

# PURCHASER INFORMATION BOOKLET

# *Eaton Estates*



**A Condominium Project  
in  
Plymouth Township, Michigan**

#### DEVELOPED BY:

Eaton Associates, Inc.  
535 South Main Street  
Suite 1  
Plymouth, Michigan 48170

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FOR

EATON ESTATES

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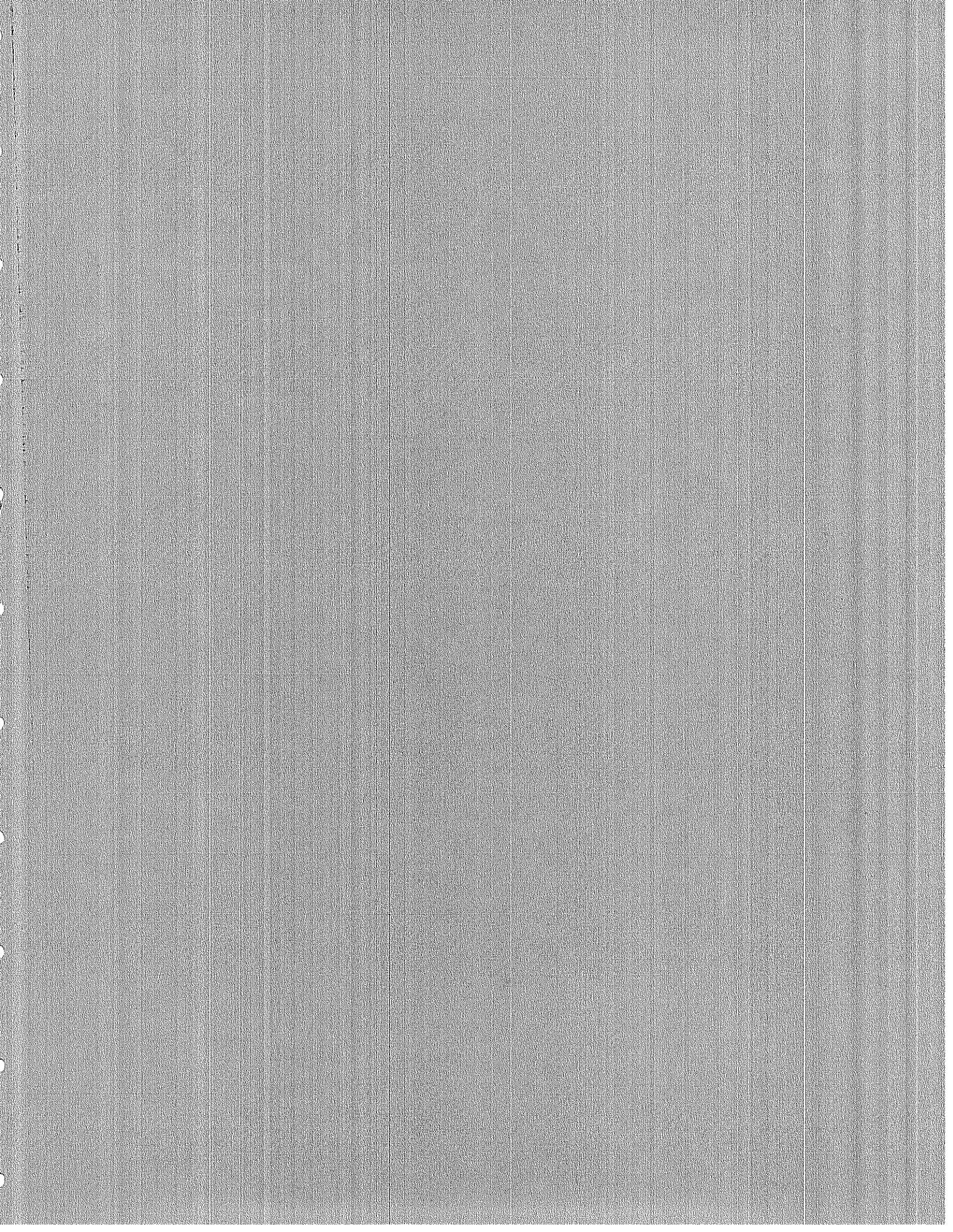


CONDOMINIUM SUBDIVISION PLAN

EATON ESTATES CONDOMINIUM ASSOCIATION CERTIFICATE OF INCORPORATION

EATON ESTATES CONDOMINIUM ASSOCIATION ARTICLES OF INCORPORATION

ESCROW AGREEMENT



MASTER DEED

EATON ESTATES

This Master Deed is made and executed on this 15th day June, 1988, by Eaton Associates, Inc., a Michigan Corporation, hereinafter referred to as "Developer", whose post office address is 535 South Main Street, Suite No. 1, Plymouth, Michigan 48170, in pursuance of the provisions of the Michigan Condominium Act (being Act 59 of the Public Acts of 1978, as amended), hereinafter referred to as the "Act".

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

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

ARTICLE I

TITLE AND NATURE

The Condominium Project shall be known as Eaton Estates, Wayne County Condominium Subdivision Plan No. 237. The architectural plans for all Units to be constructed within the Project must be approved by, and thereafter filed with, the Township of Plymouth. The Condominium Project is established in accordance with the Act. The buildings and Units contained in the Condominium, including the number, boundaries, dimensions and

area of each Unit therein, are set forth completely in the Condominium Subdivision Plan. Each building contains individual Units for residential purposes and each Unit is capable of individual utilization on account of having its own entrance from and exit to a Common Element of the Condominium Project. Each Co-owner in the Condominium Project shall have an exclusive right to his Unit and shall have undivided and inseparable rights to share with other Co-owners the Common Elements of the Condominium Project.

## ARTICLE II

### LEGAL DESCRIPTION

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

Part of the Northeast 1/4 of Section 28, Town 1 South, Range 8 East and proceeding thence South 04 degrees 03 minutes 39 seconds East 1218.02 feet along the East line of said Section 28; thence North 84 degrees 05 minutes 15 seconds West 136.55 feet; thence South 04 degrees 18 minutes 07 seconds West 109.84 feet to the North right-of-way line of North Territorial Road; thence along said right-of-way, North 72 degrees 28 minutes 43 seconds West 11.77 feet and North 80 degrees 15 minutes 10 seconds West 1135.91 feet and North 88 degrees 16 minutes 22 seconds West 390.37 feet to the point of beginning of the parcel herein described; thence North 88 degrees 16 minutes 22 seconds West 275.00 feet along said right-of-way; thence North 01 degree 45 minutes 48 seconds West 1032.47 feet; thence North 02 degrees 10 minutes 00 seconds West 529.30 feet to a point on the Southerly right-of-way line of M-14 Freeway; thence along said line, North 87 degrees 38 minutes 24 seconds East 910.17 feet; thence South 09 degrees 57 minutes 45 seconds West 232.85 feet; thence North 87 degrees 19 minutes 38 seconds West 36.00 feet; thence South 16 degrees 00 minutes 50 seconds West 291.17 feet; thence South 61 degrees 13 minutes 06 seconds West, 405.98 feet; thence South 04 degrees 27 minutes 05 seconds West, 906.41 feet to the point of beginning. Subject to easements and restrictions of record and all governmental limitations.

## ARTICLE III

### DEFINITIONS

Certain terms are utilized not only in this Master Deed and Exhibits A and B hereto, but are or may be used in various other instruments such as, by way of example and not limitation,

the Articles of Incorporation and rules and regulations of the Eaton Estates Condominium Association, a Michigan non-profit corporation, and deeds, mortgages, liens, land contracts, easements and other instruments affecting the establishment of, or transfer of, interests in Eaton Estates as a condominium. Wherever used in such documents or any other pertinent instruments, the terms set forth below shall be defined as follows:

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

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

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

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

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

Section 6. CONDOMINIUM PREMISES. "Condominium Premises" means and includes the land described in Article II above, all improvements and structures thereon, and all easements, rights and appurtenances belonging to Eaton Estates as described above.

Section 7. CONDOMINIUM PROJECT, CONDOMINIUM OR PROJECT. "Condominium Project", "Condominium" or "Project" means Eaton Estates as a Condominium Project established in conformity with the Act.

Section 8. CONDOMINIUM SUBDIVISION PLAN. "Condominium Subdivision Plan" means Exhibit B hereto.

