium Subdivision Plan attached as Exhibit B hereto. Each unit is

capable of individual utilization on account of having its own access to a Common Element of the Condominium or directly to a public road. Each Co-owner in the Condominium shall have an exclusive right to the Unit owned and shall have undivided and inseparable rights to share with other Co-owners the Common Elements of the Condominium as designated by the Master Deed. Co-owners shall have voting rights in Big Lake Estates Association as set forth herein and in the Bylaws and Articles of Incorporation of such Association.

ARTICLE II

LEGAL DESCRIPTION

The land which comprises the Condominium established by this Master Deed is a parcel of land in the Township of Springfield, Oakland County, Michigan described as follows:

LEGAL DESCRIPTION:

A parcel of land being part of the Southeast 1/4 of the Northeast 1/4 of Section 28, T.4N., R.8E., Springfield Township, Oakland County, Michigan, being more particularly described as: Commencing at the Northeast corner of Section 28, T.4N., R.8E., Springfield Township, Oakland County, Michigan; thence proceeding along the East line of said Section 28, South 00 degrees 22 minutes 10 seconds West, 1317.49 feet to the point of beginning of the parcel herein described. Thence continuing along said East line, South 00 degrees 22 minutes 10 seconds West, 1317.48 feet to the East 1/4 post of said Section 28; thence along the East and West 1/4 line, South 89 degrees 03 minutes 58 seconds West, 607.01 feet to the nominal centerline of Hillsboro Road; thence along said nominal centerline, North 06 degrees 41 minutes 19 seconds West, 401.52 feet; thence South 89 degrees 03 minutes 58 seconds West, 126.35 feet to a point known as Point "A" on a shoreline traverse; thence continuing South 89 degrees 03 minutes 58 seconds West, 5 feet, more or less, to the shoreline of Big Lake; thence Northerly 480 feet, more or less, along the shoreline of said Big Lake; thence North 61 degrees 45 minutes 00 seconds East, 5 feet to a point on the Southerly line of Lot 15 of "Clinton Burt's Big Lake Subdivision", as recorded in Liber 41 of Plats on Page 19, Oakland County Records, said point being known as Point "B", said point being distant along a shoreline traverse from said point "A" the following eight (8) courses; North 41 degrees 36 minutes 38 seconds East, 87.82; feet and North 05 degrees 43 minutes 04 seconds West, 87.22; feet and North 00 degrees 31 minutes 23 seconds East, 44.21; feet and North 09 degrees 28 minutes 05 seconds East, 65.44; feet and North 03 degrees 52 minutes 16 seconds East, 38.10 feet; and North 11 degrees 39 minutes 44 seconds West, 38.21 feet; and North 25 degrees 43 minutes 16 seconds West, 46.91 feet; and North 41 degrees 29 minutes 24 seconds West, 70.53 feet; thence continuing along the South line of said Lot 15, North 61 degrees 45 minutes 00 seconds East, 117.23 feet; thence continuing along the subdivision boundary of said "Clinton Burt's Big Lake Subdivision"; North 88 degrees 15 minutes 00 seconds East, 66.00 feet to the East line of Hillsboro Road (66 feet wide); thence along the arc of a curve to the left, radius 345.35; central angle 20 degrees 20 minutes 02 seconds (the chord of said curve bears North 11 degrees 50 minutes 00 seconds West, 121.92 feet) and having an arc distance of 122.56 feet; thence along the arc of a curve to the left, radius 168.62; central angle 23 degrees 05 minutes 31 seconds (the chord of said curve bears North 32 degrees 10 minutes 00 seconds West, 67.5 feet) and having an arc distance of 67.96 feet; and South 83 degrees 56 minutes 00 seconds East, 44.57 feet; thence continuing along the Easterly line of said plat, North 03 degrees 14 minutes 20 seconds West, 275.00 feet; thence South 89 degrees 34 minutes 23 seconds East, 662.89 feet to the point of beginning of the parcel herein described. Containing 20.7 acres of land, more or less, also being subject to the rights of other riparian owners in the waters of Big Lake. Also being subject to the rights of the public or any other governmental unit in that part of Hillsboro Road, used, taken or deeded for street, road or highway purposes. Also subject to any easements, restrictions or conditions of record.

ARTICLE III

DEFINITIONS

Certain terms used in this Master Deed and the Exhibits hereto, and in the Articles of Incorporation and Bylaws of Big Lake Estates Association are defined as:

(a) The "Act" or "Condominium Act" means Act 59 of the Public Acts of Michigan of 1978, as amended.

(b) "Association" means the Michigan nonprofit corporation, Big Lake Estates Association, of which all Co-owners shall be members, which Association shall administer, operate, manage and maintain the Condominium. Any action required of or permitted to the Association shall be exercisable by its Board of Directors unless specifically reserved to its members by the Condominium Documents or the laws of the State of Michigan.

(c) "Bylaws" means Exhibit A hereto, which are the Bylaws required for the Condominium and also the Bylaws required for the Association.

(d) "Common Elements" means the portions of the Condominium other than the Condominium Units. There are no Limited Common Elements in Big Lake Estates.

(e) "Condominium" means Big Lake Estates as a Condominium established pursuant to the provisions of the Act, and includes the land and the buildings, all improvements and structures thereon, and all easements, rights and appurtenances belonging to the Condominium.

(f) "Condominium Documents," wherever used, means and includes this Master Deed and the Exhibits hereto, the Articles of Incorporation of the Association and any rules and regulations adopted by the Association.

(g) "Condominium Subdivision Plan" or "Plan" means the Plan attached to this Master Deed as Exhibit B. The Plan assigns a number to each Condominium Unit and includes a description of the nature, location and approximate size of certain Common Elements.

(h) "Condominium Unit" or "Unit" means the enclosed space constituting a single complete Unit designed and intended for separate ownership and use in the Condominium as such space may be described on Exhibit B hereto and all structures and improvements within such space.

(i) "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. Developer is a Co-owner as long as Developer owns one or more Units.

(j) "Developer" means Big Lake LLC., its successors or assigns. All development rights reserved to Developer herein are assignable in writing; provided, however, that conveyances of Units by Developer, including the conveyance of Units to a "successor developer" pursuant to Section 135 of the Act, shall not serve to assign Developer's development rights unless the instrument of conveyance expressly so states.

(k) "General Common Elements" means the Common Elements other than the Limited Common Elements.

(l) "Limited Common Elements" means a portion of the Common Elements reserved in this Master Deed for the exclusive use of less than all of the Co-owners. There are no Limited Common Elements in Big Lake Estates.

(m) "Master Deed" means this document to which the Condominium Bylaws and Condominium Subdivision Plan are attached as exhibits.

(n) "Mortgagee" means the named mortgagee or owner of any mortgage on all or any portion of the Condominium.

(o) "Percentage of Value" means the percentage assigned to each Condominium Unit in this Master Deed. The Percentages of Value of all Units shall total one hundred (100%) percent. Percentages of Value shall be determinative only with respect to those matters to which they are specifically deemed to relate either in the Condominium Documents or in the Act.

(p) "Person" means an individual, firm, corporation, partnership, association, trust, the state or agency of the state or other legal entity, or any combination thereof.

(q) "Size" means the number of cubic feet or the number of square feet of ground or floor space within each Condominium Unit computed by reference to the Plan and rounded off to a whole number.

(r) "Structure" means any Residence, building, driveway, parking area, structure, dwelling, garage, shed, outbuilding, fence, wall gazebo, hedge, in ground swimming pool, or any other improvement of a permanent or substantial nature constructed within the perimeter of a Unit.

(s) "Transitional Control Date" means the date on which the 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.

(t) "Township" means the Charter Township of Springfield. Where approval by the Township is required under the condominium documents the approval shall be furnished by the Township Board or by other individuals or committees as designated by the Township Board.

(u) "Development and Sales Period" shall be deemed to continue for so long as Developer continues to own any Unit in the Project.

(v) "Consolidating Master Deed" means the final amended Master Deed which shall describe Big Lake Estates as a completed Condominium Project and shall reflect the Project as finally expanded, configured and surveyed. Such Consolidating Master Deed, if and when recorded in the office of the Oakland County Register of Deeds, shall supersede the previously recorded Master Deed for the Condominium and all amendments thereto. In the event the Units and Common Elements in the Condominium are constructed in substantial compliance with the proposed Condominium Subdivision Plan attached as Exhibit B to this Master Deed, the Developer shall be able to satisfy the foregoing obligation by filing a certificate in the office of the Oakland County Register of Deeds confirming that the Units and the Common Elements "as built" are in substantial conformity with the proposed Condominium Subdivision Plan and that no Consolidating Master Deed need be recorded. Further, in the event that there is no need to modify the terms of the Master Deed or Bylaws and if the only changes are revisions to the Condominium Subdivision Plan, then there shall be no need to re-record the Master Deed and/or Bylaws but any such revisions may be reflected by the recording of an amendment for the purpose of evidencing the locations of Units, Common Elements and utilities as actually built.

(w) "Storm Water Drainage System" means all storm water drainage facilities serving the condominium including any storm sewers, retention basin, retention easements and drainage easements, all as shown on Exhibit "B", and which includes areas both within general common elements and within the boundaries of a unit.

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 to the plural shall also be included where the same would be appropriate and vice versa.

ARTICLE IV.

COMMON ELEMENTS-

The Common Elements of the Condominium described in Exhibit B attached hereto and the respective responsibilities for maintenance, decoration, repair, replacement, restoration or renovation thereof are as follows:

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

a) Land. The land (excluding any part thereof included in the Units described in Article IV below and on the Plan) and beneficial easements, if any, described in Article II, including any paths and landscaped areas, except to the extent any of the foregoing are designated herein or in the Plan as Limited Common Elements.

b) The storm water drainage and detention system throughout the Condominium, including below-ground and above ground systems, and the electrical, gas, water, sanitary sewer, storm sewer, telephone, plumbing and cable television (if any) networks or systems throughout the Condominium, up to the point that the systems enter the Units. These lines, systems and mains described above may be owned by the local public authority or by the company that is providing the appurtenant service. Accordingly, such utility lines, systems and mains shall be General Common Elements only to the extent of the Co-owners' interest therein, if any, and Developer makes no warranty with respect to the nature or extent of such interest, if any.

c) Roadways. Such portions of the road system in Big Lake Estates which have not been accepted for public dedication by the Road Commission for Oakland County.

d) Other. Such other elements of the Condominium not herein designated as Limited Common Elements, which are not enclosed within the boundaries of a Unit, and which are intended for common use or are necessary to the existence, upkeep, appearance, utility or safety of the Project.

Section 2. Limited Common Elements. The Limited Common Elements are the areas, if any, depicted on the Plan as Limited Common Elements and are limited to the use of the Co-owners of the Units to which such Limited Common Elements are assigned on the Plan. There are currently no Limited Common Elements in the Condominium, but Developer has reserved the right to create Limited Common Elements in Article IX of this Master Deed.

Section 3. Responsibilities of Co-Owner.

i) Maintenance, repair and replacement of all Common Elements shall be the responsibility of the Association, to be assessed to all Co-owners according to their Percentages of Value, subject to the following provisions:

a) The cost of repair of damage to a Common Element caused by a Co-owner, or family member or invitee of a Co-owner, shall be assessed against the Co-owner.

ii) Utility Services. All costs of electricity, natural gas, water, sanitary sewer, telephone, and any other utility services shall be borne by the Owner of the Unit to which such services are furnished.

iii) It is anticipated that separate Residences will be constructed within the Units depicted on the Plan. The responsibility for and the costs of maintenance, decoration, repair and replacement of the Residence and all other improvements within each Unit shall be borne by the Co-owner of the Unit which is served thereby. Nevertheless, in order to provide for flexibility in administering the Condominium, the Association, acting through the Board of Directors and after the affirmative vote of more than two-thirds (2/3) in number and value of the Co-owners, may undertake regularly recurring, reasonably uniform, periodic exterior maintenance functions with respect to Residences or other improvements within Unit boundaries as it may deem appropriate (including, without limitation, exterior painting). 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.

iv) Each Co-owner shall maintain, repair, and replace all Limited Common Elements, if any, appurtenance to the Co-owner's Unit. In connection with any amendment made by the Developer pursuant to Article IX hereof, Developer may designate additional Limited Common Elements that are to be maintained, decorated, repaired and replaced at Co-owners' expense or in proper cases, at the Association's expense.

v) Wells and Sanitary Disposal Systems. All costs of initial installation and subsequent maintenance, repair and replacement of the well and sanitary disposal system located within each Unit shall be separately borne by the Co-owners of the Units to which they are appurtenant.

Section 4. 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. Additional maintenance assessments may be levied for individual units requiring greater maintenance expenditures by the Association.

Section 5. Private Roads and Asphalt Walkways. The private roads and asphalt walkways as shown on the Condominium Subdivision Plan (Exhibit B to the Master Deed) will be maintained, replaced, repaired and resurfaced as necessary by the Association. It is the Association's responsibility to inspect and to perform preventative maintenance of the condominium roadways and asphalt walkways on a regular basis to maximize their useful life. In the event that the Association fails to provide adequate maintenance, repair or replacement of the hereinmentioned private roads and asphalt walkways, the Township of Springfield may serve written notice of such failure upon the Association. Such written notice shall contain a demand that the deficiencies of maintenance, repair, or replacement be cured with a stated reasonable time period. If such deficiencies are not cured, the Township may undertake such maintenance, repair or replacement and the costs thereof plus a 25% administrative fee may be assessed against the Co-owners and collected as a special assessment on the next annual Township of Springfield tax roll.

Section 6. Storm Water Drainage System. The costs of maintenance repair, and replacement of the storm water drainage system which are located within General Common Elements shall be borne by the Association. The cost of maintenance, repair and replacement of any portion of the storm water drainage system located within a Unit shall be borne by the Association thereof. In the event that the Association or any Co-owner fails to provide adequate maintenance, repair or replacement of the storm water drainage system for those areas which are its or their respective responsibilities, the Charter Township of Springfield may serve written notice of such failure upon the Association or Co-owner as the case may be. Such written notice shall contain a demand that the deficiencies of maintenance, repair or replacement be cured within a stated reasonable time period. If such deficiencies are not cured the Township may undertake such maintenance, repair or replacement and the costs thereof plus a 25% administrative fee may be assessed against the Co-owners and collected as a special assessment on the next annual Township of Springfield tax roll.

ARTICLE V

RESIDENTIAL USE

Each Unit shall be used for residential purposes. No Co-owner shall use his Unit or the Common Elements in any manner inconsistent with the purposes of the Condominium 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 VI

UNIT DESCRIPTION AND PERCENTAGE OF VALUE

The Condominium consists of 14 Units. Each Unit is described in this paragraph with reference to the Condominium Subdivision Plan attached hereto as Exhibit B. Each Unit shall include all that space contained within the Unit boundaries as shown on the Plan and delineated with heavy outlines. For all purposes, individual Units may hereafter be defined and described by reference to this Master Deed and the individual number assigned to the Unit in the Plan. The Percentage of Value assigned to each Unit shall be determinative of the proportionate share of each respective Co-owner in the proceeds and expenses of the Association and the Value of such Co-owner's vote at meetings of the Association and the undivided interest of the Co-owner in the Common Elements. The total percentage value of the Condominium is 100%. Each Percentage of Value shall be equal and shall be the number obtained by dividing 100 by the number of Units included in the Condominium. The method and formula used by Developer to establish the foregoing Percentages was to determine that the expenses incurred by the Association in connection with the Units should be approximately equal.

ARTICLE VII

EASEMENTS, RESTRICTIONS, AND AGREEMENTS

The Condominium is subject to the following easements, restrictions, and agreements:

- (a) Developer reserves the right and power to, dedicate all the roads in the Condominium to public use, and all persons acquiring any interest in the Condominium, including without limitation all Co-owners and mortgagees, shall be deemed irrevocably to have appointed Developer and its successors as agent and attorney-in-fact to make such dedication and to act in behalf of all co-owners and their mortgagees in any statutory or special assessments proceedings with respect to the dedicated roads. After certificates of occupancy are issued for Residences in 100% of the Units in the Condominium, the foregoing rights and powers may be exercised by the Association. Developer has also granted a ten foot wide easement for public road purposes to the Road Commission for Oakland County as depicted on the Exhibit B to the Master Deed.
- (b) Developer also reserves the right and power to grant easements over, or dedicate, portions of any of the Common Elements and the Units for utility, conservations, drainage, street, safety or construction purposes, and all persons acquiring any interest in the Condominium, including and without limitation all Co-owners and mortgagees shall be deemed to have appointed Developer and its successors as agent and attorney-in-fact to make such easements or dedications. Developer is granted a perpetual easement to utilize, tap, tie into all utilities located in the Condominium.
- (c) In the event any portion of a Unit or Common Element encroaches upon another Unit or Common Element due to shifting, settling, or moving of a building, or due to survey errors or construction deviations, reconstruction or repair, reciprocal easements shall exist for the maintenance of such encroachment for as long as such encroachment exists, and for maintenance thereof after rebuilding in the event of any destruction. There shall be permanent, non-exclusive easements to, through and over those portions of the Units and the land, Residences and improvements contained therein for the installation, maintenance and servicing of all utilities in the Condominium, including, but not limited to, lighting, heating, power, sewer, water, communications, telephone and cable television lines.

(d) The Developer, the Association and all public and private utility companies shall have such easements, over, under, across and through the Condominium, including all Units and Common Elements, as may be necessary to develop, construct, market and operate any Units within the land described in Article II hereof, and also to fulfill any responsibilities of maintenance, repair, decoration, or replacement 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. There shall exist for the benefit of the Co-owners, the Township of Springfield, any emergency service agency, and other governmental units, an easement over all roads in the Condominium for use by the Township of Springfield, the United States Postal Service and emergency or other governmental service vehicles. Said easement shall be for purposes of ingress and egress to provide, without limitation, mail delivery, fire and police protection, ambulance and rescue services and all other lawful governmental and private emergency services to the Condominium and all Co-owners. This grant of easement shall in no way be construed as a dedication of any streets, roads or driveways to the public.

(e) Easements for the construction, installation and maintenance of public utilities and for drainage facilities within the general common elements of the condominium as shown on the Condominium Subdivision Plan are reserved in favor of the Association and the Township. Within all of the foregoing easements, unless approvals are obtained from the Township of Springfield and any other appropriate municipal authority and except for the paving necessary for each Residence's driveway, no Structure, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of such service facilities and utilities, including underground electrical and telephone local distribution systems, or which may change, obstruct or retard the flow or direction of water in and through drainage in the easements, nor shall any change, which may obstruct or retard the flow of surface water or be detrimental to the property of others, be made by the occupant in the finished grade of any Unit once established by the builder upon completion of construction of the Residence thereon.

(f) The architectural and building specifications and use restriction set forth in Article VI of the Bylaws govern the development and use of each Unit in the Condominium along with the provisions of this Master Deed and the Condominium Subdivision Plan.

(g) Easements for Storm Drainage. There shall exist easements in favor of the Association and the Township over certain portions of Units for purposes of providing storm water detention, retention, and drainage as designated on the Condominium Subdivision Plan. Easements over such Units shall also exist in such reasonable locations as may be necessary in favor of the Association and the Township for purposes of access to said detention, retention and drainage areas in order to inspect, maintain and repair the same. No Co-owner shall disturb the grade or otherwise modify the areas within such easements in any way so that the storm water drainage designed for the Condominium Premises shall be unimpeded. Each Co-owner shall be responsible for installing, maintaining, repairing and replacing landscaping materials located within any storm water drainage easement areas lying within such Co-owners Unit; provided, however, that such installation, maintenance, repair and replacement of landscaping materials shall not in any way impede the storm water drainage system designed for the condominium.

(h) Tree Preservation and Park Areas. Certain portions of the Common Elements within the Condominium are depicted in Exhibit B as Park Areas. No Co-owner or agent of a Co-owner or any other person shall disturb the Park Areas in any way except as permitted by the Bylaws. The Association may assess fines and penalties as provided in the Bylaws for violation of this section. Likewise, the Association shall not cut or trim any tree within the Park Area which measures Six (6) inches in diameter or larger at a point four feet above the ground. This does not apply to dead or diseased trees which may be necessary to remove. If any portion of the Park Area is damaged the provisions in Article V, Section 1 of the Bylaws shall determine the damaged property that should be reconstructed or repaired.

(i) Roads. Upon approval by an affirmative vote of not less than 51% of all co-owners, the Association shall be vested with the power and authority to sign petitions requesting establishment of a special assessment district pursuant to provisions of applicable Michigan statutes for improvement of roads within or adjacent to the condominium premises.

In the event that a special assessment road improvement project is established pursuant to applicable Michigan law, the collective costs assessable to the condominium premises as a whole shall be borne equally by all co-owners.

All road improvement special assessments levied by any public taxing authority shall be assessed in accordance with Section 131 of 1978 PA 59, as amended (MCL 559.231)

(j) Metro Park. There shall be a fifteen foot easement for vehicular access between units four and five, between units five and twelve, and between units four and thirteen for the benefit of Huron Clinton Metropark employees and/or agents for maintenance. This access shall be secured by a locked swing gate. Big Lake Estates residents shall also share this easement for the purposes of access to the Metropark. The Big Lake Estates Association shall install a separate three foot locked swing gate and each unit owner shall have be entitled to access to this three foot swing gate. The Big Lake Estates Association access point shall permit pedestrian access only.

(k) Asphalt Walkways. The asphalt walkways depicted on Exhibit B to the Master Deed are easements for the use and enjoyment of the co-owners. Huron Clinton Metropark employees and/or agents are permitted access to the walkways for maintenance of the Metropark. The asphalt walkways are to be maintained by the Association. In the event the Association fails to maintain the walkways, then the Township shall have the ability to maintain the walkways pursuant to the language in Article IV Section 5 of this Master Deed.

(l) Rear Yard Access. There shall exist for the benefit of the resident of 1950 Hillsboro Road, Springfield Township, a twenty foot easement for access to repair and maintain the well water system that serves 1950 Hillsboro Road. This easement is twenty feet wide described as the southerly 20 feet of Unit One of Big Lake Estates Condominium. Written permission by the owner of Unit One of Big Lake Estates Condominium must be obtained by the resident of 1950 Hillsboro Road before accessing the easement area. The permission to access the easement area can not be unreasonably withheld by the owner of Unit One of Big Lake Estates Condominium. Any disturbance to the easement area due to the maintenance/repair of the well water system by the resident of 1950 Hillsboro Road must be restored to the pre-access condition within one week. This easement shall terminate at the time public water is available to the resident of 1950 Hillsboro Road, Springfield Township.

ARTICLE VIII AMENDMENTS

This Master Deed and any Exhibit hereto may be amended in the following manner:

(a) Amendments may be made and recorded by Developer or by the Association.

(b) If the amendment will materially change the rights of the Co-owners or Mortgagees, then such amendment requires the consent of not less than two-thirds (2/3) in value of the votes of the Co-owners and Mortgagees of the Units (unless a greater majority is specified in the Condominium Bylaws). A Mortgagee shall have one vote for each mortgage held.

(c) Notwithstanding subparagraph (b) above, but subject to the limitations of subparagraph (d) and (i) below, Developer reserves the right to amend this Master Deed or any of its Exhibits for any of the following purposes without the consent of Co-owners or Mortgagees, however, meeting the requirements of the then current Township Zoning Ordinance in effect at the time the amendment is made:

(1) To modify the locations, types and sizes of unsold Units and the General and/or Limited Common Elements adjoining or appurtenant to unsold Units; All modifications must conform to the requirements of the then current Township Zoning Ordinance in effect at the time the amendment is made,

(2) To amend the Condominium Bylaws, subject to any restrictions on amendments stated therein;

(3) To correct arithmetic errors, typographical errors, survey errors, or any similar errors in the Master Deed, Plan or Condominium Bylaws;

(4) To clarify or explain the provisions of the Master Deed or its Exhibits;

(5) To comply with the Act or rules promulgated thereunder or with any requirements of any governmental or quasi-governmental agency or any financing institution providing or proposing to provide a mortgage on any Unit or to satisfy the title requirements of any title insurer insuring or proposing to insure title to any Unit;

(6) To establish, relocate and/or reconfigure decks including placement of such decks;

(7) To make, define or limit easements affecting the Condominium

(8) To record an "as built" Condominium Subdivision Plan and/or consolidating master deed; and

(9) To revise the Plan, as necessary, to conform to any construction options, if offered by Developer and elected by any purchasers of Units. All revisions must meet the requirements of the then current Township Zoning Ordinance in effect at the time the amendment is made,

(10) To amend the description of land included in the Condominium as set forth in Article II of this Master Deed in the event the roads in the Condominium are dedicated to public use.

(d) Notwithstanding any other provision of this Article VIII, the method or formula used to determine the Percentages of Value for Units in the Condominium, as described above, may not be modified without the consent of each affected Co-owner and Mortgagee. The Association may make no amendment which materially changes the rights of Developer without the written consent of the Developer as long as the Developer owns any Units in the Condominium.

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

(f) The Condominium Project may not be terminated, vacated, revoked, or abandoned without the written consent of the Developer and 100% of non-Developer Co-owners.

(g) During the Development and Sales Period, the Condominium Documents shall not be amended nor shall the provisions thereof be modified in any way without the written consent of the Developer.

(h) The Developer or Association may amend the Master Deed or Bylaws to facilitate mortgage loan financing for prospective Co-owners and to enable the purchase or insurance of such mortgage loans by the Federal Home Loan Mortgage Corporation, The Federal National Mortgage Association, the Government National Mortgage Association, the Veteran Administration, the Department of Housing and Urban Development or any other institutional participant in the secondary mortgage market which purchases or insures mortgages. The foregoing amendments may be made without the consent of Co-owners or mortgagees.

(i) Anything herein to the contrary notwithstanding, any provision of the Master Deed and Bylaws which grants any rights to the Township, including rights to approve a matter, or includes restrictions required by the Township, shall not be amended without the specific consent of the Township. Without limitation the sections which shall not be amended without Township approval are the following:

A. Master Deed

Article IV, Sections 5 and 6
Article V
Article VII
Article VIII
Article IX

B. Bylaws

Article II, Section 3(b)
Article VI, Sections 1,3,18,20,21,22,23,25 and 26
Article XVI, Section 7
Article V, Section 1

Whether or not Township approval is required, a copy of any amendment to the Master Deed shall be delivered to the Township within 30 days of recording at the office of the Oakland County Register of Deeds.

ARTICLE IX

SUBDIVISION, CONSOLIDATION AND OTHER
MODIFICATIONS OF UNITS

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

Developer reserves the sole right so long as Developer owns and offers for sale at least one Unit in the Condominium and without the consent of any other Co-owner or any mortgagee of any Unit to take the following action, however, all amendments must meet the requirements of the then current Township Zoning Ordinance in effect at the time the amendment is made.

(a) Subdivide or resubdivide any Units which it owns and in connection therewith to construct and install utility connections and any other improvements reasonably necessary to effect the subdivision, any or all of which may be designated by the Developer as General or Limited Common Elements; such construction shall not disturb any utility connections serving Units other than temporarily.

(b) Consolidate under single ownership two or more Units and in connection there with to modify utility connections and any other improvements reasonable necessary to effect the consolidation, any or all of which may be designated by the Developer as General or Limited Common Elements; such construction shall not disturb any utility connections serving Units other than temporarily.

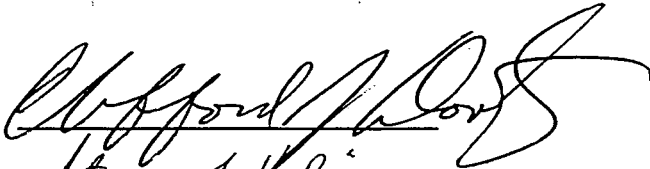
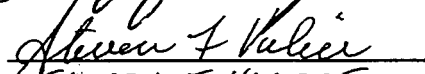
(c) Relocate any boundaries between adjoining Units, separated only by Common Elements not necessary for the reasonable use of Units other than those subject to the relocation.

ARTICLE X

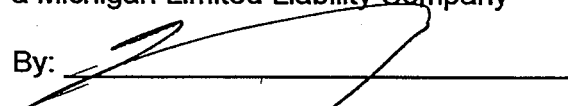
ASSIGNMENT

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

WITNESSES:

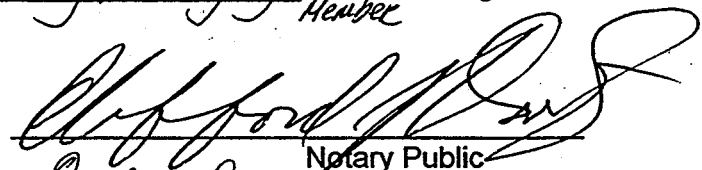

Clifford Dovitz

STEVEN F VALICE

Big Lake L.L.C.,
a Michigan Limited Liability Company

By: 
Its: MANAGING MEMBER

STATE OF MICHIGAN)
)ss
COUNTY OF OAKLAND)

On this 24th day of March, 1997, the foregoing Master Deed was acknowledged before me by JACK ROSENZWEIG, MANAGING MEMBER Partner of Big Lake L.L.C., a Michigan Limited Liability Corporation.


Clifford Dovitz
Notary Public
Oakland County, Michigan
My Commission Expires: 4-23-2001

Drafted by:

James J. Bagley, Jr., Esq.
4515 Highland Road
Waterford, MI 48329
(810) 673-7000

Return to:

Clifford Dovitz, Esq.
1700 N. Woodward Avenue, Suite 200
Bloomfield Hills, MI 48304
(810)433-1177

Recorded June 30, 1997 in Liber page 62 Oakland County Records

BIG LAKE ESTATES

EXHIBIT A

BYLAWS

Subdivision Plan No. 1053

ARTICLE I

ASSOCIATION OF CO-OWNERS

Big Lake Estates, a residential Condominium Project located in Springfield Township, Oakland 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. 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 II

ASSESSMENTS

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

Section 1. Taxes Assessed on Personal Property Owned or Possessed in Common. The Association shall be assessed as the person or entity in possession of any tangible personal property of the Condominium owned or possessed in common by the Co-owners, and personal property taxes based thereon shall be treated as expenses of administration.

Section 2. Assessments for Common Elements. All costs incurred by the Association in satisfaction of any liability arising within, caused by, or connected with the General Common Elements or the administration of the Condominium Project shall constitute expenditures affecting the administration of the Project, and all sums received as the proceeds of, or pursuant to, any policy of insurance securing the interest of the Co-owners against liabilities or losses arising within, caused by, or connected with the General Common Elements or the administration of the Condominium Project shall constitute receipts affecting the administration of the Condominium Project, within the meaning of Section 54 (4) of the Act.

Section 3. Determination of Assessments. Assessment shall be determined in accordance with the following provisions:

a) Budget. The Board of Directors of the Association shall establish an annual budget in advance for each fiscal year and such budget shall project all expenses for the forthcoming year which may be required for the proper operation, management and maintenance of the Condominium Project, including a reasonable allowance for contingencies and reserves. An adequate reserve fund for maintenance, repairs and replacement of those General Common Elements that must be repaired or replaced on a periodic basis shall be established in the budget and must be funded by regular payments as set forth in Section 3 below rather than by special assessments. At a minimum, the reserve fund shall be equal to 10% of the Association's current annual budget on a noncumulative basis. Since the minimum standard required by this subparagraph may prove to be inadequate for this particular project, the

Association of Co-owners should carefully analyze the Condominium Project to determine if a greater amount should be set aside, or if additional reserve funds should be established for other purposes. Upon adoption of an annual budget by the Board of Directors, copies of the budget shall be delivered to each Co-owner and the assessment for said year shall be established based upon said budget, although the failure to deliver a copy of the budget to each Co-owner shall not affect or in any way diminish the liability of any Co-owner for any existing or future assessments. Should the Board of Directors at any time decide, in the sole discretion of the Board of Directors: (1) that the assessments levied are or may prove to be insufficient to pay the costs of operation and management of the Condominium, (2) to provide repairs or replacements of existing General Common Elements, Units and improvements located thereon, to the extent the Association is obligated to repair and replace, (3) to provide additions to the General Common Elements not exceeding \$1,000.00 annually for the entire Condominium Project, (4) in the event of emergencies, the Board of Directors shall have the authority to increase the general assessment or to levy such additional assessment or assessments as it shall deem to be necessary. The Board of Directors also shall have the authority, without Co-owner consent, to levy assessments pursuant to the provisions of Article V, Section 3 hereof. The discretionary authority of the Board of Directors to levy assessments pursuant to this subparagraph shall rest solely with the Board of Directors for the benefit of the Association and the members thereof, and shall not be enforceable by any creditors of the Association or of the members thereof. The Board of Directors, including the first Board of Directors controlled by the Developer, may relieve Co-owners who have not constructed residences upon their Units from payment, for a limited period of time, of all or some portion of their respectively allocable shares of the Association budget. The purposes of this provision is to provide fair and reasonable relief from Association assessments until such Co-owners actually commence utilizing the Common Elements on a regular basis.

b) **Special Assessments.** Special assessments, in addition to those required in subparagraph (a) above, may be made by the Board of Directors and approved by the Co-owners as hereinafter provided to meet other requirements of the Association, including, by not limited to: (1) assessments for additions to the General Common Elements of a cost exceeding \$1,000.00 for the entire Condominium Project per year, (2) assessments to purchase a Unit upon foreclosure of the lien for assessments described in

Section 5 hereof, or (3) assessments for any other purpose not elsewhere herein described, (4) statutory proceedings regarding special assessment improvements of the Common Element public roads. Special assessments referred to in this paragraph (b) shall not be levied without the prior approval of more than 50% of all Co-owners. The authority to levy assessments pursuant to this subparagraph is solely for the benefit of the Association and the members thereof and shall not be enforceable by any creditors of the Association or of the members thereof. This section shall not apply to special assessments imposed by the Charter Township of Springfield in accordance with the provisions of the Master Deed.

Section 4. 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 VI of the Master Deed. Annual assessments as determined in accordance with Article III, Section 2 above shall be payable by Co-owners in regular installments, commencing with acceptance of a deed to or a land contract vendee's interest in a Unit, or with the acquisition of a fee simple title to a Unit by any other means. The payment of an assessment shall be in default if such assessment, or any part thereof, is not paid to the Association in full on or before the due date for such payment. A late charge not exceeding \$25 per installment may be assessed automatically by the Association upon each installment in default 5 or more days until each installment together with all late charges is paid in full. The Board of Directors shall also have the right to increase the amount of the late charge upon notification of the Co-owners. The Association may levy fines for late payment in addition to late charges. Each Co-owner shall be personally liable for the payment of all assessments and the costs of collection and enforcement of payment thereof. Payment on account 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 and other charges for late payment on such assessments; and third, to installments in default in order of their due dates. A Co-owner selling a Unit shall not be entitled to any refund whatsoever from the Association with respect to any reserve, account or other asset of the Association.

Section 5. Waiver of Use or Abandonment of Unit. No Co-owner may exempt himself from liability for his contribution toward expenses of administration by waiver of the use or enjoyment of the Common Elements or by the abandonment of his Unit.

Section 6. Enforcement.

a) Remedies. In addition to any other remedies available to the Association, the Association may enforce collection of delinquent assessments by a suit at law for a money judgment or by foreclosure of the statutory lien that secures payment of assessments. In the event of default by any Co-owner in the payment of any installment of the annual assessment, the Association shall have the right to declare all unpaid installments for the fiscal year immediately due and payable. A Co-owner in default shall not be entitled to serve as a Director of the Association, to utilize any of the General Common Element of the Project and shall not be allowed to vote at any meeting so long as this provision shall not deny the Co-owner of ingress or egress to his Unit. All of these remedies shall be cumulative and not alternate. The Association may also discontinue the furnishing of any utilities or other services to a Co-owner in default upon seven days written notice.

b) Foreclosure Proceedings. Each Co-owner shall be deemed to have granted in the Association the unqualified right to elect to foreclose the lien securing payment of assessments either by judicial action or advertisement. Further, each Co-owner shall be deemed to have authorized and empowered the Association to sell or cause to be sold the Unit with respect to which the assessments is or are delinquent and to receive, hold and distribute the proceeds of the sale in accordance with the laws established in Michigan. Each Co-owner acknowledges that before acquiring his Unit he was notified of the provisions of this paragraph and he 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 Unit.

c) Notice of Action. The Association may not commence proceedings to foreclose a lien for unpaid assessments without recording and service a notice of lien in the following manner:

i) The notice of lien shall set forth the legal description of the Condominium Site or Sites to which the lien attaches, the name of the Owner of record thereof, the amount due the Association as of the date of the notice, exclusive of interest, costs, attorneys fees and future assessments.

ii) The notice of lien shall be in recordable form, executed by an authorized representative of the Association, and may contain such other information as the Association deems appropriate.

iii) The notice of lien shall be recorded in the office of the register of deeds in the county in which the Condominium is situated and shall be served upon the delinquent Owner by first class mail, postage prepaid, addressed to the last known address of the Owner at least ten days in advance of the commencement of the foreclosure proceedings.

d) Expenses of Collection. The expenses incurred in collecting unpaid assessments along with advances for taxes or other liens paid by the Association to protect its lien, shall be chargeable to the Co-owner in default and secured by the lien on the Unit. These charges include, but are not limited to, attorney fees, late charges, interest and costs.