Section 9. CONSOLIDATING MASTER DEED. "Consolidating Master Deed" means the final amended Master Deed which shall

describe Eaton Estates as a completed Condominium Project and shall reflect the entire land area and all Units and Common Elements therein and which shall express percentages of value pertinent to each Unit as finally readjusted. Such Consolidating Master Deed, when recorded in the office of the Wayne County Register of Deeds, shall supersede the previously recorded Master Deed for the Condominium and all amendments thereto.

Section 10. CONSTRUCTION AND SALES PERIOD. "Construction and Sales Period", for the purposes of the Condominium Documents and the rights reserved to Developer thereunder, means the period commencing with the recording of the Master Deed and continuing as long as the Developer owns any Unit which it offers for sale or for so long as the Developer is entitled to expand the Project.

Section 11. CO-OWNER OR OWNER. "Co-owner" means a person, firm, corporation, partnership, association, trust or other legal entity or any combination thereof who or which own one or more Units in the Condominium Project. The term "Owner", wherever used, shall be synonymous with the term "Co-owner".

Section 12. DEVELOPER. "Developer" means Eaton Associates, Inc., a Michigan Corporation, which has made and executed this Master Deed, and its successors and assigns. Both successors and assigns shall always be deemed to be included within the term "Developer" whenever, however and wherever such terms are used in the Condominium Documents.

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

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

Section 15. UNIT OR CONDOMINIUM UNIT. "Unit" or "Condominium Unit" each mean the enclosed space constituting a single complete residential Unit in Eaton Estates, as such space may be described on Exhibit B hereto, and shall have the same meaning as the term "Condominium Unit" as defined in the Act.

Whenever any reference herein is made to one gender, the same shall include a reference to any and all genders where the same would be appropriate; similarly, whenever a reference is made herein to the singular, a reference shall also be included to the plural where the same would be appropriate and vice versa.

## ARTICLE IV

### COMMON ELEMENTS

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

Section 1. GENERAL COMMON ELEMENTS. The General Common Elements are:

(a) LAND. The land described in Article II hereof, including roads, sidewalks and parking spaces not identified as Limited Common Elements.

(b) ELECTRICAL. The electrical transmission system throughout the Project up to, but not including, the electric meter for each Unit, together with common lighting for the Project.

(c) TELEPHONE. The telephone system throughout the Project up to the point of entry to each Unit.

(d) GAS. The gas distribution system throughout the Project up to, but not including, the gas meter for each Unit.

(e) WATER. The water distribution system throughout the Project up to, but not including, the water meter for each Unit.

(f) SANITARY SEWER. The sanitary sewer system throughout the Project, including that contained within the Unit walls, up to the point of connection with plumbing fixtures within any Unit.

(g) STORM SEWER. The storm sewer system throughout the Project.

(h) TELECOMMUNICATIONS. The telecommunications system, if and when it may be installed, up to, but not including, connections to provide service to individual Units.

(i) CONSTRUCTION. Foundations, Unit perimeter walls (but not including windows and doors therein), roofs,

chimneys, and those areas between the basement ceilings and first floors, and the first floor ceilings and second floors.

(j) OTHER. Such other elements of the Project not herein designated as General or Limited Common Elements which are not enclosed within the boundaries of a Unit, and which are intended for common use or are necessary to the existence, upkeep and safety of the Project.

Some or all of the utility lines, systems (including mains and service leads) and equipment described above may be owned by the local public authority or by the company that is providing the pertinent service. Accordingly, such utility lines, systems and equipment shall be General Common Elements only to the extent of the Co-owners' interest therein, if any, and Developer makes no warranty whatever with respect to the nature or extent of such interest, if any.

Section 2. LIMITED COMMON ELEMENTS. Limited Common Elements shall be subject to the exclusive use and enjoyment of the owner of the Unit to which the Limited Common Elements are appurtenant or otherwise designated. The Limited Common Elements are:

(a) DECKS. Each individual deck in the Project is restricted in use to the Co-owner of the Unit which opens into such deck as shown on Exhibit B hereto.

(b) PORCH. Each porch in the Project is restricted in use to the Co-owner of the Unit which opens into such porch as shown on Exhibit B hereto.

(c) AIR CONDITIONER COMPRESSORS. Each individual air conditioner compressor, its pad and other equipment and accessories related thereto, together with the ground surface immediately below the pad, are restricted in use to the Co-owner of the Unit which such air-conditioner compressor services.

(d) SUMP PUMPS. Each individual sump pump in the Project is restricted in use to Co-owner of the Unit to which such sump pump is appurtenant.

(e) WINDOWS, DOORS AND SCREENS. The windows, doors and screens in the Project shall be limited in use to the Owners of Units to which they are appurtenant.

(f) UTILITY METERS. Meters for natural gas and electricity shall be Limited Common Elements respectively appurtenant to each Unit for which they measure such utility service.

(g) INTERIOR SURFACES. The interior surfaces of Unit

and perimeter walls (including doors therein), ceilings and floors contained within a Unit shall be subject to the exclusive use and enjoyment of the Co-owner of such Unit.

(h) EXTERIOR LIGHTS. The exterior lighting fixture in the front of each Unit shall be a Limited Common Element appurtenant to such Unit.

(i) GARAGE DRIVES. The driveway immediately adjacent to each garage is limited in use to the Co-owner of the corresponding Unit as designated in the Condominium Subdivision Plan.

(j) BACKYARDS. The backyard area immediately behind each Unit as designated in the Condominium Subdivision Plan.

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

(a) GENERAL COMMON ELEMENTS. The costs of maintenance, decoration, repair and replacement of all General Common Elements shall be borne by the Association.

(b) LIMITED COMMON ELEMENTS. The costs of maintenance, decoration, repair and replacement of all Limited Common Elements shall be borne by the Association, except as follows:

(1) DECKS. The costs of maintenance, repair and replacement of each individual deck described in Article IV, Section 2(a) and its contents shall be borne by the Co-owner of the Unit to which such Limited Common Element respectively appertains; provided, however, that the frequency thereof and the materials used in connection therewith shall be determined by the Association which may, at its election, be responsible for the work at the expense of each affected Co-owner.

(2) PORCHES. The cost of maintenance, repair and replacement of each individual porch described in Article IV, Section 2(b) and its contents shall be borne by the Co-owner of the Unit to which such Limited Common Element respectively appertains.

(3) AIR CONDITIONER COMPRESSORS. The costs of repair and replacement of each air conditioner compressor referred to in Article IV, Section 2(c) shall be borne solely by the Co-owner of the Unit to which such equipment is appurtenant.

(4) SUMP PUMPS. The costs of repair and replacement of each sump pump referred to in Article IV, Section 2(d) shall be borne solely by the Co-owner

of the Unit to which such Limited Common Element is appurtenant.

- (5) WINDOWS, DOORS AND SCREENS. The repair, replacement and interior and exterior maintenance of all window glass, doors and screens referred to in Article IV, Section 2(e) and the costs thereof shall be borne by the Co-owner of the Unit to which any such windows, doors and screens are appurtenant, except that the Association may elect to undertake exterior cleaning of the window glass.
- (6) EXTERIOR LIGHTS. The costs of electricity for the exterior lighting fixtures referred to in Article IV, Section 2(h) shall be metered by the individual electric meters of the Co-owners to whose Units the same are respectively appurtenant and shall be paid by such individual Co-owners without reimbursement therefor from the Association. Said fixtures shall also be maintained, repaired and replaced by the Co-owner. The size and nature of the bulbs to be used in the fixtures shall be determined by the Association in its discretion. No Co-owner shall modify or change such fixtures in any way and shall not cause the electrical flow for operation thereof to be interrupted at any time. Said fixtures shall operate on photoelectric cells the timers for which shall be set by and at the discretion of the Association and shall remain lit at all times determined by the Association for the lighting thereof.
- (7) UTILITY METERS. All utility services measured through Unit meters shall be borne by each Co-owner of a Unit to which the same are appurtenant.
- (8) INTERIOR SURFACES. The costs of decoration and maintenance (but not repair or replacement except in cases of Co-owner fault) of all surfaces referred to in Article IV, Section 2(g) above shall be borne by the Co-owner of each Unit to which such Limited Common Elements are appurtenant.
- (9) OTHER. The costs of maintenance, repair and replacement of all General and Limited Common Elements other than as described above shall be borne by the Association, subject to any provisions of the Bylaws expressly to the contrary.