Section 7. Liability of Mortgagee. 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 in lieu of foreclosure, or any purchaser at a foreclosure sale, shall take the property free of any claims for unpaid assessments which accrue prior to the holder coming into possession of the Unit.

Section 8. Developer's Responsibility for Assessments. The Developer of the Condominium, although a member of the Association, shall not be responsible for payment of the regular Association assessments for Units which are owned by the Developer so long as the Units are vacant and unoccupied. The Developer 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, except expenses related to improvements constructed within or appurtenant to the Units that are not owned by Developer. 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 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 certificate of occupancy has been issued. Any assessments levied by the Association against the Developer for other purposes shall be void without Developer's consent. 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.

Section 9. Property Taxes and Special Assessments. All property taxes and special assessments levied by any public taxing authority shall be assessed in accordance with Section 131 of the Act.

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

Section 11. Statement as to Unpaid Assessments. The purchaser of any Unit may request a statement of the Association as to the amount of any unpaid Association assessments thereon, whether regular or special. Upon written request to the Association accompanied by a copy of the executed purchase agreement pursuant to which the purchaser holds the right to acquire a Unit, the Association shall provide a written statement that none exist, which statement shall be binding upon the Association for the period stated. 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. Under the Act, unpaid assessments constitute a lien and upon the sale of a Unit, all unpaid assessments against the Unit shall be paid out of the sale price in preference over any other assessments except (a) amounts due the State of Michigan or any subdivision thereof for taxes due and (b) payments due under first mortgages having priority.

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 dispute, shall be submitted to arbitration and the parties shall accept the arbitrator's decision as final and binding, provided that no question affecting the claim of title is involved. The Commercial Arbitration Rules of the American Arbitration Association as amended shall be applicable to any 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 dispute, claims, or grievances.

Section 3. Election of Remedies. Such election to submit claim, dispute or grievance to arbitration shall preclude such parties from litigating such dispute, claim, or grievance in the courts.

Section 4. Judicial Actions and Claims. Actions on behalf of and against the Co-owners shall be brought in the name of the Association. The Association may assert, defend, or settle claims on behalf of the all Co-owners in connection with the Common Elements of the Condominium.

ARTICLE IV

INSURANCE

Section 1. The Association shall carry fire and related property coverages and liability insurance in a amount not less than 1,000,000. per occurrence, officers and directors liability, and workers compensation insurance if applicable and any other insurance the Association may deem necessary relating to the ownership of General Common Elements and such insurance shall be administered with the following provisions:

a) Responsibilities of Association. All such insurance shall be purchased for the benefit of the Association, the Developer, the Co-owners, and the mortgagees, as their interest may appear. Certificates of insurance shall be issued for the benefit of mortgagees of Co-owners.

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

c) Proceeds of Insurance Policies. Proceeds of all insurance policies owned by the Association shall be received by the Association, held in a separate account and distributed to the Association and Co-owners and their mortgagees, as their interest may appear. In the event repair or reconstruction is required the insurance proceeds must first be used for reconstruction or repair.

Section 2. Authority of Association to Settle Insurance Claims. Each Co-owner, by ownership of a Unit in the Project, shall be deemed to appoint the Association as attorney-in-fact to act in connection with all matters relating to property insurance, liability insurance, and workers compensation insurance, if applicable. The Association shall have the authority to purchase insurance, collect and remit premiums, collect proceeds and distribute proceeds to the Association, Co-owners, and mortgagees, as their interest may appear.

Section 3. Responsibilities of Co-owners. Each Co-owner shall be responsible for obtaining property and liability coverage with respect to the Unit and all items constructed within the Unit. The insurance shall be carried in an amount equal to the maximum insurable replacement value. Each Co-owner shall deliver certificates of insurance to the Association to evidence such insurance. In the event the Co-owner fails to maintain insurance on the Unit, the Association may obtain the insurance on behalf of the Co-owner and the premiums shall constitute a lien on the Unit. The personal liability required to be maintained by each Co-owner shall include the Developer and the Association as named insureds and the amount of liability insurance shall be specified by the Association or Developer. The Association has no duty to carry insurance coverage for a Unit if the Co-owner fails to do so. If a Co-owner does or permits any activity to be done within his Unit which increases the rate of insurance to the Association the increase cost of insurance shall be paid by the Co-owner causing the increase to the Association.

Section 4. 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 attorney fees, which such other Co-owners, the Developer or the Association may suffer as a result of defending any claim arising out of an occurrence on or within the Co-owner's Unit and shall carry insurance to secure this indemnity if required by the Association or the Developer. This section shall not be construed to give any insurer any subrogation right against any individual Co-owner.

ARTICLE V

RECONSTRUCTION OR REPAIR

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

a) General Common Elements. If the damaged property is a General Common Element the damaged property shall be rebuilt or repaired unless all the Co-owners and all of the mortgagees unanimously agree to the contrary. If the damaged property is a portion of the roadway and/or storm water drainage system, however, Township approval shall be required in order to dispense with the rebuilding or repairing of that general common element.

b) Unit or Improvements thereon. If the damages property is a Unit or any improvements thereon, the Co-owner of any Unit, so long as the Co-owner is obligated to obtain the insurance, shall apply the proceeds towards repair or rebuilding the damaged property. Either the Co-owner or the Association shall, depending on whom the responsibility lies, remove all debris and restore the Unit and improvements thereon to a clean and sightly condition satisfactory to the Association as soon as possible. Each Co-owner has the responsibility to repair or reconstruct the Unit in substantial compliance with the original plans and specifications to which the Unit was originally built and the construction must proceed immediately after the casualty.

Section 2. Repair in Accordance with Master Deed. Any such reconstruction or repair shall be in accordance with the Master Deed and original plans and specifications unless the Co-owners unanimously agree otherwise.

Section 3. Association Responsibility for Repair. Immediately after the occurrence of a casualty causing damage to property for which the Association has the responsibility of repair, the Association shall obtain reliable estimates of the cost to repair or replace the damaged property in a condition that existed before damage. If the proceeds of insurance are insufficient to conduct the repair, assessment shall be made against all Co-owners for the cost of repair. This provision shall not include replacement of mature trees with equivalent trees. The Association shall proceed with replacement or repair of the damaged property without delay.

Section 4. Eminent Domain. The following provisions shall control upon any taking by eminent domain:

a) Taking of Unit or Improvements. In the event of a taking of all or any portion of a Unit by eminent domain, the award for taking shall be paid to the Co-owner and its mortgagee, if any, and after acceptance of the award the Co-owner shall be divested of all interest in the Project.

b) Taking of General Common Elements. If there is a taking of any portion of the General Common Elements, the proceeds shall be paid to the Co-owners in proportion to their respective interests in the Common Elements and the affirmative vote of more than 50% of the Co-owners shall determine whether to rebuild, repair, or replace the portion taken.

c) Continuation of Condominium after Taking. In the event the Project continues after taking by eminent domain, then the remaining portion of the Project shall be resurveyed and the Master Deed amended to reflect the taking and percentages of value amended accordingly.

d) Applicability of the Act. Section 133 of the Act shall control upon any taking by eminent domain to the extent not inconsistent with the foregoing.

e) 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.

Section 5. Priority of Mortgage Interests. Nothing contained in the Condominium Documents shall be construed to give a Co-owner or any other party priority over any rights of first mortgagees of Condominium Units pursuant to their mortgages in the case of a distribution to Condominium Unit owners of insurance proceeds or condemnation awards for losses to or a taking of Condominium Units and/or Common Elements.

Section 6. Notice to Certain Mortgagees. In the event any mortgage in the Condominium is held by the Federal Home Loan Mortgage Corporation (FHLMC) or in the event any mortgage is held by or insured by the United States Department of Housing and Urban Development (HUD), the Association shall give FHLMC and HUD written notice at such address as it may from time to time direct of any loss to or taking of the Common Elements of the Condominium, or any loss to or taking of any Unit, or part thereof, if the loss or taking exceeds \$10,000 in amount.

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. No Unit in the Project shall be used for other than residential purposes and the Common Elements shall be used only for purposes consistent with residential use in accordance with the ordinances of the municipality.

Section 2. Leasing and Rental.

a) Right to Lease. A Co-owner or Developer may lease his Unit, provided that written disclosure of the lease transaction is submitted to the Board of Directors of the Association. This provision (Section 2) may not be amended without the written approval of Developer.

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

1) A Co-owner or Developer desiring to rent or lease a Unit, shall disclose that fact in writing to the Association 10 days before presenting a lease form to a potential lessee and shall supply the same to the Association for its review for its compliance with the Condominium Documents.

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 fails to comply with the Condominium Documents, the Association shall:

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 notice to correct the alleged breach.

iii) If after 15 days the alleged breach is not cured, the Association may institute an action for eviction against the tenant or non-owner occupant and for money damages against the Co-owner for breach of conditions of the Condominium Documents.

Section 3. Architectural Control. No building, structure, or other improvement shall be constructed within a Unit or elsewhere within the Project, nor shall any exterior modification be made to any existing buildings, structure, or improvement, unless plans and specifications containing such detail as the Developer may request, have first been approved in writing by the Developer. All improvements shall be constructed by Developer unless, in his sole discretion, he agrees to and approves of a licensed builder prior to the construction of any such improvements. Construction of any building or other improvements must also receive any necessary approvals from the local public authority. Developer shall have the right to refuse to approve any

such plans or specifications, or grading or landscape plans, which are not suitable or desirable in its opinion for aesthetic or other reasons; and in deciding on 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 with the Condominium as a whole.

All dwellings must be single family detached homes for residential use only. Fences and dog runs may be permitted but only with the specific written approval of the Developer during the Development and Sale Period and thereafter by the Association.

Developer's rights under this Article may be assigned by Developer. Developer may construct any improvements upon the Project and Premises that it may, in its sole discretion, elect to make without the prior consent of any Co-owner or the Association or any other person.

Section 4. Alterations and Modifications of Units and Common Elements. No Co-owner shall make alterations, modifications, or changes to any of the Units or Common Elements without the express written approval of the Board of Directors and Developer during the Development and Sales Period. This includes the erection of antennas, lights, awnings, newspaper holders, basketball backboards, mailboxes, flag poles, or other exterior 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. No fences shall be permitted without the written approval of the Developer during the Development and Sales Period and thereafter by the Association.

Section 5. Activities. No immoral, improper, unlawful or offensive activity shall be carried on in any Unit or upon the Common Elements nor shall anything be done which may be or become an annoyance or a nuisance to any Co-owner 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 resulting from any activity. Activities prohibited include, but are not limited to: use of firearms and all other dangerous weapons, projectiles, or devices.

Section 6. Pets. No animals, other than two domesticated cats or two domesticated dogs shall be maintained in the Condominium. No animal shall be permitted to run loose at any time and no animal shall be kept for commercial purpose. Each Co-owner shall be responsible for fecal matter collection and disposition as a result of his pet. No dog which barks continually and disturbs another Co-owner shall be kept. In the event of any violation of this section the Board of Directors may assess fines in accordance with the Condominium Documents. A Co-owner seeking a variance from these rules must present his variance to the Board and win a majority vote from the Board. Dogs must be restrained from leaving their respective Units by use of an electronic fencing restraint system.

Section 7. Aesthetics. The Common Elements shall not be used for storage of supplies, personal property, or trash, except as provided for in the rules of the Association. Trash receptacles may only remain visible for the short time necessary to permit collection of trash and shall not be stored outside the dwelling unit. The Unit area and Common Elements shall not be used for drying or airing of clothes outside the dwelling unit. Any lawn furniture placed on lawn area must be removed immediately after use. In general, no activity shall be maintained that is detrimental to the appearance of the Condominium.

Section 8. Vehicles. No house trailer, commercial vehicles, boat trailers, boats, camping vehicles, motorcycles, snowmobile or trailers used for hauling aforementioned items may be stored upon the General Common Elements or Unit area outside the dwelling unit. A recreational vehicle may be parked in the driveway for a period not to exceed 24 hours for loading and unloading. Any extra vehicles shall be parked in the garage and any vehicles parked in the driveway shall not be parked in a unsightly manner as determined by the Board of Directors. Garage doors are to be kept closed when not in use. No inoperable vehicles may be brought or stored upon the Condominium Premises temporarily or permanently. Commercial Vehicles shall not be parked about the Condominium except as to make deliveries or pickups in the normal course of business. The Association may make all Co-owners register cars maintained on the Condominium Premises. The purpose of this Section is to accommodate reasonable Co-owner parking but to avoid unsightly conditions which detract from the appearance of the Condominium. Parking on any road is prohibited.

Section 9. Advertising. No signs or other advertising devices of any kind shall be displayed which are visible from the exterior of a Unit excluding "For Sale" signs, without approval from the Association or from the Developer during the Development and Sales Period.

Section 10. Rules and Regulations. It is intended that the Board of Directors of the Association may make rules and regulations to reflect the needs and desires of the majority of the Co-owners. Copies of all such rules and regulations shall be furnished to all Co-owners. Prior to the transitional control date the Developer may make amendments to the Bylaws at his sole discretion.

Section 11. Mailboxes. The type of all mail boxes and location of mail boxes shall be determined by the Developer. If postal authorities require a common mail station the expenses associated with this shall be borne by the Association.

Section 12. Right of Access of Association. The Association or its agents shall have access to each Unit, upon reasonable notice to Co-owner, to carry out any of its responsibilities imposed by the Condominium Documents.

Section 13. Landscaping. The Association shall be responsible to maintain the general common element areas including the vegetation.

Section 14. Fences. No boundary line fences shall be permitted unless approved in writing by the developer. The decks may be fenced with the written approval of the Developer.

Section 15. Co-owner maintenance. Each Co-owner shall maintain his Unit and yard areas in a safe, clean and sanitary condition. Each Co-owner shall also use due care to avoid damaging any Common Elements. Each Co-owner shall be responsible for damages or costs resulting from any damage.

Section 16. Common Element Maintenance. No unsightly condition shall be maintained upon any deck, patio, or porch and only furniture and equipment consistent with ordinary deck, patio or porch use shall be permitted to remain there during seasons when the same are reasonably in use and no seasonal items may be stored on any deck, porch or patio area when not "in season".

Section 17. Reserved Rights of Developer.

1. 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 Developer, showing the nature, kind, shape, height, materials, color scheme, location and approximate cost of such structure or improvement and landscaping plan of the area to be affected shall have been submitted to and approved in writing by Developer, its successors and 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, improvements 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.

2. Developer's Rights in Furtherance of Development and Sales. None of the restrictions in this Article shall apply to the commercial activities or signs or billboards, if any, of the Developer during the Development and Sales Period, or the Declarant under the Agreement, or of the Association in furtherance of its powers and purposes set forth herein and in its Articles of Incorporation. Until all Units in the entire planned Condominium are sold by Developer, Developer shall have the right to maintain a sales office, a business office, a construction office, model units storage areas and reasonable parking incident thereto and such access to, from and over the Condominium as may be necessary to enable development and sale of the entire Condominium by the Developer.

3. Enforcement of Bylaws. The Condominium 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 all Co-owners. 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 so long as Developer owns any Units in the Condominium which right of enforcement shall include (without limitation) an action to restrain the Association or any Co-owner from any activity prohibited by these Bylaws.

Section 18. Site Maintenance. All yard areas within Units (unless such a Unit has not been built upon) shall be well maintained in accordance with approved landscape plans and in keeping with such rules and regulations as may be promulgated from time to time by the Developer and the Association. The size and nature of Units in Big Lake dictate that, in some instances, it will be aesthetically acceptable to maintain vegetation other than well maintained lawns on portions of a Unit. The Developer and the Association shall be entitled to require that a well maintained lawn be installed in certain areas of a Unit in light of the fact that the Condominium is a first class residential development, albeit of a suburban nature. Well maintained lawns shall be deemed to be lawns that are regularly cut to a uniform height and trimmed and edged to preserve a neat, groomed appearance. Lawns shall be installed within one year from date of issuance of Certificate of Occupancy for a dwelling. Each Co-owner shall maintain his lawn beyond the front Unit line extending to the shoulder of the road.

The Developer or the Association may require Owners of Units on which dwellings have not been built to mow the weeds or vegetation on the Units at least twice a year.

Section 19. Damages to Roadways or Common Elements. Damages to roads or Common Elements which are a result of construction activities taking place on a Co-owners Unit must be repaired immediately by the Co-owner causing the damage at the Co-owners expense.

Section 20. Parks. The Park areas depicted in the Condominium Subdivision Plan are established for the enjoyment of the residents within Big Lake Estates. The park area East of Hillsboro Road is to be used for locating the development's sign and its associated landscaping and is not intended to be used as an active park area.

The park area West of Hillsboro Road may be actively used by the residents of Big Lake Estates. The Southerly 300 feet of this area will be selectively trimmed and cleaned of dead debris but will be left as a wooded area used for foot traffic, swimming and beach area only. The Northerly 150 +/- feet dedicated as general picnic and beach area may be improved with a sand box, swing set, barbecues, picnic tables, etc. This area is established for family activities. There shall be no fertilizers applied to any park areas.

Section 21. Setbacks. No residence shall be erected closer to front, side and rear Unit lines than permitted by the Springfield Township Zoning Ordinance; provided, however, that certain of the Units shall have specifically greater setbacks as depicted on the Condominium Subdivision Plan and no residence shall be erected closer to the front, side and rear lines of those Units than such greater setbacks as so depicted. For purposes of this Section, the term "lot" as found in the Township Zoning Ordinance shall mean the same as "unit". The term "front lot line" shall mean that line which separates the unit boundary from a general common element within which the roadway is located or from the right of way of the road itself. The term "side lot line" shall mean the line separating units.

Section 22. Public Health Requirements. The provisions hereinafter set forth have been required by the Michigan Department of Public Health and the Oakland County Health Division. Permits for the installations of wells and sewage disposal systems shall be obtained from the Oakland County Health Division prior to any construction on the individual building sites. All dwellings must be served by potable water systems. Each Co-owner shall be solely responsible for installation, maintenance, repair and replacement of the well\water supply system and the septic tank\ drain field\sanitary disposal system on his or her building site and the Association shall have absolutely no financial responsibility or other duty with respect hereto. All wells installed for private water supply must, except as set forth below, penetrate an adequate protective clay aquaclude or overburden. Prospective Unit Co-owners are hereby advised of and agree to this requirement. When an adequate aquaclude cannot be demonstrated, additional safeguards in the form of increased distances and\or depth requirements may be required. According to the submitted test well results, it is estimated by the Michigan Department of Public Health, the Oakland County Health Division and the Developer that water wells will need to be at least 100 feet deep in order to penetrate an aquaclude. Wells must be drilled at least 50 feet from any septic field. All residential dwellings shall be served by an appropriate potable water supply system constructed in accordance with the Groundwater Quality Control provisions of the Michigan Public Health Code P.A. 368 of 1978, as amended, and, in particular, with Part 127 thereof. All wells on individual sites shall be drilled by a well driller licensed by the State of Michigan to a depth of not less than that required by the Oakland County Health Division and a complete well log form for each such potable water well shall be submitted to the Oakland County Health Division within sixty days following completion of such well. Although not considered health related, the elevated hardness, iron content and manganese content may be aesthetically objectionable. Co-owners should note that softening or treatment systems may be necessary or desirable to prevent staining of fixtures, taste of odor problems.