(c) FAILURE OF CO-OWNERS TO PERFORM MAINTENANCE RESPONSIBILITIES. In the event a Co-owner fails to maintain, decorate, repair or replace any items for which he is responsible, the Association (and/or the Developer during the Construction and Sales Period) shall have the right, but not the obligation, to take whatever action or actions it deems desirable to so maintain, decorate, repair or replace any of such Limited Common Elements, all at the expense of the Co-owner of the Unit. Failure of the Association (or the Developer) to take any such action shall not be deemed a waiver of the Association's (or the Developer's) right to take any such action at a future time. All costs incurred by the Association or the Developer in performing any responsibilities under this Article IV which are required, in the first instance to be borne by any Co-owner, shall be assessed against such Co-owner and shall be due and payable with his monthly assessment next falling due; further, the lien for non-payment shall attach as in all cases of regular assessments and such assessments may be enforced by the use of all means available to the Association under the Condominium Documents and by law for the collection of regular assessments including, without limitation, legal action, foreclosure of the lien securing payment and imposition of fines.

No Co-owner shall use his Unit or the Common Elements in any manner inconsistent with the purposes of the Project or in any manner which will interfere with or impair the rights of any other Co-owner in the use and enjoyment of his Unit or the Common Elements.

## ARTICLE V

### UNIT DESCRIPTION AND PERCENTAGE OF VALUE

Section 1. DESCRIPTION OF UNITS. Each Unit in the Condominium Project is described in this Section with reference to the Condominium Subdivision Plan of Eaton Estates as prepared by Michael L. Priest & Associates, Inc. and attached hereto as Exhibit B. Each Unit shall include all that space contained within the interior finished unpainted walls and ceilings and from the finished subfloor, all as shown on the floor plans and sections in Exhibit B hereto and delineated with heavy outlines. The dimensions shown on plans in Exhibit B have been or will be physically measured by Michael L. Priest & Associates, Inc. In the event that the dimensions on the measured foundation plan of any specific Unit differ from the dimensions on the typical foundation plan for such Unit shown in Exhibit B, then the typical plans for such Unit shall be deemed to be automatically changed for such specific Unit in the same manner and to the same extent as the measured foundation plan.

Section 2. PERCENTAGE OF VALUE. The percentage of value assigned to each of the 38 Units shall be equal. The determination that percentages of value should be equal was made after reviewing the comparative characteristics of each Unit which affects value and concluding that there are not material differences among the Units insofar as the allocation of percentages of value is concerned. The percentage of value assigned to each Unit shall be determinative of 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 the expenses of administration and the value of such Co-owner's vote at meetings of the Association. The total value of the Project is 100%.

## ARTICLE VI

### CONVERTIBLE AREAS

Section 1. DESIGNATION OF CONVERTIBLE AREAS. The General and Limited Common Elements adjacent to individual Units have been designated on the Condominium Subdivision Plan as Convertible Areas within which the individual Units may be expanded in size and/or relocated and Limited Common Elements constructed. Only the Developer or such person or persons to whom it specifically assigns the rights under this Article may exercise the convertibility rights hereunder.

Section 2. DEVELOPER'S RIGHT TO CONSTRUCT UNITS AND/OR PRIVATE AMENITIES. Developer reserves the right, from time to time, within a period ending six years from the date of recording of this Master Deed, to enlarge, extend, diminish and/or relocate Units, to relocate driveways, and/or to construct privacy areas, courtyards, patios, decks, spas, swimming pools and other private amenities on all or any portion or portions of the Convertible Areas. The Developer shall also be entitled to convert General Common Element Areas into additional parking spaces or areas and to designate the same as General Common Elements or Limited Common Elements in such areas as it, in its sole discretion, may determine. The foregoing itemizations of Convertible Areas and elements which may be created or modified are intended only to be illustrative, not exclusive. The precise number, nature, size and location of Unit extensions and/or reductions and amenities which may be constructed and designated shall be determined by Developer in its sole judgment or any other person to whom it specifically assigns the right to make such determination subject only to any necessary public agency approvals.

Section 3. COMPATIBILITY OF IMPROVEMENTS. All improvements constructed within the Convertible Areas described above shall be reasonably compatible with the development and structures on other portions of the Condominium Project, as

determined by Developer in its sole discretion.

## ARTICLE VII

### OPERATIVE PROVISIONS

Any convertibility rights in the project pursuant to Article VI above shall be governed by the provisions as set forth below.

Section 1. AMENDMENT OF MASTER DEED. Developer shall be obligated to amend the Condominium Subdivision Plan to show all changes in the Units and Limited Common Elements resulting from exercise of convertibility rights pursuant to Article VI. Such amendment or amendments to this Master Deed shall be made from time to time as provided herein and by law, which amendments shall be prepared by and at the discretion of Developer and shall contain such further definitions and redefinitions of General or Limited Common Elements as may be necessary to adequately describe and service the Units, enlargement of dwellings and appurtenances being added to the Project by such amendments. In connection with any such amendments, Developer shall have the right to change the nature of any Common Element previously included in the Project for any purpose reasonably necessary to achieve the purposes of this Article.

Section 2. CONSENT OF INTERESTED PERSONS. All of the Co-owners and mortgagees of Units and other persons interested or to become interested in the Project from time to time shall be deemed to have irrevocably and unanimously consented to such amendments to this Master Deed as may be proposed by the Developer to effectuate the foregoing and to any proportionate reallocation of percentages of value of existing Units which the Developer may determine necessary in conjunction with such amendments. All such interested persons irrevocably appoint the Developer as agent and attorney for the purpose of execution of such amendments to the Master Deed and all other documents necessary to effectuate the foregoing. Such amendments may be effected without the necessity of rerecording the entire Master Deed or the Exhibits hereto and may incorporate by reference all or any pertinent portions of this Master Deed and the Exhibits hereto.

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

## ARTICLE VIII

### EASEMENTS

Section 1. EASEMENT FOR MAINTENANCE OF ENCROACHMENTS AND UTILITIES. 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, reciprocal easements shall exist for the maintenance of such encroachment for so long as such encroachment exists, and for maintenance thereof after rebuilding in the event of any destruction. There shall be easements to, through and over those portions of the land, structures, buildings, improvements and walls (including interior Unit walls) contained therein for the continuing maintenance and repair of all utilities in the Condominium. There shall exist easements of support with respect to any Unit interior wall which supports a Common Element.

### Section 2. EASEMENTS RETAINED BY DEVELOPER.

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

(b) UTILITY EASEMENTS. Developer also hereby reserves for the benefit of itself, its successors and assigns, and all future owners of the land described in Article II or any portion or portions thereof, perpetual easements to utilize, tap, tie into, extend and enlarge all utility mains located in the Condominium Premises, including, but not limited to, water, gas, telephone, electrical, cable television, storm and sanitary sewer mains. In the event Developer, its successors or assigns, utilizes, taps, ties into, extends or enlarges any utilities located on the Condominium Premises, it shall be obligated to pay all of the expenses reasonably necessary to restore the Condominium Premises to their state immediately prior to such utilization, tapping, tying-in, extension or enlargement. All expenses of maintenance, upkeep, repair and replacement of the utility mains described in this Article shall be shared by the Co-owners of this Condominium.

### Section 3. RIGHTS RETAINED BY DEVELOPER.

(a) DEDICATION OF ROADWAY. The Developer reserves the right at any time during the Construction and Sales Period to dedicate to the public a right-of-way over any or all of the roadways in Eaton Estates, shown as General Common Elements on Exhibit B. Any such right-of-way dedication may be made by the Developer without the consent of any Co-owner, mortgagee or other person and shall be evidenced by an appropriate amendment to this Master Deed and to Exhibit B hereto, recorded in the Wayne County Records. All of the Co-owners and mortgagees of Units and other persons interested or to become interested in the Project from time to time shall be deemed to have irrevocably and unanimously consented to such amendment or amendments of this Master Deed to effectuate the foregoing right-of-way dedication.

(b) GRANTING UTILITY RIGHTS TO AGENCIES. The Developer reserves the right at any time during the Construction and Sales Period to grant easements for utilities over, under and across the Condominium to appropriate governmental agencies or public utility companies and to transfer title of utilities to governmental agencies or to utility companies. Any such easement or transfer of title may be conveyed by the Developer without the consent of any Co-owner, mortgagee or other person and shall be evidenced by an appropriate amendment to this Master Deed and to Exhibit B hereto, recorded in the Wayne County Records. All of the Co-owners and mortgagees of Units and other persons interested or to become interested in the Project from time to time shall be deemed to have irrevocably and unanimously consented to such amendment or amendments of this Master Deed as may be required to effectuate the foregoing grant of easement or transfer of title.