In the event that it shall become possible at a later date for homes in this Condominium to connect to a public sewage disposal system and/or to a public water supply system located in close proximity to the Condominium Premises, the Association acting by and through a majority of its directors, shall have the full right and authority to determine whether all homes must connect to either or both of such systems. In the event that a state or local agency having jurisdiction shall require such connections to a proximate system, the board of directors shall take prompt action to implement such connection. In either event, the board of directors shall have special assessments against all Units and their owners for construction of such sanitary sewer system and/or public water supply system as may be required to connect to a public system without a vote of the Co-owners at large. Costs of such construction and connection shall be apportioned equally among all Co-owners.

Section 23. Tree Preservation. No Co-owner shall cut down or trim any tree located on any Unit which has a diameter of 6 inches or more measured 4 feet above ground level without the prior written approval of the Developer. Each tree removed or trimmed in violation of this provision constitutes a separate offense and shall subject the Co-owner to fines as set forth in Article XX of these Bylaws. All Purchasers are required to plant three (3) trees on their unit within six (6) months of closing. The trees to be planted shall be deciduous (maple, ash, or oak) having a botanical name of Acer, Fraxinus and Quercus, with a minimum size of 2.5 inches in caliper, balled and burlapped.

Section 24. Temporary Structures or dwellings. There shall be no temporary structures on any Unit without the written approval of Developer.

Section 25. General. The purpose of this Article VI is to assure the continued maintenance of the Condominium as a beautiful residential development and shall be binding upon all co-owners. The Developer may, in its sole discretion, waive any part of the restrictions set forth in this Article due to unusual topographic, natural or aesthetic conditions with the Developer deems compelling. Any such waiver must be in writing and shall be limited to the Unit to which it pertains. All rights of the Developer to waive any of the restrictions contained in this Article VI shall be subject to the approval of Springfield Township with respect to any matters for which Township approval would be required for an amendment to the Master Deed or Bylaws.

Section 26. Lake Access. Any access to Big Lake from the condominium shall be pursuant to the Township ordinance No. 26 and the Department of Environmental Quality rules and regulations. There shall be no overnight storing of motorized boats on the Big Lake shoreline. Shoreline or waterfront alterations that require Michigan Department of Environmental Quality (MDEQ) review must receive a permit from the MDEQ before commencing.

All on-site sewage disposal systems must be installed with not less than 100 feet of isolation from any surface water or impounded water. When deemed necessary, due to the size or configuration of a building site, grade conditions or evidence of elevated ground water, an engineered building site plan or system design plan may be required by the Oakland County Health Division. Such plans, if required, must be submitted for review and approval prior to issuance of a sewage disposal system permit. All systems are to be installed according to Oakland County Sanitary Code and Springfield Township specification.

Each residential dwelling shall be served by an adequate sewage disposal system. Each such sewage disposal system shall be utilized for disposition of human metabolic waste only and not for processed waste of any sort. Private septic tanks and drain fields constructed in compliance with the regulations of the Oakland County Health Division and with applicable Michigan Department of Public Health Division regulations may be installed and shall be deemed an adequate sewage disposal system. All toilet facilities must be located inside a residential dwelling. Each Co-owner or other user of a sewage disposal system shall be limited in waste water flowage in accordance with the terms and conditions of the On-site Sewage Disposal Permit issued by the Oakland County Health Division under Article III of the Oakland County Sanitary Code as may be amended or replaced from time to time. Each sewage disposal system shall have a mechanical access system for the purpose of allowing access to the septic system for maintenance and cleaning purposes. Each sewage disposal system must be cleaned out and/or pumped out every two years. The cost of this service may be collected as an administration expense of the Association if the Association contracts for the pumping of all systems. The Association may collect any expenses incurred under this paragraph as it would any other assessments collected under these Bylaws including lien and foreclosure rights as specified above. The Association shall have any easement rights necessary to exercise its rights under this paragraph.

In the event that Developer is unable to receive approval from the Oakland County Health Division for a septic system on a particular unit, then Developer at its discretion, will combine that unit with an adjacent parcel(s) or dedicate that unit to the park area(s). All wells installed for private water supply shall be grouted completely.

Section 27. Wetlands. Existing wetland areas as depicted on the Exhibit B to the Master Deed must be left natural and undisturbed. Any disturbance must be in accordance with a Michigan Department of Environmental Quality permit.

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 for property and casualty insurance.

Section 3. Notification of Meetings. Upon request submitted to the Association, the holder of a first mortgage on any Unit shall be notified of every meeting of the members of the Association and to designate a representative to attend the meetings.

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 when voting number and one vote, the value of which shall equal the Percentage of Value percentage allocated to the Units owned by such Co-owner as set forth in the Master Deed, when voting by value. Voting shall be by value unless otherwise expressly required by the Condominium Documents or by law.

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 Project to the Association. Except as provided in Article XI, Section 2 of these Bylaws, no Co-owner, other than the Developer, shall be entitled to vote prior to the date of the First Annual Meeting of members held in accordance with Section 2 of Article IX. The vote of each Co-owner may be cast only by the individual representative designated by such Co-owner in the notice

required in Section 3 of this Article VIII below or by a proxy given by such individual representative. The Developer 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 during the 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 Units owned, and the name and address of each person or entity who is the Co-owner. The individual representative may be changed by the Co-owner at any time. At any meeting the filing of such written notice as a prerequisite to voting may be waived by the chairman of the meeting.

Section 4. Quorum. The presence in person or by proxy of more than one-half of the Co-owners qualified to vote shall constitute a quorum for holding a meeting, except for voting on questions required by Condominium Documents to have a greater quorum. A person may vote by written vote if it is furnished prior to meeting and shall be counted in determining the quorum.

Section 5. Voting. Votes may be cast only in person or by a writing duly signed by the designated voting representative not present. 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 Association. Cumulative voting shall not be permitted.

Section 6. Majority. A majority, except where otherwise provided herein, shall consist of more than 50% of those qualified to vote and present in person or by proxy or written vote 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 other suitable places as 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 accepted manual of parliamentary procedure when not in conflict with 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 have been conveyed and the purchasers 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 meeting 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 in the month of March each succeeding year after year in which the First Annual Meeting is held, on such date and at such time and place as shall be determined by the Board of Directors; provided, however, that the second annual meeting shall not be held sooner than 8 months after the date of the First Annual Meeting. At such meetings there shall be elected by ballot of the Co-owners a Board of Directors in accordance with the requirements of Article XI of these Bylaws. The Co-owners may also transact at annual meetings such other business of the Association as may properly come before them.

Section 4. Special Meetings. It shall be the duty of the President to call a special meeting of the Co-owners as directed by resolution of the Board of Directors or upon a petition signed by 1/3 of the Co-owners presented to the Secretary of the Association, but only after the First Annual Meeting has been held. Notice of any special meeting shall state the time and place of such meeting and the purposes. 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 to serve a notice of each annual or special meeting, stating the purpose 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 Owner at the address shown in the notice required by Article VIII, Section 3 of these Bylaws to be filed with the Association 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 ten days from the time the original meeting was called and notice of the meeting shall be provided as set forth in Section 5 of this Article IX.

Section 7. Order of Business. The order of business at all meetings of the members shall be as follows: (a) roll call to determine those voting at the meeting; (b) determination of whether a quorum is present; (c) proof of notice of meeting or waiver of notice; (d) reading of minutes of preceding meeting; (e) reports of officers; (f) reports of committees; (g) appointment of inspectors of election for purpose of electing Directors; (h) election of Directors; (i) unfinished business; and (j) new business. Meetings of members shall be chaired by the most senior officer of the Association present. The order of seniority are: President, Vice President, Secretary, and Treasurer.

Section 8. Action Without Meeting. Any action which may be taken at a meeting of the members may be taken without a meeting by written ballot of the member, except for election or removal of Directors. Ballots shall be solicited in the same manner as provided in Section 5. 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; (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

the quorum which would be required if the action were taken at a meeting; and (ii) a number of votes or total percentage of approvals which equals or exceeds the number of votes or percentage or approvals 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. 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. 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

An advisory committee of non-developer Co-owners shall be established either 120 days after conveyance of legal or equitable title to non-developer Co-owners of 1/3 of the Units that may be created, or 1 year after the initial conveyance of legal or equitable title to a non-developer co-owner of a unit in the project, whichever occurs first. The advisory committee shall meet with the condominium project board of directors for the purpose of facilitating communication and aiding the transition of control to the association of co-owners. The advisory committee shall cease to exist when a majority of the board of directors of the association of co-owners is elected by the non-developer co-owners.

ARTICLE XI

BOARD OF DIRECTORS

Section 1. Number and Qualification of Directors. The Board of Directors shall be comprised of three members, all of whom must be members of the Association or officers, partners, trustees, 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 manage the affairs of the Association until the appointment of the first non-developer Co-owners to the Board. Elections for non-developer Co-owner Directors shall be held as provided in subsection (b) and (c) below.

b) Appointment of Non-developer Co-owners to Board Prior to First Annual Meeting. Not later than 120 days after conveyance of legal or equitable title to non-developer Co-owners of 25% of the Units that may be created, at least one Director and not less than twenty-five (25%) percent of the Board of Directors shall be

twenty (120) days after conveyance of legal or equitable title to non-developer Co-owners of fifty (50%) percent of the Units that may be created, not less than thirty-three and one-third (33 1/3%) percent of the Board of Directors shall be elected by non-developer Co-owners. When the required percentage of conveyances has 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 the Director resigns or becomes incapacitated.

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

1) Not later than 120 days after conveyance of legal or equitable title to non-developer Co-owners of 75% of the Units that may be created, the non-developer Co-owners shall elect all Directors on the Board, except that the Developer shall have the right to designate at least one Director as long as he owns at least one 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 occurred.

2) Notwithstanding the formula provided in subsection (1), 54 months after the first conveyance of legal or equitable title to a non-developer Co-owner of Unit in the Condominium, if title to at least seventy-five (75%) percent of the Units that may be created has not been conveyed to non-developer Co-owners, the First Annual Meeting shall be called and the non-developer Co-owners shall have the right to elect a number of members to 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 (1). Application of this subsection does not require a change in size of the Board of Directors.

3) 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 (2), 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-

the Developer shall have the right to elect the remaining member of the Board of Directors. Application of this section shall not eliminate the right of the Developer to designate one Director as provided in section (1).

4) At the First Annual Meeting two Directors shall be elected for a term of two years and one Director shall be elected for a term of one year. At such meeting all nominees shall stand for election as one slate and two persons receiving the highest number of votes shall be elected for a term of two years and the one person receiving the next highest number of votes shall be elected for a term of one year. At each annual meeting held thereafter, either one or two Directors shall be elected depending upon the number of Directors whose terms expire. After the First Annual Meeting, the term of office of each Director shall be two years.

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

6) As used in this section, the term "Units that may be created" means the maximum number of Units which may be included in the Condominium in accordance with any limitation stated in the Master Deed or imposed by law.

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

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

a) To manage and administer the affairs of and to maintain the Condominium and the Common Elements.

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

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

d) To rebuilt improvements after casualty.

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

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

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 Association members.

h) To make rules and regulation in accordance with Article VI, Section 10 of these Bylaws.

i) To establish such committees as it deems necessary to appoint persons for the purpose of implementing the administration of the Condominium.

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) to perform such duties as the Board shall authorize and the Board may delegate to the agent any duties which are not by law or by Condominium Document required to be performed by or have the approval of the Board or the members of the Association. In no event shall the Board enter into any contracts in which the maximum term is greater than three years or which is not terminable by the Association upon 90 days written notice and no 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-owner elected Directors which occur prior to the Transitional Control Date may be filled only through election by non-developer Co-owners and shall be filled in the manner specified in Section 2(b) of this Article.

Section 7. Removal. At any regular or special meeting of the Association duly called with due notice of the removal action proposed to be taken, any one or more of the Directors may be removed with or without cause by the affirmative vote of more than 50% of all of the Co-owners qualified to vote and a successor may then be elected to fill any vacancy. 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 any of the Directors selected by Developer at any time in its sole discretion.

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.

Section 9. Regular Meeting. Regular meetings of the Board of Directors may be held at such times and places as determined by a majority of the Directors but at least one meeting shall be held each fiscal year. Notice of Board meetings shall be given personally to each Director by mail or telephone at least 10 days prior to the date of the meeting.

Section 10. Special Meetings. Special meetings of the Board of Directors may be called by the President on three days notice to each Director by mail or telephone, which notice shall state the time, place, and purpose of the meeting. Special meetings may also be called by the President or Secretary on 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 to the giving of such notice. Attendance at the meetings shall be deemed a waiver of notice by a Director.

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, there is 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, shall constitute the present of such Director for determining a quorum.

Section 13. First Board of Directors. The actions of the first Board of Directors selected before the Transitional Control Date shall be binding upon the Association as long as the actions are within the scope of powers which may be exercised by the Board

Section 14. Fidelity Bonds. The Board of Directors shall require that all officers handling funds for the Association shall be covered by Fidelity Bonds. The premiums for the 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. Any two offices except 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 the Board of Directors. He has the power to appoint committees to conduct 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.

c) Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors and Association and shall have charge of the corporate seal.

d) Treasurer. The Treasurer shall have the responsibility for the Association's funds and shall be responsible for keeping accurate accounts of receipts and disbursements in books belonging to the Association.

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, or at any special meeting of the Board called for such purpose. No such removal action may be taken, unless the matter shall have been included in the notice of such meeting.

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

ARTICLE XIII

SEAL

The Association may have a seal. If the Board determines that the Association shall have a seal, then it shall be 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 mortgages 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 independent auditors but these auditors need not be certified public accountants nor does such audit need to be certified. Any holder of a first mortgage shall be entitled to receive a copy of the audit upon request. The costs of an audit shall be expenses of administration.

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

Section 3. Bank. Funds of the Association shall be initially deposited in such bank as may be designated by the Directors and shall be withdrawn only by the check or order of the officers or agents.

ARTICLE XV

INDEMNIFICATION OF OFFICERS AND DIRECTORS

Every director and officer of the Association shall be indemnified by the Association against all expenses and liabilities, including actual and reasonable attorney fees and amounts paid in settlement, incurred by or imposed upon him in connection with any threatened, pending or completed action, suit, or proceeding, whether civil, criminal, administrative, or

a party by reason of his being or having been a director or officer; 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 shall apply only if the Association approves of such as being in the interest of the Association. At least ten days prior to settlement the Association shall notify the Co-owners. The Association is authorized to carry Directors and Officers liability insurance in the amount appropriate.

ARTICLE XVI

AMENDMENTS

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

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

Section 3. Voting. These Bylaws may be amended by the Co-owners at any regular meeting or a special meeting called for such purpose by an affirmative vote of not less than 66-2/3% of all these Bylaws unless such amendment would materially alter their rights, in which event 66-2/3% approval by mortgages would be required, with each mortgagee having one vote.

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

Section 5. When Effective. Any amendment to these Bylaws shall become effective upon recording of the amendment in the office of the 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 that any amendment to these Bylaws shall be binding upon all person who have an interest in the Project irrespective of whether any person receives a copy of the amendment.

Section 7. Consent of Township. Anything herein to the contrary notwithstanding, the provisions of Article II, Section 3 (b); Article VI, Section 1, 3, 18, 20, 21, 22, 23, and 25 and this Article XVI, Section 7 shall not be amended without the specific consent of the Charter Township of Springfield.

ARTICLE XVII

DEFINITIONS

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

ARTICLE XVIII

COMPLIANCE

The Association and all present or future Co-owners, tenants, 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 will govern.

ARTICLE XIX

REMEDIES FOR DEFAULT

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

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

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 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 the right to enter upon the Common Elements or Unit, but not into the dwelling or garage, and remove and abate, at the expense of the Co-owner, any condition existing contrary to the provisions of the Condominium Documents. The Association shall have no liability to any Co-owner arising out of this section.

Section 4. Assessment of Fines. The violation of any of the provisions of the Condominium Documents shall be grounds for fines by the Association. No fines may be assessed unless in accordance with Article XX.

Section 5. Non-Waiver of Right. The failure of the Association to enforce any right which may be granted by the Condominium Documents shall not constitute a waiver of the right of the Association to enforce such right in the future.

Section 6. Cumulative Rights, Remedies, and Privileges. All rights, remedies and privileges granted to the Association or Co-owner 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 from exercising other rights or remedies.

Section 7. Enforcement of Provisions of Condominium Documents. A Co-owner may maintain an action against the Association to compel the enforcement of the provisions of the Condominium Documents. A Co-owner may maintain an action against any other Co-owner for injunctive relief or for damages or any combination thereof for noncompliance with the Condominium Documents or the Act.

ARTICLE XX

ASSESSMENT OF FINES

Section 1. General. The violation by any Co-owner, occupant or guest of any of the provisions of the Condominium Documents shall be grounds for fines against the Co-owner. Such Co-owner shall be deemed responsible for such violation whether they occur as a result of his personal or family actions or the action of guests, tenants, or other persons admitted to the Condominium Premises through the Co-owner.

Section 2. Procedures. Upon any such violation 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 shall be sent by first class mail, postage prepaid, to the Co-owner or representative at the address shown in the notice files with the Association.

b) Opportunity to Defend. The offending Co-owner shall 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-owners default, the Board shall be by majority vote of a quorum, 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. Twenty-Five Dollar fine.
- b) Second Violation. Fifty Dollar fine.
- c) Third and Subsequent Violations. One Hundred Dollar Fine.
- d) Treble Fines may be levied in the case of violations of Article VI Section 23 of these Bylaws.

This schedule of fines may be changed by the Board of Directors by a resolution of the Board.

Section 4. Collection. The fines levied pursuant to Section 3 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 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 and 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 have the same rights as given and reserved to Developer.

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, such holding shall not affect, alter, modify or impair in any manner 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.

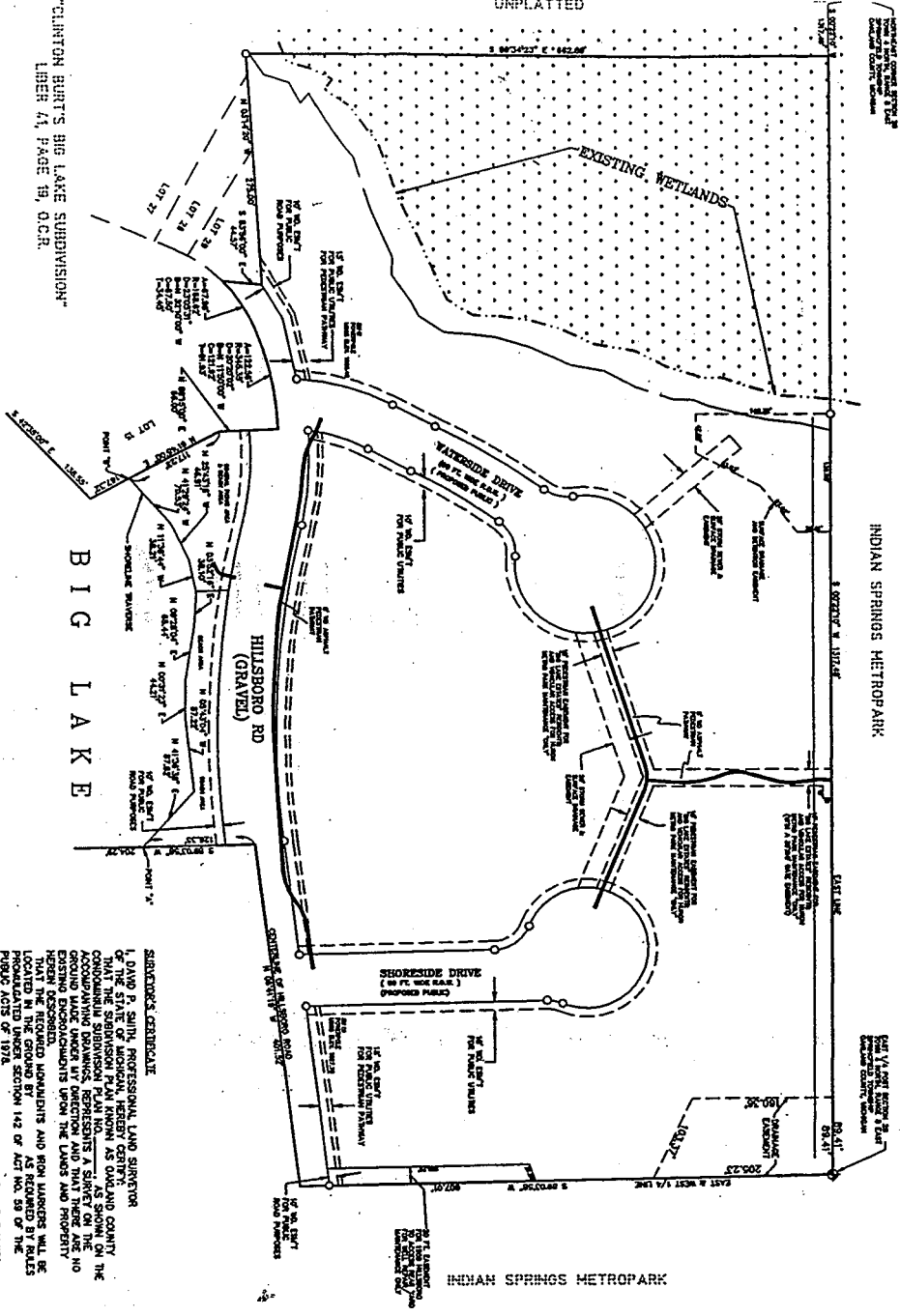
ARTICLE XXIII

ROADS

At some time subsequent to the initial development, it may become necessary to pave or improve some or all of the roads within or adjacent to the condominium premises. The improvement may be financed, in whole or in part, by the creation of a special assessment district or districts which may include Big Lake Estates. The acceptance of a conveyance or the execution of a land contract by any owner or purchaser of a condominium unit shall constitute the agreement by such owner or purchaser, his/her heirs, executors, administrators, or assigns, that the Board of Directors of the Association shall be vested with full power and authority to obligate all co-owners to participate in a special assessment district, sign petitions requesting said special assessment, and consider and otherwise act on all assessment issues on behalf of the Association and all co-owners; provided, that prior to signature by the Association on a petition for improvement of such public roads, the desirability of said improvement shall be approved by an affirmative vote of not less than 51% of all co-owners. No consent of mortgagees shall be required for approval of said public road improvement.

All road improvement special assessments levied by any public taxing authority shall be assessed in accordance with Section 131 of 1978 PA 59, as amended (MCL 559.231).

UNPLATTED



"CLINTON BUNT'S BIG LAKE SUBDIVISION"
 LIBER 41, PAGE 19, O.C.R.

BENCHMARK

PROPOSED FEBRUARY 14, 1997
 FROM LOTS 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100

NOTES

1. THIS PROJECT LIES WITHIN A ZONE "C" AREA OF UNUSUAL FLOODING PER THE RESURVEY RATE MAP OF THE U.S. DEPARTMENT OF AGRICULTURE, SOIL CONSERVATION SERVICE, DISTRICT OFFICE, MARION, MISSOURI, DATED FEBRUARY 2, 1984.
2. AS PROVIDED IN THE MASTER DEED, THE DEVELOPER RESERVES THE RIGHT TO RELOCATE VALENSIDE DRIVE AND SHORESIDE DRIVE TO THE CONVENIENCE OF THE COMMISSIONERS OR ANY OTHER APPROPRIATE GOVERNMENT AGENCY.

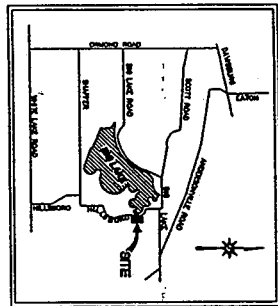
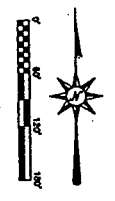
SURVEYOR'S CERTIFICATE

I, DAVID P. SMITH, PROFESSIONAL LAND SURVEYOR OF THE STATE OF MISSOURI, HEREBY CERTIFY THAT THE SUBDIVISION PLAN KNOWN AS "BIG LAKE SUBDIVISION" IS A TRUE AND CORRECT REPRESENTATION OF THE ACCOMPANYING DRAWINGS, REPRESENTS A SURVEY ON THE GROUND MADE UNDER MY DIRECTION AND THAT THERE ARE NO EXISTING ENCUMBRANCES UPON THE LANDS AND PROPERTIES THAT THE REQUIRED MONUMENTS AND RION MARKERS WILL BE LOCATED IN THE GROUND BY AS REQUIRED BY RULES PROMULGATED UNDER SECTION 142 OF ACT NO. 99 OF THE FIRST SESSION OF THE 93RD GENERAL ASSEMBLY OF THE STATE OF MISSOURI, AND THAT THE AGENCY OF THIS SURVEY IS WITHIN THE LIMITS OF ACT NO. 99 OF THE FIRST SESSION OF THE 93RD GENERAL ASSEMBLY OF THE STATE OF MISSOURI, AND THAT THE PLAN AS REQUIRED BY THE RULES PROMULGATED UNDER SECTION 142 OF ACT NO. 99 OF THE FIRST SESSION OF THE 93RD GENERAL ASSEMBLY OF THE STATE OF MISSOURI.

DATE _____
 DAVID P. SMITH, P.L.S.
 PROFESSIONAL LAND SURVEYOR 433140
 2710 UNION LAKE ROAD
 COMMERCE, MO. 64832

BASES OF BEARING

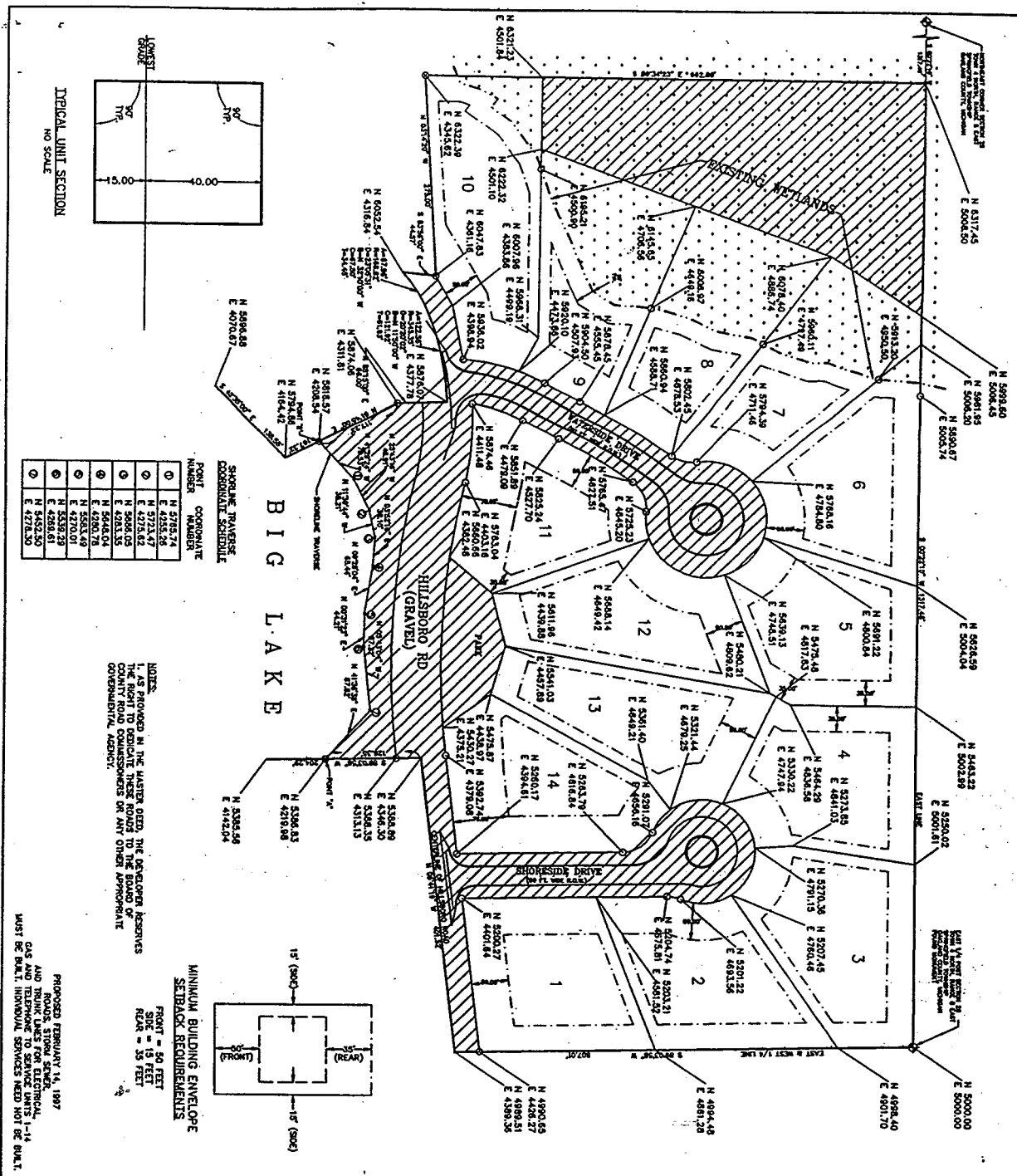
BEARINGS ARE BASED UPON THE EAST MAIN MERIDIAN OF THE EAST SUBDIVISION AS RECORDED IN LIBER 41 OF PLATS ON PAGE 18, OMAHA COUNTY RECORDS



LEGEND

- EASEMENT LINE
- FOUND/SET MONUMENT
- CONDOMINIUM BOUNDARY
- WETLANDS
- ASPHALT WALKWAY

	PROFESSIONAL LAND SURVEYOR	DATE
	DAVID P. SMITH, P.L.S.	2-13-97
	SCALE	
	1" = 60'	
BIG LAKE ESTATES SURVEY PLAN	SHEET NO.	2 OF 2
	DATE	2-13-97



POINT NUMBER	COORDINATE
1	N 5278.27
2	N 5282.74
3	N 5273.47
4	E 4273.42
5	N 5286.05
6	E 4283.35
7	N 5284.04
8	N 5284.04
9	N 5283.49
10	E 4270.01
11	N 5282.29
12	E 4289.81
13	E 4273.50

NOTES:
 1. AS PROVIDED IN THE MASTER DEED, THE DEVELOPER RESERVES THE RIGHT TO DEDICATE THESE ROADS TO THE BOARD OF SUPERVISORS OR ANY OTHER GOVERNMENTAL AGENCY.

PROPOSED FEBRUARY 14, 1997
 AND TRUNK LINES FOR ELECTRICAL, GAS AND WATER.
 MUST BE PAID. MINOR WORK SERVICES NEED NOT BE PAID.

DATE	SCALE	SHEET NO.
2-13-97	1" = 60'	313 OF 313
2-13-97	1" = 60'	314 OF 313
3 OF 4		

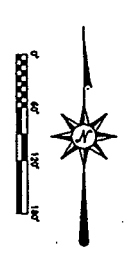
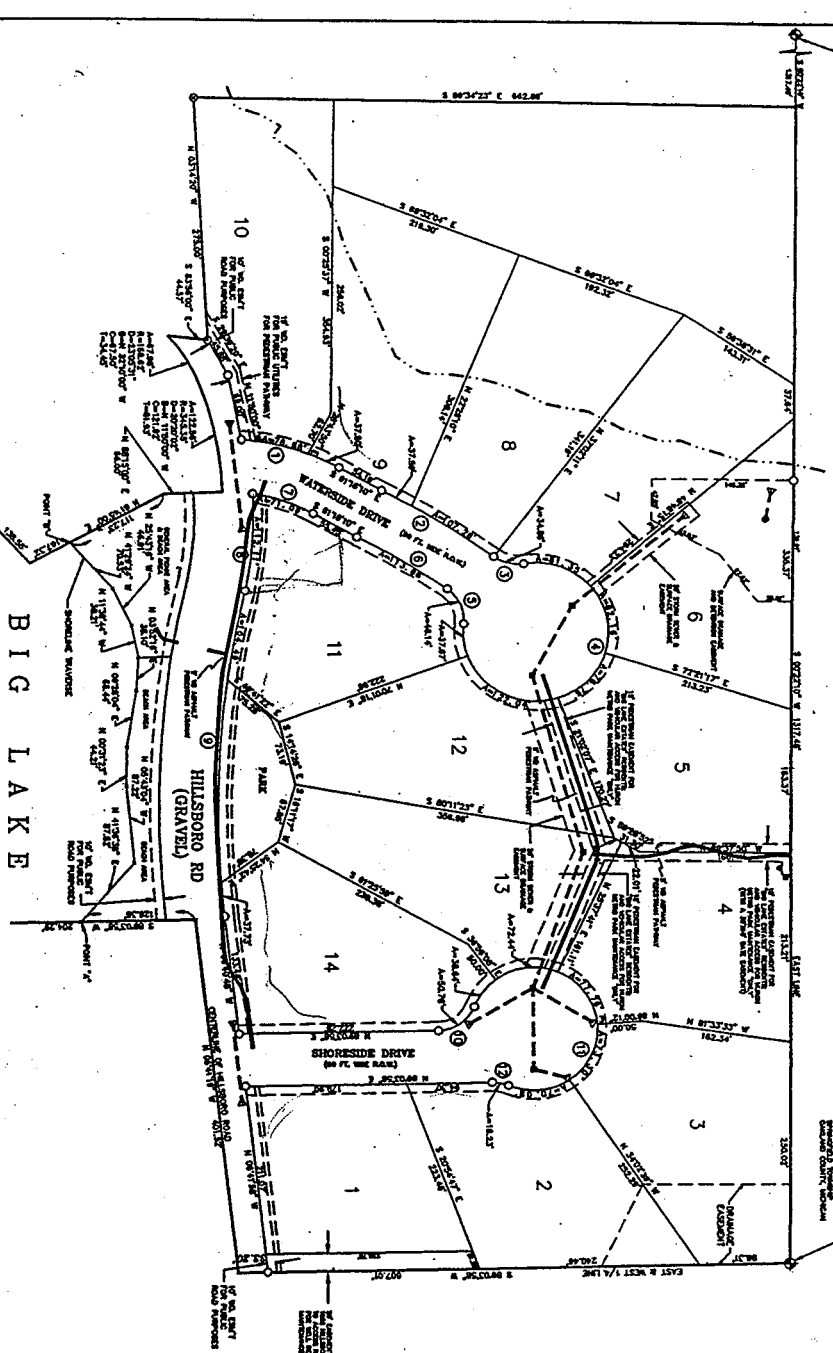
DRS & A
 505 LINDSEY LANE, SUITE 100
 SAN JOSE, CALIFORNIA 95128
 (415) 435-1100

BIG LAKE ESTATES
 SITE PLAN

DRAWN BY: COURTNEY DIRECTOR, DLS/JON

THIS PLAN IS THE PROPERTY OF D.P.S. & ASSOCIATES, INC. AND IS NOT TO BE REPRODUCED OR COPIED IN ANY MANNER WITHOUT THE WRITTEN CONSENT OF D.P.S. & ASSOCIATES, INC.

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- NOTES:**
- SEE SHEET #2 FOR EXISTENT DRAINAGE.
 - LOCATIONS FOR THE UTILITY SOURCE.
 - TELEPHONE, CABLE AND ELECTRIC LINES ARE TO BE INSTALLED IN ACCORDANCE WITH THE CITY OF OAKLAND STANDARDS.
 - ALL SITES ARE TO BE SERVICED WITH ELECTRIC BY GAS BY CONSUMERS POWER CO. AND CABLE BY NORTH OAKLAND CABLEVISION.

- LEGEND**
- CHINE NUMBER
 - PROPOSED STORM INLET/CATCH BASIN
 - PROPOSED STORM MANHOLE
 - ▽ PROPOSED FLALED END STRUCTURE
 - EXISTENT LINE
 - FOUND/SET MONUMENT
 - COMMANDING BOUNDARY
 - UNIT NUMBER
 - PROPOSED STORM SEWER
 - ASPHALT WALKWAY

CHINE DATA

CHINE	BAZONS	LENGTH	TANGENT	CURVE	DEASING	DELTA
1	30'-00"	10'-00"	10'-00"	90°	10'-00"	90°
2	30'-00"	10'-00"	10'-00"	90°	10'-00"	90°
3	30'-00"	10'-00"	10'-00"	90°	10'-00"	90°
4	30'-00"	10'-00"	10'-00"	90°	10'-00"	90°
5	30'-00"	10'-00"	10'-00"	90°	10'-00"	90°
6	30'-00"	10'-00"	10'-00"	90°	10'-00"	90°
7	30'-00"	10'-00"	10'-00"	90°	10'-00"	90°
8	30'-00"	10'-00"	10'-00"	90°	10'-00"	90°
9	30'-00"	10'-00"	10'-00"	90°	10'-00"	90°
10	30'-00"	10'-00"	10'-00"	90°	10'-00"	90°
11	30'-00"	10'-00"	10'-00"	90°	10'-00"	90°
12	30'-00"	10'-00"	10'-00"	90°	10'-00"	90°

UNIT AREAS

LOT	AREA
1	1,100.00
2	1,100.00
3	1,100.00
4	1,100.00
5	1,100.00
6	1,100.00
7	1,100.00
8	1,100.00
9	1,100.00
10	1,100.00
11	1,100.00
12	1,100.00
13	1,100.00
14	1,100.00

PROPOSED FEBRUARY 14, 1997
 RAJAN, STORM SEWER, ETC.
 GAS AND TELEPHONE TO SERVICE LOTS 1-14
 MUST BE BUILT. INDIVIDUAL SERVICES NEED NOT BE BUILT.