Section 4. GRANT OF EASEMENTS BY ASSOCIATION. The Association, acting through its lawfully constituted Board of Directors (including any Board of Directors acting prior to the Transitional Control Date) shall be empowered and obligated to grant such easements, licenses, rights-of-entry and rights-of-way over, under and across the Condominium Premises for utility purposes, access purposes or other lawful purposes as may be necessary for the benefit of the Condominium; subject, however, to the approval of the Developer so long as the Construction and Sales Period has not expired. No easements created under the Condominium Documents may be modified nor may any of the obligation with respect thereto be varied, without the consent of each person benefitted thereby.

Section 5. EASEMENTS FOR MAINTENANCE, REPAIR AND REPLACEMENT. The Developer, the Association and all public or private utilities shall have such easements over, under, across and through the Condominium Premises, including all Units and

Common Elements, as may be necessary to fulfill any responsibilities of maintenance, repair, decoration or replacements which they or any of them are required or permitted to perform under the Condominium Documents or by law. These easements include, without any implication of limitation, the right of the Association to obtain access during reasonable hours and upon reasonable notice to water meters, sprinkler controls and valves and other Common Elements located within any Unit or its appurtenant Limited Common Elements.

Section 6. TELECOMMUNICATIONS AGREEMENTS. The Association, acting through its duly constituted Board of Directors and subject to the Developer's approval during the Construction and Sales Period, shall have the power to grant such easements, licenses and other rights of entry, use and access and to enter into any contract or agreement, including wiring agreements, right-of-way agreements, access agreements and multi-unit agreements and, to the extent allowed by law, contracts for sharing of any installation or periodic subscribed service fees as may be necessary, convenient or desirable to provide for telecommunications, videotext, broad band cable, satellite dish, earth antenna and similar services (collectively "Telecommunications") to the Project or any Unit therein. Notwithstanding the foregoing, in no event shall the Board of Directors enter into any contract or agreement or grant any easements, license or right of entry or do any other act or thing which will violate any provision of any federal, state or local law or ordinance. Any and all sums paid by any Telecommunications or other company or entity in connection with such service, including fees, if any, for the privilege of installing same or sharing periodic subscriber service fees, shall be receipts affecting the administration of the Condominium Project within the meaning of the Act and shall be paid over to and shall be the property of the Association.

## ARTICLE IX

### AMENDMENT

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

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

Section 2. MORTGAGEE CONSENT. Whenever a proposed

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

Section 3. BY DEVELOPER. Prior to 1 year after expiration of the Construction and Sales Period, the Developer may, without the consent of any Co-owner or any other person, amend this Master Deed and the Condominium Subdivision Plan attached as Exhibit B in order to correct survey or other errors made in such documents and to make such other amendments to such instruments and to the Bylaws attached hereto as Exhibit A as do not materially affect any rights of any Co-owners or mortgagees in the Project.

Section 4. CHANGE IN PERCENTAGE VALUE. The value of the vote of any Co-owner and the corresponding proportion of common expenses assessed against such Co-owner shall not be modified without the written consent of such Co-owner and his mortgagee, nor shall the percentage of value assigned to any Unit be modified without like consent, except as provided in this Master Deed or in the Bylaws.

SECTION 5. TERMINATION, VACATION, REVOCATION OR ABANDONMENT. The Condominium Project may not be terminated, vacated, revoked or abandoned without the written consent of the Developer and 80% of non-Developer Co-owners.

SECTION 6. DEVELOPER APPROVAL. During the Construction and Sales Period this Master Deed shall not be amended nor shall the provisions thereof be modified by any other amendment to this Master Deed without the written consent of the Developer so long as the Developer continues to offer any Unit in the Condominium for sale.

## 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 duly recorded in the office of the Wayne County Register of Deeds.

WITNESSES:

EATON ASSOCIATES, INC., A Michigan Corporation

JEROME E. JELINEK

BY: SALVATORE LO PICCOLO

MARILYN K. NORGROVE

Its: Treasurer

STATE OF MICHIGAN)  
County of Wayne ) ss.

On this 15th day of June, 1988, the foregoing Master Deed was acknowledged before me by SALVATORE LO PICCOLO, the President of EATON ASSOCIATES, INC., A Michigan Corporation, on behalf of the corporation.

MARILYN K. NORGROVE

Notary Public  
Wayne County, Michigan  
My commission expires: 2/29/92

MASTER DEED DRAFTED BY:

JOHN E. THOMAS  
SEMLINER, THOMAS, BOAK & SMITH  
Attorneys at Law  
711 West Ann Arbor Trail  
Plymouth, Michigan 48170

WHEN RECORDED, RETURN TO DRAFTER

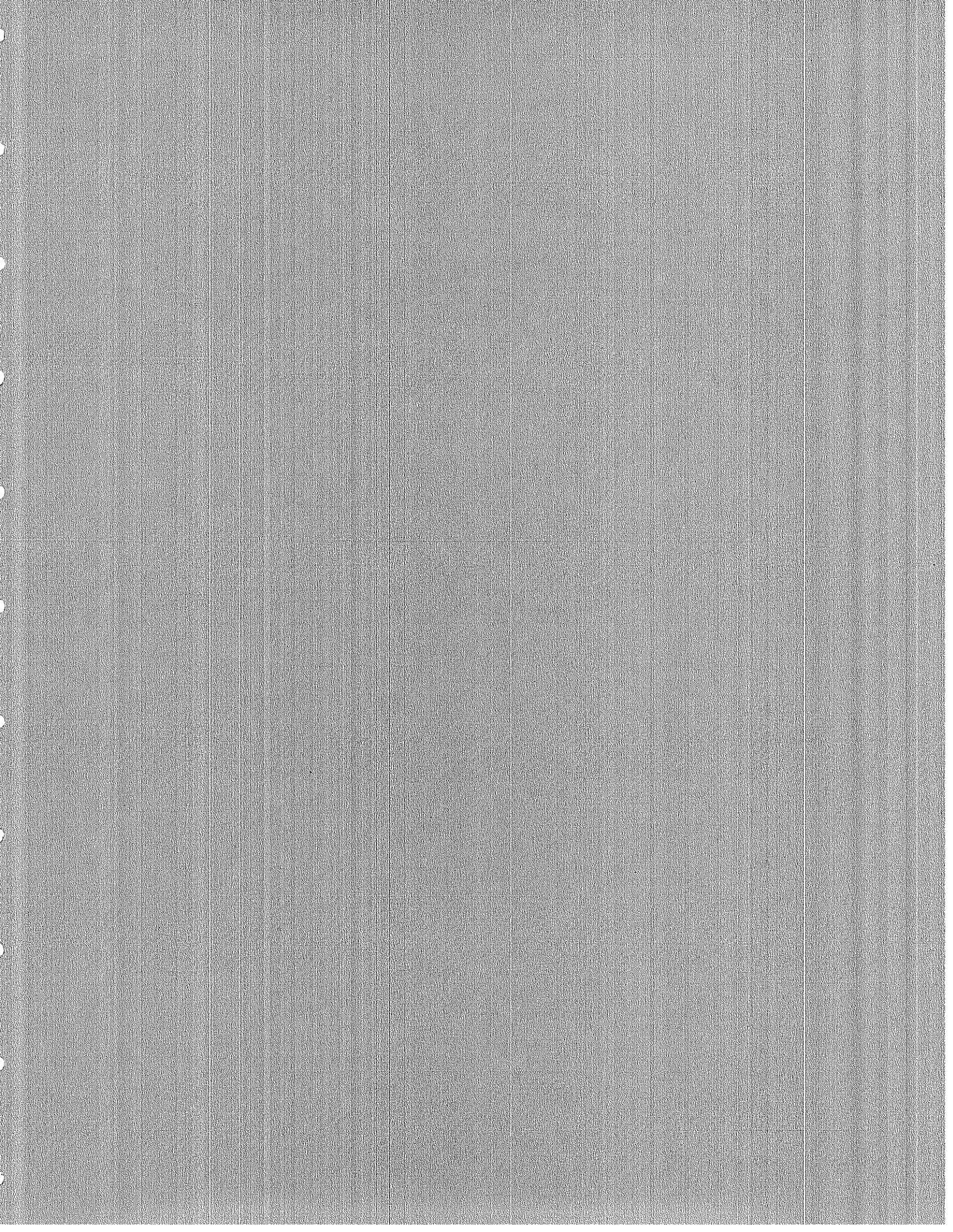


EXHIBIT A  
EATON ESTATES  
BYLAWS

ARTICLE I  
ASSOCIATION OF CO-OWNERS

EATON ESTATES, a residential Condominium Project located in the Township of Plymouth, Wayne 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 Condominium Bylaws referred to in the Master Deed and required by Section 3(8) of the Act and the Association 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.