D.P.S. & ASSOCIATES, INC.
 PROFESSIONAL LAND SURVEYORS
 1000 BAYVIEW AVENUE, SUITE 100
 OAKLAND, CALIFORNIA 94612
 (415) 764-1100

BIG LAKE ESTATES

DIMENSIONAL AND UTILITY PLAN

DATE: 2-13-97
 JOB NO.: 94100
 SHEET NO.: 4 OF 4

UTILITY SOURCE

STORM: PANEL & ASSOCIATES DESIGN DRAWINGS
 ELECTRIC: TO BE SHOWN ON AS-BUILT DRAWINGS
 TELEPHONE: TO BE SHOWN ON AS-BUILT DRAWINGS
 CABLE: TO BE SHOWN ON AS-BUILT DRAWINGS

**FIRST AMENDMENT TO THE MASTER DEED OF
BIG LAKE ESTATES**

This First Amendment to the Master Deed of Big Lake Estates ("First Amendment") is made and executed on this ___ day of July, 1997 by Big Lake Estates, L.L.C., a Michigan Limited Liability Company ("Developer"), the address of which is 1700 North Woodward Avenue, Suite 200, Bloomfield Hills, Michigan 48304-2249.

RECITALS

WHEREAS, the Master Deed of Big Lake Estates ("Master Deed"), Oakland County Condominium Subdivision Plan No. 1053, was recorded in Liber 17344, Pages 62 to 113 of the Oakland County Records; and

WHEREAS, Developer desires to amend the Master Deed as provided in this First Amendment to Master Deed.

NOW, THEREFORE, Developer does hereby amend the Master Deed of Big Lake Estates as follows:

1. Article VI, the first sentence of Section 8 of the Bylaws attached as Exhibit A to the Master Deed is amended to read as follows:

No house trailer or commercial vehicles may be stored upon the General Common Elements or Unit area outside the dwelling unit.

2. The following provision is added to the Master Deed and Bylaws:

All Purchasers are required to plant three trees on their unit within six months of closing. The trees to be planted shall be deciduous (maple, ash or oak) having a botanical name of Acer, Fraxinus and Quercus, with a minimum size of 2.5 inches in caliper, balled and burlapped.

3. The First Amendment to Bylaws of Big Lake Estates which are attached hereto are adopted and made a part of the Master Deed and shall supplement Exhibit "A" to the Master Deed.
4. Except as modified by this First Amendment to Master Deed, the Master Deed shall remain valid and enforceable. In the event of any conflict between the Master Deed and this First Amendment, this First Amendment shall control.

ACCEPTED THIS _____ DAY OF JULY, 1997.

WITNESSES:

WITNESSES:

STATE OF MICHIGAN)
)ss.
 COUNTY OF OAKLAND)

DEVELOPER:

**BIG LAKE ESTATES, L.L.C.,
 a Michigan limited liability company**

BY: _____

JACK ROSENZWEIG

Its: Managing Member

**BIG LAKE ESTATES OWNERS
 ASSOCIATION, INC., A Michigan
 non-profit corporation**

BY: _____

JACK ROSENZWEIG

Its: President

The foregoing instrument was acknowledged before me this ____ day of July 1997 by Jack Rosenzweig on behalf of Big Lake Estates, L.L.C., a Michigan limited liability company, and Big Lake Estates Owners Association, Inc., a Michigan non-profit corporation.

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

**DRAFTED BY AND WHEN RECORDED RETURN TO:
Clifford J. Dovitz, Esq.,
1700 North Woodward Avenue, Suite 200,
Bloomfield Hills, MI 48304-2249**

f:\BigLake\1stAmendment to Master Deed

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**FIRST AMENDMENT TO BYLAWS OF
BIG LAKE ESTATES**

This First Amendment to Bylaws of Big Lake Estates ("First Amendment") is made and executed on this ___ day of July, 1997, by Big Lake Estates, L.L.C., a Michigan Limited Liability Company ("Developer"), the address of which is 1700 North Woodward Avenue, Suite 200, Bloomfield Hills, Michigan 48304-2249.

RECITALS

WHEREAS, the Bylaws of Big Lake Estates ("Bylaws"), Oakland County Condominium Subdivision Plan No. 1053, was recorded in Liber 17344, Pages 62 to 113 of the Oakland County Records; and

WHEREAS, Developer desires to amend the Bylaws as provided in this First Amendment to Bylaws.

NOW, THEREFORE, Developer does hereby amend the Bylaws of Big Lake Estates as follows:

1. Article VI, the first sentence of Section 8 of the Bylaws attached as Exhibit A to the Master Deed is amended to read as follows:

No house trailer or commercial vehicles may be stored upon the General Common Elements or Unit area outside the dwelling unit.

2. The following provision is added to the Master Deed and Bylaws:

All Purchasers are required to plant three trees on their unit within six months of closing. The trees to be planted shall be deciduous (maple, ash or oak) having a botanical name of Acer, Fraxinus and Quercus, with a minimum size of 2.5 inches in caliper, balled and burlapped.

3. The First Amendment to Bylaws of Big Lake Estates which are attached hereto are adopted and made a part of the Master Deed and shall supplement Exhibit "A" to the Master Deed.
4. Except as modified by this First Amendment to Master Deed, the Master Deed shall remain valid and enforceable. In the event of any conflict between the Master Deed and this First Amendment, this First Amendment shall control.

ACCEPTED THIS _____ DAY OF JULY, 1997.

WITNESSES:

WITNESSES:

STATE OF MICHIGAN)
)ss.
 COUNTY OF OAKLAND)

DEVELOPER:

**BIG LAKE ESTATES, L.L.C.,
 a Michigan limited liability company**

BY: _____
JACK ROSENZWEIG
 Its: Managing Member

**BIG LAKE ESTATES OWNERS
 ASSOCIATION, INC., A Michigan
 non-profit corporation**

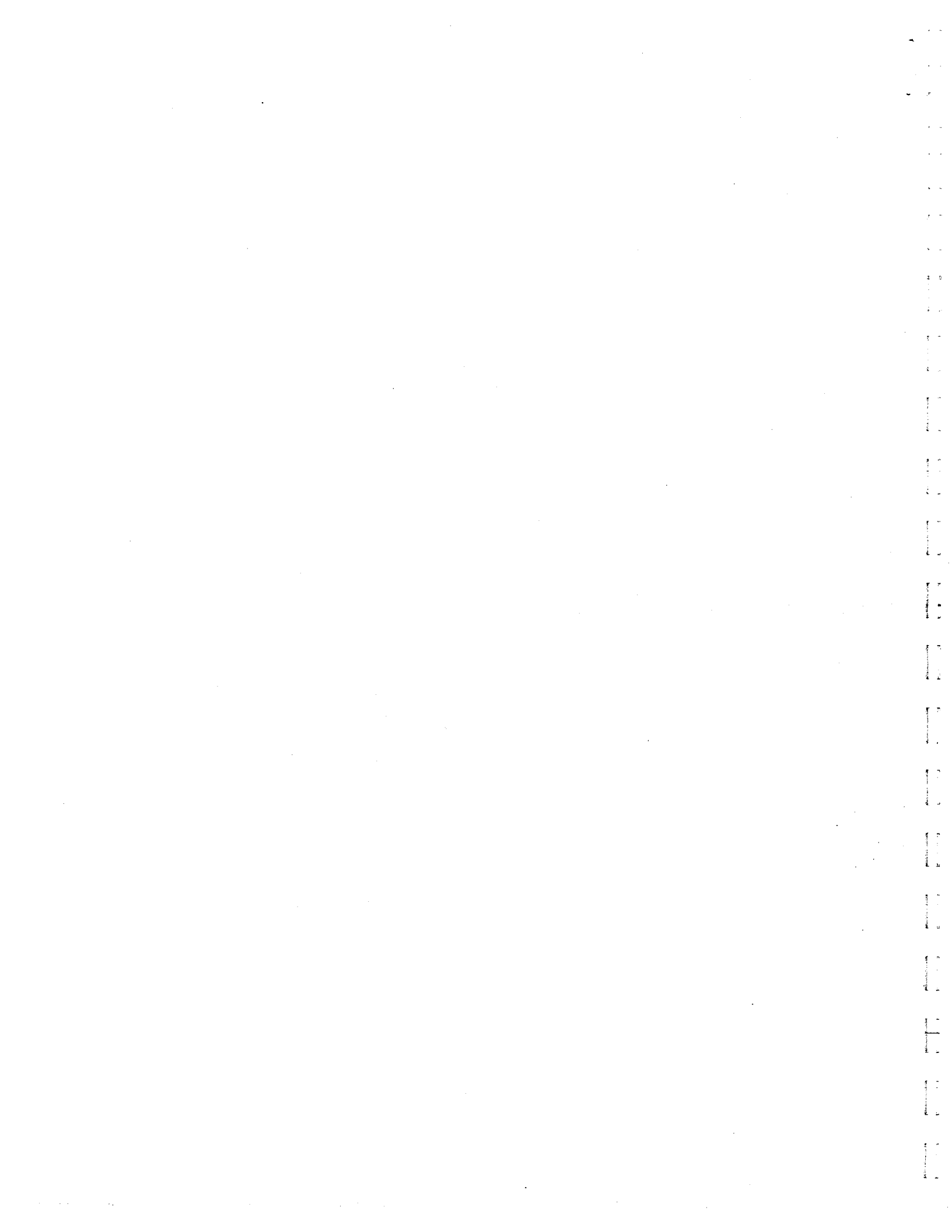
BY: _____
JACK ROSENZWEIG
 Its: President

The foregoing instrument was acknowledged before me this ____ day of July 1997 by Jack Rosenzweig on behalf of Big Lake Estates, L.L.C., a Michigan limited liability company, and Big Lake Estates Owners Association, Inc., a Michigan non-profit corporation.

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

**DRAFTED BY AND WHEN RECORDED RETURN TO:
Clifford J. Dovitz, Esq.,
1700 North Woodward Avenue, Suite 200,
Bloomfield Hills, MI 48304-2249**

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MICHIGAN DEPARTMENT OF CONSUMER AND INDUSTRY SERVICES - CORPORATION, SECURITIES & LAND DEVELOPMENT BUREAU		
Date Received		(FOR BUREAU USE ONLY)
Name * Clifford J. Dovitz		
Address * 1700 N. Woodward Avenue, Suite 200		
City	State	Zip
* Bloomfield Hills, MI		48304
		EFFECTIVE DATE:

Document will be returned to the name and address you enter above.

ARTICLES OF INCORPORATION
For use by Domestic Nonprofit Corporations
(Please read information and instructions on last page)

Pursuant to the provisions of Act 162, Public Acts of 1982, the undersigned corporation executes the following Articles:

ARTICLE I.

The name of the corporation is: *
Big Lake Estates, Owners Association, Inc.

ARTICLE II

The purpose or purposes for which the corporation is organized are:

* See Attached Exhibit "A"

ARTICLE III

The corporation is organized upon a * Nonstock _____ basis.
(Stock or Nonstock)

1. If organized on a stock basis, the total number of shares which the corporation has authority to issue is * _____
_____ If the shares are, or are to be, divided into classes, the designation of each class, the number of shares in each class, and the relative rights, preferences and limitations of the shares of each class are as follows:

Name of Person or Organization
Remitting Fees:

* JAC Construction Company, Inc.

Preparer's Name and Business
Telephone Number:

* Clifford J. Dovitz, JAC Construction Company, Inc.
(*) * (248) 433-1177

INFORMATION AND INSTRUCTIONS

1. The articles of incorporation cannot be filed until this form, or a comparable document, is submitted.
2. Submit one original copy of this document. Upon filing, the document will be added to the records of the Corporation and Securities Bureau. The original copy will be returned to the address appearing in the box on the front as evidence of filing.

Since this document will be maintained on optical disk media, it is important that the filing be legible. Documents with poor black and white contrast, or otherwise illegible, will be rejected.
3. This document is to be used pursuant to the provisions of Act 162, P.A. of 1982, by one or more persons for the purpose of forming a domestic nonprofit corporation.
4. Article II - The purpose for which the corporation is organized must be included. It is not sufficient to state that the corporation may engage in any activity within the purposes for which corporations may be organized under the Act.
5. Article III - The corporation must be organized on a stock or non-stock basis. Complete Article III(1) or III(2) as appropriate, but not both. Real property assets are items such as land and buildings. Personal property assets are items such as cash, equipment, fixtures, etc. The dollar value must be included.
6. Article IV - A post office box may not be designated as the address of the registered office.
7. Article V - The Act requires one or more incorporators. Educational corporations are required to have at least three (3) incorporators. The address(es) should include a street number and name (or other designation), city and state.
8. This document is effective on the date approved and filed by the Bureau. A later effective date, no more than 90 days after the date of delivery, may be stated as an additional article.
9. This document must be signed in ink by each incorporator listed in Article V. However, if there are 3 or more incorporators, they may, by resolution adopted at the organizational meeting by a written instrument, designate one of them to sign the articles of incorporation on behalf of all of them. In such event these articles of incorporation must be accompanied by a copy of the resolution duly certified by the acting secretary at the organizational meeting and a statement must be placed in the articles incorporating that resolution into them.
10. FEES: Make remittance payable to the State of Michigan. Include corporation name on check or money order.
FILING AND FRANCHISE FEE..... \$20.00

11. Mail form and fee to:

The office is located at:

Michigan Department of Consumer & Industry
Corporation, Securities & Land Development Bureau
Corporation Division
P.O. Box 30054
Lansing, Michigan 48909-7554

6546 Mercantile Way
Lansing, MI 48910

Telephone: (517) 334-6302

Use space below for additional Articles or for continuation of previous Articles. Please identify any Article being continued or added. Attach additional pages if needed.

I, (We), the incorporator(s) sign my (our) name(s) this * _____ day of * _____, 199*7.

* _____

* _____

* _____

* _____

* _____

* _____

Jack Rosenzweig

* _____

* _____

* _____

* _____

ARTICLES OF INCORPORATION

EXHIBIT "A"

ARTICLE II

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

- (a) To manage and administer the affairs of and develop BIG LAKE ESTATES, a condominium subdivision (the "Condominium") located in Springfield Township, Oakland County, Michigan;
- (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 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 hereafter 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, or as may be amended; and
- (k) In general, 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 VI

The term of corporate existence is perpetual.

ARTICLE VII

The qualifications 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 subscribers hereto shall be members of the Corporation until such time as their membership shall terminate, as hereinafter provided;

(b) Membership in the Corporation (except with respect to any non-co-owner incorporators, who shall cease to be members upon the qualification for 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 in the county where the Condominium is located, 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 to his unit in the Condominium;

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

ARTICLE VIII

A volunteer Director of the Corporation is not personally Liable to the Corporation or its shareholders or members for monetary damages for a breach of the Director's fiduciary duty. However, the Director's liability is not limited or eliminated for any of the following:

(a) A breach of the Director's duty of loyalty to the Corporation or its shareholders or members.

(b) Acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law,

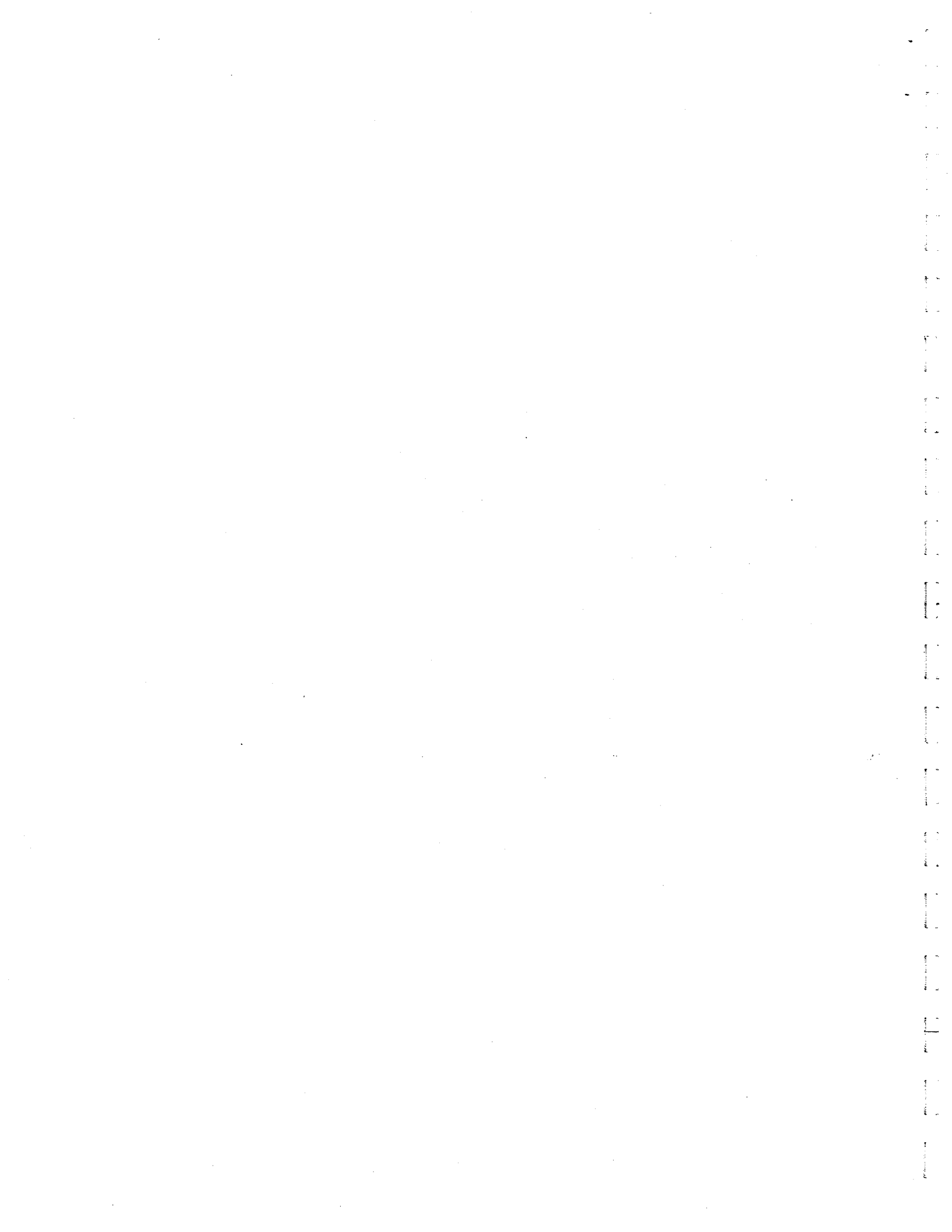
(c) A violation of MCLA 450.2551.

(d) A transaction from which the Director derived an improper personal benefit.

(e) An act or omission occurring before the date this document is filed. An act or omission that is grossly negligent.

ARTICLE IX

The corporation assumes all liability to any person other than the Corporation, its shareholders, or its members for all acts or omissions of a volunteer Director occurring on or after the effective date of these Articles in Incorporation.



**BIG LAKE ESTATES
PRELIMINARY RESERVATION AGREEMENT
NOT A PURCHASE AGREEMENT**

WHEREAS, Big Lake, L.L.C., a Michigan Limited Liability Company is developing a residential Condominium Project known as Big Lake Estates (the "Property") located in Springfield Township, Oakland County, Michigan:

WHEREAS, Big Lake, L.L.C. has granted an option to purchase the developed lots ("Units") to JAC Construction Company, Inc., a Michigan corporation ("JAC").

WHEREAS, JAC is building homes on the Units and selling those homes to individuals.

WHEREAS, _____
("Depositor") wish to reserve a Unit in the proposed Condominium for purchase.

IT IS AGREED AS FOLLOWS:

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

2. In consideration of such reservation, Depositor agrees to deposit the sum of \$ _____ to be held by Philip F. Greco Title Company, under an Escrow Agreement, a copy of which is attached hereto and incorporated herein by reference.

3. This lot reservation deposit expires thirty days from _____, at which time this deposit will be returned to Depositor unless Depositor has executed a Purchase Agreement prior to that time.

4. If Depositor desires to withdraw his or hers deposit at any time prior to execution by him or her of a **PURCHASE AGREEMENT**, Depositor must give written notice to Developer by Depositor and the deposit hereunder shall be refunded in full within 3 business days after Developer's receipt of such notice without further liability on the part of either party.

5. This Reservation Agreement is not a **PURCHASE AGREEMENT**. No lien of any sort is acquired by Depositor hereunder either upon the Unit covered hereby or upon the Condominium Project. Depositor may assign his rights under this agreement

F:\Big Lake\Reservation Agreement

only with Developer's written consent, which may be withheld in Developer's sole discretion. The location, size or design of any Unit, including Depositor's Unit, may be changed in Developer's discretion. The liability of Developer hereunder is at all times limited to the return of the deposit without interest.

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

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

Executed this _____ day of _____, 1997.

**DEVELOPER: BIG LAKE, L.L.C.,
a Michigan limited liability company**

By: _____
Its: _____

DEPOSITORS:

Address:
Social Security Number:

72 HOUR CONTINGENCY CLAUSE

TO BE ATTACHED TO AND BECOME A PART OF A LOT RESERVATION AGREEMENT, FOR PROPERTY COMMONLY KNOWN AS: **BIG LAKE ESTATES SITE CONDOMINIUM, UNIT _____.**

It is hereby and understood that Big Lake, L.L.C., shall continue to offer said property for sale despite entering into the attached lot reservation agreement, and that a second offer for a purchaser who is ready, willing, and able to perform immediately may be accepted by the seller.

In the event that a second offer is so accepted seller and or their agent shall

immediately give notice to first Depositor rights as stated herein:

1. Immediate notice shall be given by one or all of the following:

- A. Phone
- B. In Person
- C. Or by U.S. Mail

2. Every effort shall be made to notify first Depositor of said second offer.

3. First Depositor shall have 72 hours for the time the second offer is accepted to remove the herein described contingency, in writing, in such a manner as shall be acceptable to the Developer and proceed toward the signing of a Purchase Agreement and which this time \$_____ will be held as earnest money.

In the event this contingency is not removed in writing by Depositor as herein provided, the lot reservation agreement shall become null and void, and the second offer shall automatically take effect. In which case Depositor shall be entitled to the return of their deposit.

Date:

Depositors:

BIG LAKE, L.L.C.
a Michigan Limited Liability Company

By: _____

Its: _____

**JAC CONSTRUCTION COMPANY,
INC., a Michigan corporation**

By: _____

Its: _____

**BIG LAKE ESTATES
ESCROW AGREEMENT**

This AGREEMENT is entered into this _____ day of _____, by and between Big Lake, L.L.C., a Michigan Limited Liability Company ("Developer"), JAC Construction Company, Inc., a Michigan corporation ("Builder"), _____ ("Purchaser") and Philip F. Greco Title Company ("Escrow Agent").

WHEREAS, Developer has established Big Lake Estates as a Site Condominium Project under applicable Michigan law; and,

WHEREAS, Developer is selling Condominium Units in Big Lake Estates to Builder and Builder is entering into Preliminary Reservation Agreements and Purchase Agreements with Purchasers for such Units in substantially the form attached hereto, and each Preliminary Reservation Agreement and Purchase Agreement requires that all deposits made under such Agreement be held in an escrow account with an Escrow Agent; and

WHEREAS, the parties hereto desire to enter into an Escrow Agreement to establish such an escrow account under a Preliminary Purchase Agreement or Purchase Agreements; and

WHEREAS, Escrow Agent is acting as an independent party hereunder pursuant to the provisions of this Agreement and the Michigan Condominium Act (Act No. 59, Public Acts of 1978, as amended, the "Act") for the benefit of Developer and/or Builder and all Purchasers and not as the agent of any one or less than all of such parties.

NOW, THEREFORE, it is agreed as follows:

1. Initial Deposit of Funds.

Developer and/or Builder shall, promptly after receipt, transmit to Escrow Agent all sums deposited with it under a Preliminary Reservation Agreement or Purchase Agreement, together with a fully executed copy of such Agreement and a receipt signed by the Purchaser for the recorded Master Deed, Condominium Buyer's Handbook, and Disclosure Statement when applicable.

2. Release of Funds.

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

A. Release of Funds to Purchaser. The escrowed funds shall be released to Purchaser under the following circumstances:

(1) If Purchaser has executed a Preliminary Reservation Agreement but has not executed a Purchase Agreement, and Purchaser cancels the Agreement, Purchaser shall notify Escrow Agent of such cancellation and all funds deposited pursuant to the Agreement and this Escrow Agreement shall be released to Purchaser.

(2) If Purchaser has executed a Preliminary Reservation Agreement, but has not executed a Purchase Agreement, and Developer and/or Builder terminates Purchaser's reservation rights as a result of a default by Purchaser, or for any reason permitted by the Preliminary Reservation Agreement, Developer and/or Builder shall notify Escrow Agent of the default and all funds deposited pursuant to the Purchase Agreement and this Escrow Agreement shall be released to Purchaser.

(3) If Purchaser has executed a Purchase Agreement, and Purchaser withdraws from the Agreement within the withdrawal period described therein, Purchaser shall notify Escrow Agent of such withdrawal and all funds deposited pursuant to the Agreement and this Escrow Agreement shall be released to Purchaser.

(4) If the Purchase Agreement is contingent upon Purchaser obtaining a mortgage and he fails to do so as provided therein and duly withdraws from the Purchase Agreement as a

result thereof, all funds deposited pursuant to the Agreement and this Escrow Agreement shall be released to Purchaser.

(5) If Developer and/or Builder determines not to establish the Condominium Project, or not to construct Purchaser's Unit, Developer and/or Builder shall notify Escrow Agent of its decision and all funds deposited pursuant to the Agreement and this Escrow Agreement shall be released to Purchaser.

(6) If Developer and/or Builder is unable to convey title insurance to Purchaser within sixty (60) days after the issuance of a title commitment in respect of Purchaser's Unit, Purchaser shall notify Escrow Agent of Developer and/or Builder's inability to convey insurable title and all funds deposited pursuant to the Agreement and this Escrow Agreement shall be released to Purchaser.

(7) If Developer and/or Builder terminates Purchaser's rights under a Purchase Agreement for any reason permitted by the Purchase Agreement other than the default of Purchaser, Developer and/or Builder shall notify Escrow Agent of the termination and all funds deposited pursuant to the Agreement and this Escrow Agreement shall be released to Purchaser.

All funds released under this sub-paragraph A shall be returned to Purchaser within three (3) business days after Escrow Agent is notified of the satisfaction of any of the conditions described above. The term "business day" as used in this Escrow Agreement shall mean a day other than a Saturday, Sunday, or legal holiday, provided, however, the Escrow Agent shall not be obligated to release any funds until it can satisfactorily ascertain that said funds deposited have been "paid," settled," and "fully collected" as such terms are defined under the provision of MCL 440.4100 et sequitur.

B. Release of Funds to Developer and/or Builder The funds held by Escrow Agent with respect to a given Purchaser and Agreement shall be released to Developer and/or Builder under the following circumstances:

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

(2) Upon Conveyance of Title to Purchaser. Upon conveyance of title to a Unit from Developer and/or Builder to Purchaser (or upon execution of a Land Contract between Developer and/or Builder and Purchaser in fulfillment of a Purchase Agreement) and upon issuance of a Certificate of Occupancy with respect to the Unit if required by local public ordinance, Escrow Agent shall release to Developer and/or Builder all sums held in escrow under such Agreement, upon receipt by the Escrow Agent of a certificate signed by a licensed professional engineer or architect either confirming that those portions of the phase of the Project in which the Condominium Unit is located and which on the Condominium Subdivision Plan are labeled "must be built" are substantially complete, or determining the amount necessary for substantial completion thereof, and receipt of a certificate signed by a licensed professional engineer or architect either confirming that recreational or other facilities which on the Condominium Subdivision Plan are labeled "must be built," whether located within or outside of the phase of the Project in which the Condominium Unit is located, and which are intended for common use, are substantially complete, or determining the amount necessary for substantial completion thereof.

A structure, element, facility, or other improvement shall be deemed to be substantially complete when it can be reasonably employed for its intended use and, for purposes of certification, it shall not be required to be constructed, installed, or furnished precisely in accordance with the specifications of the Project. A certificate of substantial completion shall not be determined to be a certification as the quality of the items to which it relates. Items shall be substantially complete only after all utility mains and leads, all major structural

components of buildings, all building exteriors and all sidewalks, driveways, landscaping, and access roads, to the extent such items are designated on the Condominium Subdivision Plan as "must be built," are substantially complete in accordance with the pertinent plans therefor. If the estimated cost of substantial completion of any of these items cannot be determined by a licensed professional engineer or architect due to the absence of plans, specifications, or other details that are sufficiently complete to enable such a determination to be made, such cost shall be the minimum expenditure specified in the recorded Master Deed or Amendment for completion thereof. To the extent that any item referred to in above is specifically depicted on the Condominium Subdivision Plan, an estimate of the cost of substantial completion prepared by a licensed professional engineer or architect shall be required in place of the minimum expenditure specified in the recorded Master Deed or Amendment.

(3) Release of Funds Escrowed for Completion of Incomplete Improvements. Upon furnishing Escrow Agent a certificate above evidencing substantial completion in accordance with the pertinent plans and specifications of a structure, improvement, facility, or identifiable portion thereof for which funds or other security have been deposited in escrow, Escrow Agent shall release to Developer and/or Builder the amount of such fund or other security specified by the issuer of the certificate as being attributable to such substantially completed item(s), provided, however, that if the amounts remaining in escrow after any such partial release would be insufficient in the opinion of the issuer of such certificate to finance substantial completion of any remaining incomplete items for which funds or other security have been deposited in escrow, only the amount in escrow in excess of such estimated cost to substantially complete shall be released by Escrow Agent to Developer and/or Builder. Notwithstanding a release of escrowed funds that is authorized or required by this section, an Escrow Agent may refuse to release funds from an escrow account if the Escrow Agent, in its judgment has sufficient cause to believe the certificate confirming substantial completion or determining the amount necessary for substantial completion is fraudulent or without factual basis.

All funds released under this sub-paragraph B shall be delivered to Developer and/or Builder within three (3) business days after all of the conditions causing the release have been satisfied, provided, however, the Escrow Agent shall not be obligated to release any funds until it can satisfactorily ascertain, that said funds deposited have been "paid," "settled," and "fully collected" as such terms are defined under the provision of MCL 440.4100 et sequitur.

3. Release of Interest Upon Escrowed Funds.

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

4. Other Adequate Security.

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

5. In the Event Elements or Facilities Remain Incomplete.

If Escrow Agent is holding in escrow funds or other security for completion or incomplete elements or facilities under Section 103b(7) of the Act, such funds or other security shall be administered by Escrow Agent in the following manner:

A. Escrow Agent shall upon request give all statutorily required notice under Section

F:\Big Lake\Escrow Agreement

103b(7) of the Act.

B. If Developer and/or Builder, the Purchaser, and any other party or parties asserting a claim to or interest in the escrow deposit, enter into a written agreement (satisfactory in its terms and conditions to Escrow Agent in its absolute and sole discretion), as to the disposition of the funds or security in escrow under Section 103b(7) of the Act, Escrow Agent shall release such funds or security in accordance with the terms of such written agreement among such parties.

C. Failing written agreement as provided in paragraph 5B above, Escrow Agent shall be under no obligation whatever to release any such escrowed funds or security, but Escrow Agent may in its absolute and sole discretion, at any time take either of the following actions:

(1) Initiate an interpleader action in any circuit court in the State of Michigan naming the Developer and/or Builder, the Big Lake Estates Owners Association, and all other claimants and interested parties as parties and deposit all funds or other security in escrow under Section 103b(7) of the Act with the Clerk of such court in full acquittance of its responsibilities under this Agreement; or

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

6. Proof of Occurrence; confirmation of Substantial Completion; Determination of Cost to Complete.

Escrow Agent may require reasonable proof of occurrence of any of the events, actions, or conditions stated herein before releasing any sums held by it pursuant to any Purchase Agreement either to Purchaser thereunder or to Developer and/or Builder, Whenever Escrow Agreement is required hereby to confirm that a facility, element, structure, improvement, or identifiable portion of any of the same is substantially complete in accordance with the pertinent plans, and specifications therefor, it may base such confirmation entirely upon the certificate of a licensed professional engineer or architect. Likewise, all estimates and determinations of the cost to substantially complete any incomplete elements, facilities, structures, and improvement for which escrowed funds are being specifically maintained shall be made entirely by a licensed professional engineer or architect and the determination of all amounts to be retained or maintained in the escrow account for the completion of any such elements, facilities, improvements, or structures shall be based entirely upon such determinations and estimates as are furnished by such engineer or architect. No inspections of the Project or any portion thereof by any representative of Escrow Agent shall be deemed necessary hereunder, nor must any cost estimates or determinations be made by Escrow Agent and Escrow Agent may rely entirely upon certificates, determinations, and estimates as described above in retaining and releasing all escrowed funds hereunder.

7. Limited Liability of Escrow Agent; Right to Deduct Expenses from Escrow Deposits.

Upon making delivery of the funds deposited with Escrow Agent pursuant to any Purchase Agreement and performance of the obligations and services stated therein and herein, Escrow Agent shall be released from any further liability thereunder and hereunder, it being expressly understood that liability is limited by the terms and provision set forth in such Agreements and in this Agreement, Escrow Agent is acting in the capacity of a depository and is not, as such, responsible or liable for the sufficiency, correctness, genuineness, or validity of the instruments submitted to it, or the marketability of title to any Unit sold under any other Agreements. Escrow Agent is not responsible for the failure of any banks used by it as an escrow depository for funds received by it under this Agreement. Further, Escrow Agent is not a guarantor of performance by Developer and/or Builder under the Condominium Documents or any Purchase Agreement and Escrow Agent undertakes no responsibilities whatever with respect to the nature, extent, or

F:\Big Lake\Escrow Agreement

quality of such performance thereunder or with regard to the conformity of such performance to the terms of such documents, to the plans and specifications for the Project, to local or state laws or in any other particular. So long as Escrow Agent relies in good faith upon any certificate, cost estimate, or determination of the type described in Section 6, Escrow Agent shall have no liability whatever to Developer and/or Builder, any Purchaser, any Co-owner, or any other party for any error in such certificate, cost estimate, or determination, or for any act or omission by the Escrow Agent in reliance thereon. Except in instances of gross negligence or willful misconduct, Escrow Agents liability hereunder shall in all events be limited to return, to the party or parties entitled thereto, of the funds retained in escrow (or which were replaced by security) less any reasonable expenses which Escrow Agent may incur in the administration of such funds or otherwise hereunder, including, without limitation, reasonable attorney fees and litigation expenses paid in connection with the defense, negotiation, or analysis or claims against it, by reason of litigation or otherwise, arising out of the administration of such escrowed funds, all of which costs Escrow Agent shall be entitled without notice to deduct from amounts on deposit hereunder.

8. Limited Liability of Architect and Engineer.

A licensed professional architect or engineer undertaking to make a certificate hereunder shall be held to the normal standard of care required of a member of that profession in determining substantial completion and the estimated cost of substantial completion under the Act, but such architect or engineer shall not be required to have designed the improvements or item or to have inspected or to have supervised construction or installation of the improvement or item. The certificate by a licensed professional architect or engineer shall not be construed to limit the Developer and/or Builder's liability for any defect in construction. For purposes of this Escrow Agreement, "licensed professional engineer or architect" means a member of those professions who satisfies all requirements of the laws of this State for the practice of the profession, and who is not an employee of the Developer and/or Builder or of a firm in which the Developer and/or Builder, or an officer or director of the Developer and/or Builder, is a principal or holds ten (10%) percent or more of the outstanding shares of that firm.

9. Notices.

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

10. Changes in Circumstances.

The disability, bankruptcy, insolvency, or absence of a Purchaser, Developer and/or Builder, or Escrow Agent, or any of them, shall not affect or prevent performance by the Escrow Agent of its obligations and instructions hereunder.

11. No Notification.

If no notification has been received by Escrow Agent within three (3) years from the date of this Escrow Agreement, Escrow Agent may, after thirty (30) days written notice to Developer and/or Builder and Purchaser, deliver the escrowed assets to the Clerk of the Circuit Court of Oakland County, Michigan.

BIG LAKE, L.L.C.,
a Michigan Limited Liability Company

By: _____
JACK ROSENZWEIG
Its: Managing Member

JAC CONSTRUCTION COMPANY, INC.,
a Michigan corporation

By: _____
Its: _____

BY: PHILIP F. GRECO TITLE COMPANY
ITS: Agent

By: _____

Its: _____

BIG LAKE ESTATES PURCHASE AGREEMENT

Condominium Unit # [UNIT ADDRESS] of the Big Lake Estates Site Condominium as shown on Oakland County Condominium Subdivision Plan as provided in Master Deed recorded in Liber _____, Pages _____ through _____ of the Oakland County Records, as amended.