Each Co-owner shall also be a member of the Beacon Meadows Property Owners Association and subject to the rights and obligations associated therewith, as set forth in the Declaration of Restrictions for Beacon Meadows Subdivisions and Condominiums, Townhouses or Cluster Houses dated January 22, 1987 and recorded in the Wayne County Register of Deeds at Liber 23320 and Pages 037 through 046; the Residential Unit Development Agreement dated January 13, 1987 and recorded in the Wayne County Register of Deeds at Liber 23320, Pages 001 through 036; the Declaration of Restrictions for Beacon Meadows Subdivision No. 2 dated June 28, 1987 and recorded in Wayne County Register of Deeds at Liber 23432, Pages 308 through 325; and, the Bylaws of the Beacon Meadows Property Owners Association.

## ARTICLE II

### ASSESSMENTS

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

Section 1. ASSESSMENTS FOR COMMON ELEMENTS. All costs incurred by the Association in satisfaction of any liability arising within, caused by, or connected with the 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 Common Elements or the administration of the Condominium Project shall constitute receipts affecting the administration of the Condominium Project, within the meaning of Section 54 (4) of the Act.

Section 2. DETERMINATION OF ASSESSMENTS. Assessments shall be determined in accordance with the following provisions:

(a) BUDGET. The Board of Directors of the Association shall establish an annual budget in advance for each fiscal year and such budget shall project all expenses for the forthcoming year which may be required for the proper operation, management and maintenance of the Condominium Project, including a reasonable allowance for contingencies and reserves. An adequate reserve fund for maintenance, repairs and replacement of those Common Elements that must be replaced on a periodic basis shall be established in the budget and must be funded by regular monthly payments as set forth in Section 3 below rather than by special assessments. At a minimum, the reserve fund shall be equal to 10% of the Association's current annual budget on a noncumulative basis. Since the minimum standard required by this subparagraph may prove to be inadequate for this particular project, the Association of Co-owners should carefully analyze the Condominium Project to determine if a greater amount should be set aside, or if additional reserve funds should be established for other purposes from time to time. Upon adoption of an annual budget by the Board of Directors, copies of the budget shall be delivered to each Co-owner and the assessment for said year shall be established based upon said budget, although the delivery of 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 replacements of existing Common Elements, (3) to provide additions to the Common Elements not exceeding \$1,500.00 annually for the entire Condominium Project, or (4) in the event of emergencies, the Board of Directors shall have the authority to increase the general assessment or to levy such additional assessment or assessments as it shall deem to be necessary. The Board of Directors also shall have the authority, without Co-owner consent, to levy assessments pursuant to the provisions of Article V, Section 4 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.

(b) SPECIAL ASSESSMENTS. Special assessments, in addition to those required in subparagraph (a) above, may be made by the Board of Directors from time to time and approved by the Co-owners as hereinafter provided to meet other needs or requirements of the Association, including, but not limited to: (1) assessments for additions to the Common Elements of a cost exceeding \$1,500.00 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, (3) assessments to purchase a Unit for use as a resident manager's Unit, or (4) assessments for any other appropriate purpose not elsewhere herein described. Special assessments referred to in this subparagraph (b) (but not including those assessments referred to in subparagraph 2(a) above, which shall be levied in the sole discretion of the Board of Directors) shall not be levied without the prior approval of more than 60% of all Co-owners in number and in value. 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 the members thereof.

Section 3. APPORTIONMENT OF ASSESSMENTS AND PENALTY FOR DEFAULT. Unless otherwise provided herein or in the Master Deed, all assessments levied against the Co-owners to cover expenses of administration shall be apportioned among and paid by the Co-owners in accordance with the percentage of value allocated to each Unit in Article V of the Master Deed, without increase or decrease for the existence of any rights to the use of Limited Common Elements appurtenant to a Unit. Annual assessments as determined in accordance with Article II, Section 2 (a) above shall be payable by Co-owners in 12 equal monthly installments, commencing with acceptance of a deed to or a land contract vendee's interest in a Unit, or with the acquisition of fee simple title to a Unit by any other means. The payment of an assessment shall be in default if such assessment, or any part thereof, is not paid to the Association in full on or before the due date for such payment. A late charge of \$25.00 per installment per month may be added to each installment in default for

5 or more days until each installment together with the applicable rate charges is paid in full. Each Co-owner (whether 1 or more persons) including a land contract vendee, shall be, and remain, personally liable for the payment of all assessments (including fines for late payment and costs of collection and enforcement of payment) pertinent to his Unit which may be levied while such Co-owner is the owner thereof, except a land contract purchaser from any Co-owner including Developer shall be so personally liable and such land contract seller shall not be personally liable for all such assessment levied up to and including the date upon which such land contract seller actually takes possession of the Unit following extinguishment of all rights of the land contract purchaser in the Unit. Payments on account of installments of assessments in default shall be applied as follows: first, to costs of collection and enforcement of payment, including reasonable attorneys' fees; second, to any interest charges and fines for late payment on such installments; and third, to installments in default in order of their due dates.

Section 4. WAIVER OF USE OR ABANDONMENT OF UNIT. No Co-owner may exempt himself from liability for his contribution toward the expenses of administration by waiver of the use or enjoyment of any of the Common Elements or by the abandonment of his Unit.

#### Section 5. ENFORCEMENT.

(a) REMEDIES. In addition to any other remedies available to the Association, the Association may enforce collection of delinquent assessments by a suit at law for a money judgment or by foreclosure of the statutory lien that secures payment of assessments. In the event of default by any Co-owner in the payment of any installment of the annual assessment levied against his Unit, the Association shall have the right to declare all unpaid installments of the annual assessment for the pertinent fiscal year immediately due and payable. The Association also may discontinue the furnishing of any utilities or other services to a Co-owner in default upon 7 days' written notice to such Co-owner of its intention to do so. A Co-owner in default shall not be entitled to utilize any of the General Common Elements of the Project and shall not be entitled to vote at any meeting of the Association so long as such default continues; provided, however, this provision shall not operate to deprive any Co-owner of ingress or egress to and from his Unit. In a judicial foreclosure action, a receiver may be appointed to collect a reasonable rental for the Unit from the Co-owner thereof or any persons claiming under him. The Association may assess an automatic late charge, not to exceed \$25.00 for each month that a maintenance assessment remains delinquent. Maintenance assessments shall be deemed to be delinquent if not paid within 30 days after they become due. Additionally, the Association may assess additional fines for chronic late payment or non-payment of assessments in accordance with the provisions of Article XIX, Section 4 of these Bylaws. All of these remedies

shall be cumulative and not alternative.

(b) FORECLOSURE PROCEEDINGS. Each Co-owner, and every other person who from time to time has any interest in the Project, shall be deemed to have granted to the Association the unqualified right to elect to foreclose the lien securing payment of assessments either by judicial action or by advertisement. The provisions of Michigan law pertaining to foreclosure of mortgages by judicial action and by advertisement, as the same may be amended from time to time, are incorporated herein by reference for the purposes of establishing the alternative procedures to be followed in lien foreclosure actions and the rights and obligations of the parties to such actions. Further, each Co-owner and every other person who from time to time has any interest in the Project shall be deemed to have authorized and empowered the Association to sell or to cause to be sold the Unit with respect to which the assessment(s) is or are delinquent and to receive, hold and distribute the proceeds of such sale in accordance with the priorities established by applicable law. Each Co-owner of a Unit in the Project acknowledges that at the time of acquiring title to such Unit, he was notified of the provisions of this subparagraph and that he voluntarily, intelligently and knowingly waived notice of any proceedings brought by the Association to foreclose by advertisement the lien for nonpayment of assessments and a hearing on the same prior to the sale of the subject Unit.

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

the lien by advertisement, the Association shall so notify the delinquent Co-owner and shall inform him that he may request a judicial hearing by bringing suit against the Association.

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

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

Section 7. DEVELOPER'S RESPONSIBILITY FOR ASSESSMENTS. During the Construction and Sales Period as defined in Article III, Section 10 of the Master Deed, the Developer of the Condominium, even though a member of the Association, shall not be responsible for payment of the monthly Association assessment. Developer, however, shall during the Construction and Sales Period pay a proportionate share of the Association's current maintenance expenses actually incurred from time to time based upon the ratio of completed Units owned by Developer at the time the expense is incurred to the total number of Units in the Condominium. In no event shall Developer be responsible for payment, during the Construction and Sales Period, of any assessments, except with respect to occupied Units owned by it. Developer shall not be responsible at any time for payment of said monthly assessment or payment of any expenses whatsoever with respect to unbuilt Units notwithstanding the fact that such unbuilt Units may have been included in the Master Deed. "Occupied Unit" shall mean a Unit used as a residence. "Completed Unit" shall mean a Unit with respect to which a certificate of occupancy has been issued by the Township of Plymouth of Wayne County.

Section 8. PROPERTY TAXES AND SPECIAL ASSESSMENTS. All property taxes and special assessments levied by any public taxing authority shall be assessed in accordance with Section 131 of the Act.

Section 9. PERSONAL PROPERTY TAX ASSESSMENT OF ASSOCIATION PROPERTY. The Association shall be assessed as the person or entity in possession of any tangible personal property of the Condominium owned or possessed in common by the Co-owners, and personal property taxes based thereon shall be treated as expenses of administration.

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

Section 11. STATEMENT AS TO UNPAID ASSESSMENTS. The purchaser of any Unit may request a statement of the Association as to the amount of any unpaid Association assessments thereon, whether regular or special. Upon written request to the Association accompanied by a copy of the executed purchase agreement pursuant to which the purchaser holds the right to acquire a Unit, the Association shall provide a written statement of such unpaid assessments as may exist or a statement that none exist, which statement shall be binding upon the Association for the period stated therein. Upon the payment of that sum within the period stated, the Association's lien for assessments as to such Unit shall be deemed satisfied; provided, however, that the failure of a purchaser to request such statement at least 5 days prior to the closing of the purchase of such Unit shall render any unpaid assessments and the lien securing same fully enforceable against such purchaser and the Unit itself, to the extent provided by the Act. Under the Act, unpaid assessments constitute a lien upon the Unit and the proceeds of sale thereof prior to all claims except real property taxes and first mortgages of record.

### ARTICLE III

#### ARBITRATION

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

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

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

## ARTICLE IV

### INSURANCE

Section 1. EXTENT OF COVERAGE. The Association shall carry fire and extended coverage, vandalism and malicious mischief and liability insurance, and workmen's compensation insurance, if applicable, pertinent to the ownership, use and maintenance of the Common Elements and certain other portions of the Condominium Project, as set forth below, and such insurance, other than title insurance, shall be carried and administered in accordance with the following provisions:

(a) RESPONSIBILITIES OF CO-OWNERS AND ASSOCIATION. All such insurance shall be purchased by the Association for the benefit of the Association, and the Co-owners and their mortgagees, as their interests may appear, and provision shall be made for the issuance of certificates of mortgagee endorsements to the mortgagees of Co-owners. Each Co-owner may obtain insurance coverage at his own expense upon his Unit. It shall be each Co-owner's responsibility to determine by personal investigation or from his own insurance advisors the nature and extent of insurance coverage adequate to his needs and thereafter to obtain insurance coverage for his personal property and any additional fixtures, equipment and trim (as referred to in subsection (b) below) located within his Unit or elsewhere on the Condominium and for his personal liability for occurrences within his Unit or upon Limited Common Elements appurtenant to his Unit, and also for alternative living expense in event of fire, and the Association shall have absolutely no responsibility for obtaining such coverages. The Association, as to all policies which it obtains, and all Co-owners, as to all policies which they obtain, shall use their best efforts to see that all property and liability insurance carried by the Association or any Co-owner shall contain appropriate provisions whereby the insurer waives its right of subrogation as to any claims against any Co-owner or the Association.

(b) INSURANCE OF COMMON ELEMENTS AND FIXTURES. All Common Elements of the Condominium Project shall be insured against fire and other perils covered by a standard extended coverage endorsement, in an amount equal to the current insurable replacement value, excluding foundation and excavation costs, as determined annually by the Board of Directors of the Association in consultation with the Association's insurance carrier and/or its representatives in light of commonly employed methods for the reasonable determination of replacement costs. Such coverage shall be effected upon an agreed-amount basis for the entire Condominium Project with appropriate inflation riders in order that no co-insurance provisions shall be invoked by the insurance carrier in a manner that will cause loss payments to be reduced below the actual amount of any loss (except in the unlikely event

to total project destruction if the insurance proceeds failed, for some reason, to be equal to the total cost of replacement). All information in the Association's records regarding insurance coverage shall be made available to all Co-owners upon request and reasonable notice during normal business hours so that Co-owners shall be enabled to judge the adequacy of coverage and, upon the taking of due Association procedures, to direct the Board at a properly constituted meeting to change the nature and extent of any applicable coverages, if so determined. Upon such annual re-evaluation and effectuation of coverage, the Association shall notify all Co-owners of the nature and extent of all changes in coverages. Such coverage shall also include interior walls within any Unit and the pipes, wire, conduits and ducts contained therein and shall further include all fixtures, equipment and trim within a Unit which were furnished with the Unit as standard items in accord with the plans and specifications thereof as are on file with the Township of Plymouth (or such replacements thereof as do not exceed the cost of such standard items). It shall be each Co-owner's responsibility to determine the necessity for and to obtain insurance coverage for all fixtures, equipment, trim and other items or attachments within the Unit or any Limited Common Elements appurtenant thereto which were installed in addition to said standard items (or as replacements for such standard items to the extent that replacement cost exceeded the original cost of such standard items) whether installed originally by the Developer or subsequently by the Co-owner, and the Association shall have no responsibility whatsoever for obtaining such coverage unless agreed specifically and separately between the Association and the Co-owner in writing.

(c) PREMIUM EXPENSES. All premiums upon insurance purchased by the Association pursuant to these Bylaws shall be expenses of administration.

(d) PROCEEDS OF INSURANCE POLICIES. Proceeds of all insurance policies owned by the Association shall be received by the Association, held in a separate account and distributed to the Association, and the Co-owners and their mortgagees, as their interests may appear; provided, however, whenever repair or reconstruction of the Condominium shall be required as provided in Article V of these Bylaws, the proceeds of any insurance received by the Association as a result of any loss requiring repair or reconstruction shall be applied for such repair or reconstruction.

Section 2. AUTHORITY OF ASSOCIATION TO SETTLE INSURANCE CLAIMS. Each Co-owner, by ownership of a Unit in the Condominium Project, shall be deemed to appoint the Association as his true and lawful attorney-in-fact to act in connection with all matters concerning the maintenance of fire and extended coverage, vandalism and malicious mischief, liability insurance and workmen's compensation

insurance, if applicable, pertinent to the Condominium Project, his Unit and the Common Elements appurtenant thereto, with such insurer as may, from time to time, provide such insurance for the Condominium Project. Without limitation on the generality of the foregoing, the Association as said attorney shall have full power and authority to purchase and maintain such insurance, to collect and remit premiums therefor, to collect proceeds and to distribute the same to the Association, the Co-owners and respective mortgagees, as their interests may appear (subject always to the Condominium Documents), to execute releases of liability and to execute all documents and to do all things on behalf of such Co-owner and the Condominium as shall be necessary or convenient to the accomplishment of the foregoing.

## ARTICLE V

### RECONSTRUCTION OR REPAIR

Section 1. DETERMINATION TO RECONSTRUCT OR REPAIR. If any part of the Condominium Premises shall be damaged, the determination of whether or not it shall be reconstructed or repaired shall be made in the following manner:

(a) PARTIAL DAMAGE. If the damaged property is a Common Element or a Unit, the property shall be rebuilt or repaired if any Unit in the Condominium is tenantable, unless it is determined by a unanimous vote of all of the Co-owners in the Condominium that the Condominium shall be terminated.

(b) TOTAL DESTRUCTION. If the Condominium is so damaged that no Unit is tenantable, the damaged property shall not be rebuilt unless 80% or more of the Co-owners in value and in number agree to reconstruction by vote or in writing within 90 days after the destruction.