WHEREAS, Big Lake, L.L.C., a Michigan limited liability company ("Developer") is the developer of a project known as Big Lake Estates, a condominium project consisting of 14 Units in Springfield Township, Oakland County, Michigan; and

WHEREAS, JAC Construction Company, Inc., a Michigan corporation ("Builder") has purchased all 14 units from Builder and is building homes on these units; and

WHEREAS, [BUYER 1] & [BUYER 2] ("Purchaser") desires to purchase a Unit in the Condominium, and to subscribe for participation of the Common Elements of the Condominium; and

WHEREAS, an Association of Co-Owners has been established for the operation and regulation of the Common Elements of the Condominium;

IT IS AGREED AS FOLLOWS:

The Purchaser, in consideration of the mutual promises and other good and valuable consideration, hereby agrees to purchase the above-referenced Condominium Unit, together with an undivided interest in the Common Elements appertaining thereto for the price of _____ (\$0) Dollars payable as follows:

Purchaser agrees that he will pay _____ of the purchase price in cash ("Down Payment") and finance the balance of \$0 under a conventional mortgage at prevailing rates and terms;

The down payment shall be payable as follows:

Upon signing this agreement, receipt of which is hereby acknowledged by Builder:	\$ _____
Upon completion of basement walls:	
Upon residence being framed and roofed:	
Upon completion of rough mechanical:	
Upon completion of drywall:	
Upon residence being vinyl or bricked:	
Total down payment prior to closing	\$ _____
Balance due at Closing:	(\$ _____)

all of which will be immediately applied by the Builder toward the construction costs incurred.

Any remaining balance of Purchaser's down payment plus proceeds of any mortgage obtained by Purchaser sufficient to equal the balance of the price due herein shall be due at the time of conveyance.

Purchaser shall make a good faith application for a mortgage commitment within seven (7) days and obtain same not later than thirty (30) days from the date hereof. Purchaser shall provide Builder written notice, within 48 hours of acceptance or rejection of the mortgage application. Any costs of applying for or obtaining such mortgage shall be borne by Purchaser. If Purchaser cannot obtain a commitment for a mortgage within thirty (30) days after Builder's execution of this Agreement, this Agreement shall be voidable at Builder's option and if voided, the Purchaser's deposit shall be returned in

full. All funds paid to Builder, including but not limited to the deposit, any down payment and all extras shall thereafter be non-refundable and subject to the remedies provided in paragraph 3. It is understood that the Builder will provide construction financing for the Unit. End Loan commitment will be provided by Purchaser within 30 days of execution of this Agreement.

Said Unit, if not constructed by the date hereof, shall be constructed substantially in accordance with the basic plans and specifications (Exhibit B), if any, for said Unit which Purchaser has examined and approved. If necessitated by governmental regulation, material shortage or unavailability, or other conditions beyond Builder's control, Builder may, in its discretion, make such changes and comparable substitutions for materials, equipment, and fuel source called for in the specifications as are reasonable and in accordance with applicable building codes. Builder is not responsible for any liability due to any existing environmental or ecological conditions on the subject property. Said Unit shall also include such additional items as are specifically enumerated in the attached Exhibit A, if any. The nature of landscaping and construction materials shall be within the discretion of Builder unless otherwise expressly provided herein. Purchaser acknowledges that he is required to plant three trees on the unit within six months of closing. The trees to be planted shall be deciduous (maple, ash or oak) with a minimum size of 2.5 inches caliper, balled and burlapped and shall otherwise comply with the requirements described in Exhibit A attached to the Big Lake Estates Disclosure Statement. This requirement shall survive closing. The ground elevation at which the Unit is to be located is to be determined by Builder, at its sole discretion. The location, size, or design of any Unit not yet completely constructed, other than Purchaser's Unit, may be changed by Builder, in its sole judgment, by appropriate amendment to the Master Deed.

Builder shall not be obligated to make any changes or alterations in the work and/or materials except upon written orders signed by the Purchaser and Builder, wherein the changes or alterations to be made are stated and Purchaser agrees to pay the Builder. Any additional items shall first be subject to Builder's approval before installation and shall be confirmed by a written memorandum signed and acknowledged by both parties at an agreed upon price. The amount charged for any additional items shall be in addition to the purchase price and shall be paid, within ten (10) days of invoice mailed to Purchaser, and shall be listed on the attached Exhibit A. In the event Purchaser fails to consummate the purchase of the said Unit, any amounts paid for charges or extra features may be retained by Builder in addition to damages provided in paragraph 3 of this Agreement.

Any sums received hereunder shall be held in escrow and placed in an escrow account with Philip F. Greco Title Company, agent for Chicago Title Insurance Company, whose address is 118 Cass Avenue, Mt. Clemens, Michigan 48043, under an Escrow Agreement, which is incorporated herein by reference, the terms of which shall comply with Act Number 538 of the Public Acts of 1982 of the State of Michigan, as amended, Interest earned on said escrowed funds shall belong to and inure to the benefit of Builder and may be used by Builder to pay fees charged under the terms of the Escrow Agreement, or for any other legal purpose. Funds due a Builder from the closing of a Unit sale need not be deposited in escrow if such funds are not required by other provisions of the Act to be retained in escrow after closing.

Closing shall occur within ten (10) days of issuance of a Certificate of Occupancy. If there are any minor defects or should weather and/or other conditions beyond the control of the Builder prevent the completion of cement work, grading, exterior painting or other similar items, the Builder may make an allowance for such unfinished items, which allowance shall be held by Greco Title Company, as escrow agent, and allowance shall constitute full performance of this Agreement by the Builder, and the Purchaser shall thereupon make full payment of all sums herein provided. Upon the completion of these items to the satisfaction of the escrow agent after inspection by it, without notice to, or consent from the Purchaser, the amount due shall be disbursed to the Builder.

Upon expiration of the withdrawal period, provided under the caption General Provisions Paragraph 4, the Builder is required to retain sufficient funds in escrow to provide sufficient security to assure completion of only those uncompleted structures and improvements labeled under the terms of the Condominium Documents "must be built".

All taxes and assessments which have become due and payable at the date of this Agreement shall be paid by the Builder. At the time of closing current taxes and assessments, if any, shall be prorated and adjusted as of the date of the closing in accordance with the due date basis of the municipality or taxing unit in which said land is located and paid to the Builder in addition to the sums heretofore agreed to be paid by the Purchaser.

Purchaser agrees that, in addition to the purchase price above mentioned, he will be liable for his proportionate share of the Association assessment for maintenance, repair, replacement, and other expenses of administration as outlined in the By-Laws, and for his proportionate share pursuant to paragraph 2 below of any taxes or special assessments levied against the Project for the year in which his Unit is created, Such sums shall be paid to Builder at closing if then ascertainable, otherwise promptly upon demand when the same become ascertainable.

In the event it shall be discovered during the course of construction that subterranean conditions (such as unsound ground, high water table, rocks, peat, mulch, stumps, rubbish), prevent the construction of the Residence in accordance with the plans and specifications, the Builder shall have the right, at Builder's option, to terminate this Agreement upon refunding to the Purchaser all sums paid.

GENERAL PROVISIONS

1. Plan and Purpose. Big Lake Estates Owners Association, Inc. has been established as a Michigan non-profit corporation for the purpose of operating and maintaining the Common Elements of the Condominium, Each Co-Owner will be a member of the Association and will be subject to the By-Laws and Rules and Regulations thereof. Purchaser hereby agrees to abide by the terms, provisions, declarations, covenants, and restrictions contained in the Master Deed, By-Laws, and Condominium Subdivision Plan of Big Lake Estates, and the Articles of Incorporation, By-Laws, and Rules and Regulations, if any, of the Big Lake Estates Owners Association, Inc. copies of which have been, or will be, delivered to Purchaser.

2. Conveyance of Title. In consideration of Purchaser's agreement to purchase, Builder agrees to convey to Purchaser good and marketable title by Warranty Deed to said Unit subject to any easements and restrictions all applicable governmental laws and regulations, and to the instruments referred to in Paragraph 1 above. Purchaser agrees to consummate the purchase of said Unit from Builder within ten (10) days after the Certificate of Occupancy with or without conditions for a structure located within said Unit has been issued by the appropriate local public authority. Purchaser further agrees that the closing date established above shall not be postponed because minor construction items may not have been completed by such date and Purchaser agrees to accept possession of his Unit notwithstanding the existence of such items. It is understood that Purchaser will, at the time title is conveyed to him, pay all mortgage costs, if any, and such other closing costs as are customarily paid by the purchasers of comparable real estate in this jurisdiction and taxes, assessments, and insurance will be adjusted to the date of closing.

The issuance of the Certificate of Occupancy shall be conclusive as to substantial completion of the Unit and be binding upon both parties. In the event that the real property tax bills relative to the Condominium property have not yet been split into separate tax bills for each Unit by the local tax assessor, Builder may require Purchaser to pay into an escrow account to be maintained by the Association an amount equal to Purchaser's estimated percentage of value share of real estate taxes with respect to the Condominium Project or phase which will next fall due.

Within a reasonable time after closing, Builder, at its expense, will furnish Purchaser with an owner's title insurance policy without standard exceptions issued by Philip F. Greco Title Company, agent for Chicago Title Insurance Company in the face amount equal to the purchase price of the Unit. An amount equal to one year's assessments shall be paid by Purchaser to the Association at the time of closing, as a non-refundable working capital contribution and Purchaser shall also, if required by Builder, make a proportionate contribution to the Association's insurance reserve at the time of closing. At closing, Purchaser shall also pay the first quarterly assessment in advance.

3. **Default.** If the Purchaser shall default in any of the payments or obligations called for in this Agreement and such default shall continue for ten (10) days after written notice sent by the Builder to the Purchaser, then, forthwith, at the option of the Builder, all rights of Purchaser under this Agreement shall terminate and any amount paid toward the purchase price shall be retained by the Builder as liquidated damages; provided, however, that Builder shall be entitled at builder's option, to actual and consequential damages if they exceed the amount of liquidated damages.

4. **Cancellation Rights of Subscriber.** THE PURCHASER MAY WITHDRAW FROM THIS AGREEMENT WITHOUT CAUSE AND WITHOUT PENALTY AT ANY TIME PRIOR TO IT BECOMING BINDING WHICH IS AFTER THE LAPSE OF NINE (9) BUSINESS DAYS AFTER RECEIPT OF THE CONDOMINIUM DOCUMENTS (REFERRED TO IN PARAGRAPH 1 AND PARAGRAPH 7 HEREOF AND THE PROJECT DISCLOSURE STATEMENT, UNLESS SAID TIME PERIOD IS WAIVED IN ACCORDANCE WITH SECTION 84 OF THE MICHIGAN CONDOMINIUM ACT.

ESCROWED FUNDS SHALL BE RETURNED TO PURCHASER WITHIN THREE (3) BUSINESS DAYS AFTER WITHDRAWAL FROM THIS AGREEMENT AS PROVIDED FOR BY THIS PARAGRAPH 4.

The Escrow Agent shall not be obligated to release any funds until it can satisfactorily ascertain, that said funds deposited have been "paid", "settled", and "fully collected" as such terms are defined under the provision of MCL 440.4100 et sequitur.

5. **Arbitration.** Any claim which might be the subject of a civil action against Builder and arises out of or relates to this Purchase 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.

6. **The Condominium Buyer's Handbook.** Purchaser hereby acknowledges receipt prior to execution of this Agreement of a copy of the Condominium Buyer's Handbook published by the Michigan Department of Commerce.

7. **Limited Warranty.** The only warranty made by Builder with respect to the subject Unit is contained in the separate Limited Warranty delivered to Purchaser simultaneously with the execution of this Purchase Agreement.

8. **Examination of Unit.** The Builder shall have full and exclusive possession of said Residence and Land until the Builder has received full payment for all sums due it under this Agreement. During construction, Purchaser shall not without the prior express written consent of the Builder: (a) enter onto the construction site of Purchaser's home, (b) interfere with any workers during working hours, or (c) hire or employ any contractors, subcontractors or other persons, firms or corporations to do any work in or on Purchaser's home. The Purchaser shall be permitted to enter onto the construction site with a representative of the Builder on the following designated periods: pre-drywall and prior to closing. Only the Purchaser is permitted to enter onto the construction site at the specified times indicated above. Purchaser agrees that all matters pertaining to construction shall be resolved solely with Builder's sales representative. Violation of this paragraph may void Builder's Limited Warranty.

Purchaser agrees that no furniture or personal property of any kind may be put into the residence, nor may any person or persons occupy the house until closing.

The Purchaser agrees to allow Builder to exhibit said Unit, and any structure thereon, to prospective customers of the Builder, without cost therefor, at any time prior to the delivery of the possession thereof to the Purchaser.

9. **Usage of Terms.** The pronouns and relative words herein used are written in the masculine and singular only. If more than one (1) join in the execution hereof as Builder or Purchaser or either be of the feminine sex or a corporation, such words shall be read as if written in plural, feminine, or neuter, respectively.

10. **Oral Representations not to be Relied Upon.** This Agreement will supersede any and all understandings and agreements and constitutes the entire Agreement between the parties and no oral representations or statements shall be considered a part hereof.

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

12. **Binding Effect.** The covenants herein shall bind the heirs, personal representatives, administrators, executors, assigns, and successors of the respective parties.

This Agreement shall be subject to and governed by the laws of the State of Michigan, irrespective of the fact that one (1) or more of the parties now is, or may hereafter become, a resident of a different state.

Additional Conditions:

1. Purchaser hereby waives the requirements that the funds paid to Developer be held in escrow in an escrow account with Philip F. Greco Title Company and are nonrefundable. Purchaser makes this waiver after having the opportunity to review with an attorney the consequences of waiving this requirement.
2. Builder will install a well with the unit.

This Agreement, along with Exhibits A and B are executed by the parties on _____

BUILDER:

JAC CONSTRUCTION COMPANY, INC.,
a Michigan Corporation

BY: _____

MARC ROSENZWEIG
ITS: VICE PRESIDENT

PURCHASER:

Purchaser: [BUYER 1]

Purchaser: [BUYER 2]

[current address]
Address

[city st zip] City, State and Zip Code

[phone]
Telephone Number

EXHIBIT 'A' TO PURCHASE AGREEMENT- BIG LAKE ESTATES

Purchase Price	
[model & elevation]	
Lot Premium - Lot # <u> [UNIT ADDRESS] </u>	
Basement -	
Basement Poured Walls -	
TOTAL	\$0

JAC

PUR

PUR

**BIG LAKE ESTATES
CLOSING WAIVER**

The undersigned, being the Purchaser of Unit No. _____ in Big Lake Estates hereby represents to Developer that it is necessary that he close the purchase of said Unit on or before _____.

Purchaser has received the Purchase Agreement and the documents enumerated on the Notice, Receipt, and Acknowledgment Form, and understands that as provided in section 84 of the Michigan condominium Act, the Purchase Agreement cannot become binding until the lapse of nine (9) business days from the receipt of the documents above, that he can withdraw from the Purchase Agreement at any time during those nine (9) business days and receive a full refund of all money paid and be fully released from any obligations to the Developer. Purchaser further understands that he will be closing said purchase prior to the expiration of the nine (9) day period but is willing to and does hereby waive all rights to withdraw from said Agreement after closing, Purchaser represents that the closing is being held in advance of the expiration of said nine (9) day period at his request and that Purchaser's reasons for requesting an early closing constitutes an exceptional case and is set forth below.

PURCHASER

PURCHASER

Dated: _____

WARRANTY DEED

ALL PERSONS TAKE NOTICE: That Big Lake, L.L.C., a Michigan limited liability company whose address is 1700 North Woodward Avenue, Suite 200, Bloomfield Hills, Michigan 48304-2249, conveys and warrants to JAC Construction Company, Inc., a Michigan corporation whose address is 1700 N. Woodward Avenue, Suite 200, Bloomfield Hills, Michigan 48304-2249 the following described premises situated in the Township of Springfield, County of Oakland and State of Michigan, being more particularly described as:

Unit _____, Big Lake Estates, Oakland County Condominium Subdivision Plan No. 1053, as provided in the Master Deed recorded in Liber 17344, Page 62 of the Oakland County Records, as amended.

Sidwell No.

together with all and singular the tenements, hereditaments and appurtenances hereunto belonging or in anyway appertaining, for the sum of Ten and No/100 (\$10.00) Dollars and other valuable consideration, Real Estate Valuation Affidavit attached, tax exempt pursuant to M.C.L. 207.526(s); subject to building and use restrictions, zoning ordinances, rights-of-way and easements of record, and the rights of co-owners in the General Common Elements and Limited Common Elements as set forth in the Master Deed recorded in Liber 17344, Pages 62 through 113 of the Oakland County Records, as amended and as described in Act 59 of the Public Acts of 1978, as amended.

Dated this _____ day of _____, 1997.

WITNESSES:

Big Lake, L.L.C., a Michigan Limited Liability Company

By: _____
Jack Rosenzweig
Its: Managing Member

F:\Big Lake\Warranty Deed: Big Lake

STATE OF MICHIGAN)
)ss.
COUNTY OF OAKLAND)

The foregoing instrument was acknowledged before me this _____ day of _____ 1997 by Jack Rosenzweig on behalf of Big Lake, ,L.L.C., a Michigan limited liability company.

Notary Public
County, Michigan
My Commission Expires:

County Treasurer's Certificate
City Treasurer's Certificate

Drafted by and when recorded return to:

Clifford J, Dovitz, Esq.
1700 North Woodward Avenue, Suite. 200
Bloomfield Hills, MI 48304-2249
(810)433-0200

Tax Parcel #
Recording Fee
Revenue Stamps \$
Send subsequent tax bills to:

WARRANTY DEED

ALL PERSONS TAKE NOTICE: That JAC Construction Company, Inc., a Michigan limited liability company whose address is 1700 North Woodward Avenue, Suite 200, Bloomfield Hills, Michigan 48304-2249, conveys and warrants to _____ whose address is _____ the following described premises situated in the Township of Springfield, County of Oakland and State of Michigan, being more particularly described as:

Unit _____, Big Lake Estates, Oakland County Condominium Subdivision Plan No. 1053, as provided in the Master Deed recorded in Liber 17344, Page 62 of the Oakland County Records, as amended.

Sidwell No. _____

together with all and singular the tenements, hereditaments and appurtenances hereunto belonging or in anyway appertaining, for the sum of Ten and No/100 (\$10.00) Dollars and other valuable consideration, Real Estate Valuation Affidavit attached, subject to building and use restrictions, zoning ordinances, rights-of-way and easements of record, and the rights of co-owners in the General Common Elements and Limited Common Elements as set forth in the Master Deed recorded in Liber 17344, Pages 62 through 113 of the Oakland County Records, as amended and as described in Act 59 of the Public Acts of 1978, as amended.

Dated this _____ day of _____, 1997.