Section 2. REPAIR IN ACCORDANCE WITH PLANS AND SPECIFICATIONS. Any such reconstruction or repair shall be substantially in accordance with the Master Deed and the plans and specifications for the Project to a condition as comparable as possible to the condition existing prior to damage unless the Co-owners shall unanimously decide otherwise.

### Section 3. CO-OWNER RESPONSIBILITY FOR REPAIR.

(a) DEFINITION OF CO-OWNER RESPONSIBILITY. If the damage is only to a part of a Unit which is the responsibility of a Co-owner to maintain and repair, it shall be the responsibility of the Co-owner to repair such damage in accordance with subsection (b) hereof. In all other cases, the responsibility for reconstruction and repair shall be that of the Association.

(b) DAMAGE TO INTERIOR OF UNIT. Each Co-owner shall be responsible for the reconstruction, repair and maintenance of the

interior of his Unit, including, but not limited to, floor coverings, wall coverings, window shades, draperies, interior walls (but not any Common Elements therein), interior trim, furniture, light fixtures and all appliances, whether free-standing or built-in. In the event damage to interior walls within a Co-owner's Unit, or to pipes, wires, conduits, ducts or other Common Elements therein, or to any fixtures, equipment and trim which are standard items within a Unit is covered by insurance held by the Association, then the reconstruction or repair shall be the responsibility of the Association in accordance with Section 4 of this Article V. If any other interior portion of a Unit is covered by insurance held by the Association for the benefit of the Co-owner, the Co-owner shall be entitled to receive the proceeds of insurance relative thereto, and if there is a mortgagee endorsement, the proceeds shall be payable to the Co-owner and the mortgagee jointly. In the event of substantial damage to or destruction of any Unit or any part of the Common Elements, the Association promptly shall so notify each institutional holder of a first mortgage lien on any of the Units in the Condominium.

Section 4. ASSOCIATION RESPONSIBILITY FOR REPAIR. Except as provided in Section 3 hereof, the Association shall be responsible for the reconstruction, repair and maintenance of the Common Elements. Immediately after a casualty causing damage to property for which the Association has the responsibility of maintenance, repair and reconstruction, the Association shall obtain reliable and detailed estimates of the cost to replace the damaged property in a condition as good as that existing before the damage. If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction or repair required to be performed by the Association, or if at any time during such reconstruction or repair, or upon completion of such reconstruction or repair, the funds for the payment of the cost thereof are insufficient, assessment shall be made against all Co-owners for the cost of reconstruction or repair of the damaged property in sufficient amounts to provide funds to pay the estimated or actual cost of repair. This provision shall not be construed to require replacement of mature trees and vegetation with equivalent trees or vegetation.

Section 5. TIMELY RECONSTRUCTION AND REPAIR. If damage to Common Elements or a Unit adversely affects the appearance of the Project, the Association or Co-owner responsible for the reconstruction, repair and maintenance thereof shall proceed with replacement of the damaged property without delay, and shall complete such replacement within 6 months after the date of the occurrence which caused damage to the property.

Section 6. EMINENT DOMAIN. Section 133 of the Act and the following provisions shall control upon any taking by eminent domain:

(a) TAKING OF UNIT. In the event of any taking of an

entire Unit by eminent domain, the award for such taking shall be paid to the Co-owner of such Unit and the mortgagee thereof, as their interests may appear. After acceptance of such award by the Co-owner and his mortgagee, they shall be divested of all interest in the Condominium Project. In the event that any condemnation award shall become payable to any Co-owner whose Unit is not wholly taken by eminent domain, then such award shall be paid by the condemning authority to the Co-owner and his mortgagee, as their interests may appear.

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

(c) CONTINUATION OF CONDOMINIUM AFTER TAKING. In the event that Condominium Project continues after taking by eminent domain, then the remaining portion of the Condominium Project shall be re-surveyed and the Master Deed amended accordingly, and, if any Unit shall have been taken, then Article V of the Master Deed shall also be amended to reflect such taking and to proportionately readjust the percentages of value of the remaining Co-owners based upon the continuing value of the Condominium of 100%. Such amendment may be effected by an officer of the Association duly authorized by the Board of Directors without the necessity of execution or specific approval thereof by any Co-owner. Costs incurred to accomplish matters required by this subsection shall be borne by the Association.

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

Section 7. NOTIFICATION OF FHLMC. In the event any mortgage in the Condominium is held by the Federal Home Loan Mortgage Corporation ("FHLMC") the, upon request therefor by FHLMC, the Association shall give it 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 if the loss or taking exceeds \$10,000.00 in amount or damage to a Condominium Unit covered by a mortgage purchased in whole or in part by FHLMC exceeds \$1,000.00.

Section 8. PRIORITY OF MORTGAGEE INTERESTS. Nothing contained in the Condominium Documents shall be construed to give a

Condominium Unit 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.

## ARTICLE VI

### RESTRICTIONS

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

Section 1. RESIDENTIAL USE. No Unit in the Condominium shall be used for other than single-family residence purposes and the Common Elements shall be used only for purposes consistent with the use of single-family residences.

### Section 2. LEASING AND RENTAL.

(a) RIGHT TO LEASE. A Co-owner may lease his Unit for the same purposes set forth in Section 1 of this Article VI; provided that written disclosure of such lease transaction is submitted to the Board of Directors of the Association in the manner specified in subsection (b) below. With the exception of a lender in possession of a Unit following a default of a first mortgage, foreclosure or deed or other arrangement in lieu of foreclosure, no Co-owner shall lease less than an entire Unit in the Condominium and no tenant shall be permitted to occupy except under a lease the initial term of which is at least 6 months unless specifically approved in writing by the Association. The terms of all leases, occupancy agreements and occupancy arrangements shall incorporate, or be deemed to incorporate, all of the provisions of the Condominium Documents. The Developer may lease any number of Units in the Condominium in its discretion.

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

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

of the conditions of the Condominium Documents of the Condominium Project and all leases and rental agreements shall so state.

- (3) If the Association determines that the tenant or nonco-owner occupant has failed to comply with the conditions of the Condominium Documents, the Association shall take the following action:
- (i) The Association shall notify the Co-owner by certified mail advising of the alleged violation by the tenant.
  - (ii) The Co-owner shall have 15 days after receipt of such notice to investigate and correct the alleged breach by the tenant or advise the Association that a violation has not occurred.
  - (iii) If after 15 days the Association believes that the alleged breach is not cured or may be repeated, it may institute on its behalf or derivatively by the Co-owners on behalf of the Association, if it is under the control of the Developer, an action for eviction against the tenant or nonco-owner occupant and simultaneously for money damages in the same action against the Co-owner and tenant or nonco-owner occupant for breach of the conditions of the Condominium Documents. The relief provided for in this subparagraph may be by summary proceeding. The Association may hold both the tenant and the Co-owner liable for any damages to the Common Elements caused by the Co-owner or tenant in connection with the Unit or Condominium Project.

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

Section 3. ALTERATIONS AND MODIFICATIONS. No Co-owner shall make alterations in exterior appearance or make structural modifications to his Unit (including interior walls through or in which there exist easements for support or utilities) or make changes in any of the Common Elements, Limited or General, without the express written approval of the Board of Directors, including without limitation exterior painting or the erection of antennas, lights, audible alarms, aerials, awnings, doors, shutters, newspaper holders, mailboxes, basketball backboards or other exterior attachments or

modifications. No Co-owner shall in any way restrict access to any plumbing, water line, water line valves, water meter, sprinkler system valves or any other element that must be accessible to service the Common Elements or any element which affects an Association responsibility in any way. It shall be permissible for Co-owners to cause to be installed television antennas in the attic areas above Units; providing, however, that any damage or expense to the Common Elements or to the Association resulting from such installation shall be borne by the Co-owner performing or authorizing such installation. Should access to any facilities of any sort be required, the Association may remove any coverings or attachments of any nature that restrict such access and will have no responsibility for repairing, replacing or reinstalling any materials, whether or not installation thereof has been approved hereunder, that are damaged in the course of gaining such access, nor shall the Association be responsible for monetary damages of any sort arising out of actions taken to gain necessary access.

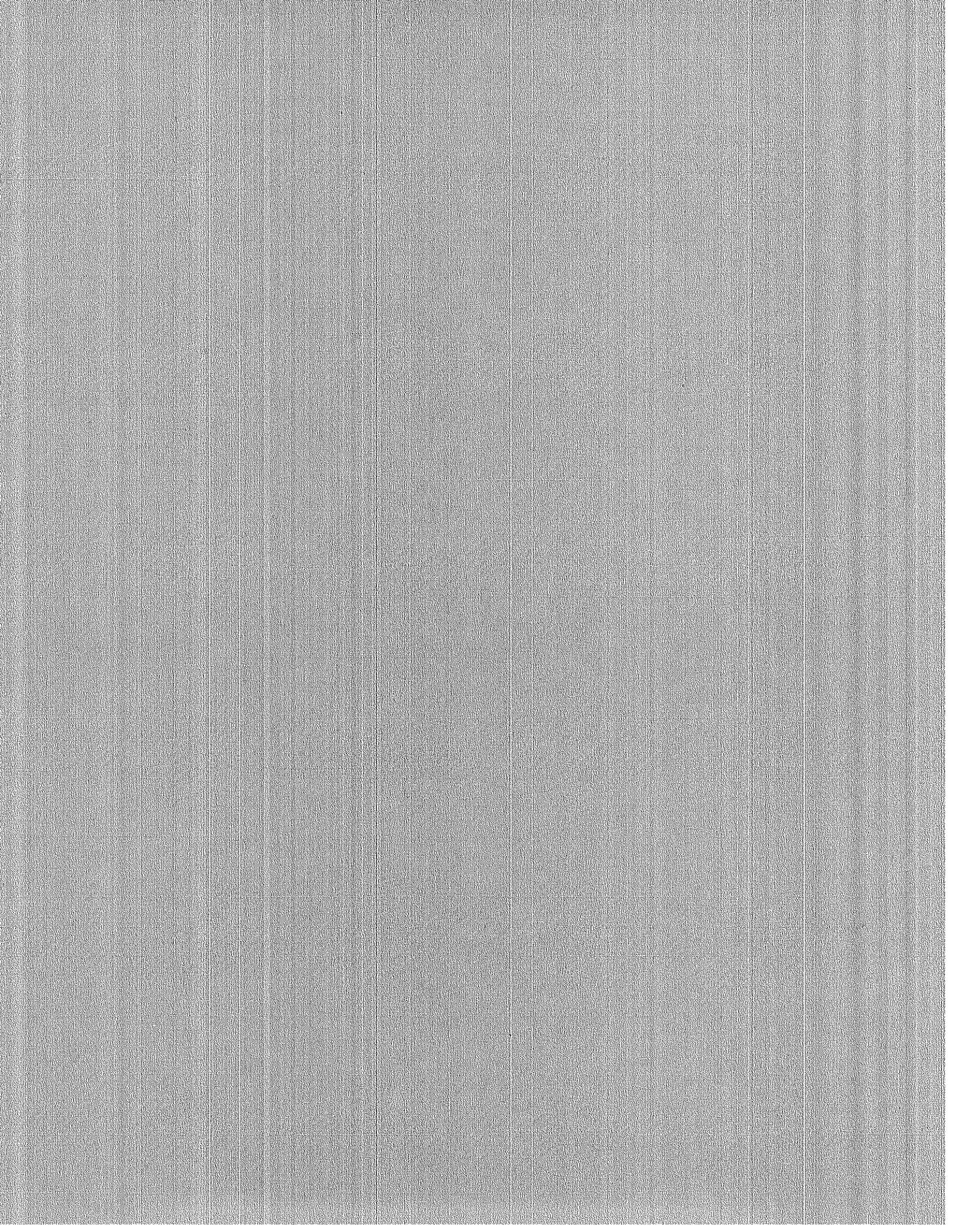
Section 4. ACTIVITIES. No immoral, improper, unlawful or offensive activity shall be carried on in any Unit or upon the Common Elements, Limited or General, nor shall anything be done which may be or become an annoyance or a nuisance to the Co-owners of the Condominium. No unreasonably noisy activity shall occur in or on the Common Elements or in any Unit at any time and disputes among Co-owners, arising as a result of this provision which cannot be amicably resolved, shall be arbitrated by the Association. No Co-owner shall do or permit anything to be done or keep or permit to be kept in his Unit or on the Common Elements anything that will increase the rate of insurance on the Condominium without the written approval of the Association, and each Co-owner shall pay to the Association the increased cost of insurance premiums resulting from any such activity or the maintenance of any such condition even if approved. Activities which are deemed offensive and are expressly prohibited include, but are not limited to, the following: Any activity involving the use of firearms, air rifles, pellet guns, B-B guns, bows and arrows, or other similar dangerous weapons, projectiles or devices.

Section 5. PETS. No animals, including household pets, shall be maintained by any Co-owner unless specifically approved in writing by the Association. No animal may be kept or bred for any commercial purpose and shall have such care and restraint so as not to be obnoxious or offensive on account of noise, odor or unsanitary conditions. No animal may be permitted to run loose at any time upon the Common Elements and any animal shall at all times be leashed and attended by some reasonable person while on the Common Elements. No savage or dangerous animal shall be kept and any Co-owner who causes any animal to be brought or kept upon the premises of the Condominium shall indemnify and hold harmless the Association for any loss, damage or liability which the Association may sustain as the result of the presence of such animal on the premises, whether or not the Association has given its permission therefor. Each Co-owner shall be

responsible for collection and disposition of all fecal matter deposited by any pet maintained by such Co-owner. No dog which barks and can be heard on any frequent or continuing basis shall be kept in any Unit or on the Common Elements. The Association may charge all Co-owners maintaining animals a reasonable additional assessment to be collected in the manner provided in Article II of these Bylaws in the event that the Association determines such assessment necessary to defray the maintenance cost to the Association of accommodating animals within the Condominium. The Association may, without liability to the owner thereof, remove or cause to be removed any animal from the Condominium which it determines to be in violation of the restrictions imposed by this Section. The Association shall have the right to require that any pets be registered with it and may adopt such additional reasonable rules and regulations with respect to animals as it may deem proper. In the event of any violation of this Section, the Board of Directors of the Association may assess fines for such violation in accordance with these Bylaws and in accordance with duly adopted Rules and Regulations.

Section 6. AESTHETICS. The Common Elements, Limited or General, shall not be sued for storage of supplies, materials, personal property or trash or refuse of any kind, except as provided in duly adopted rules and regulations of the Association. Garage doors shall be kept closed at all times except as may be reasonably necessary to gain access to or from any garage. No unsightly condition shall be maintained on any patio, porch or deck and only furniture and equipment consistent with the normal and reasonable use of such areas shall be permitted to remain there during seasons when such areas are reasonably in use and no furniture or equipment of any kind shall be stored thereon during seasons when such areas are not reasonably in use. Trash receptacles shall be maintained in areas designated therefor at all times and shall not be permitted to remain elsewhere on the Common Elements except for such short periods of time as may be reasonably necessary to permit periodic collection of trash. The Common Elements shall not be used in any way for the drying, shaking or airing of clothing or other fabrics. In general, no activity shall be carried on nor condition maintained by a Co-owner, either in his Unit or upon the Common Elements, which is detrimental to the appearance of the Condominium.

Section 7. VEHICLES. No house trailers, commercial vehicles, boat trailers, boats, camping vehicles, camping trailers, motorcycles, all terrain vehicles, snowmobiles, snowmobile trailers or vehicles, other than automobiles or vehicles used primarily for general personal transportation use, may be parked or stored upon the premises of the Condominium. No inoperable vehicles of any type may be brought or stored upon the Condominium Premises either temporarily or permanently. Commercial vehicles and trucks shall not be parked in or about the Condominium (except as above provided) unless while making deliveries or pickups in the normal course of business. Each Co-owner shall park his car in the garage space provided therefor and shall park any additional car which he owns in the Limited Common



EATON ESTATES

ESCROW AGREEMENT

THIS AGREEMENT is entered into this 1st day of July, 1988, between EATON ASSOCIATES, INC., a Michigan Corporation ("Developer"), and TRANSAMERICA TITLE INSURANCE COMPANY ("Escrow Agent").

WHEREAS, Developer has established or intends to establish Eaton Estates as a residential Condominium Project under applicable Michigan law; and,

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

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

WHEREAS, Escrow Agent is acting as an independent party hereunder pursuant to the provisions of this Agreement and the Michigan Condominium Act (Act No. 59, Public Acts of 1978, as amended, hereinafter the "Act") for the benefit of Developer 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 shall, promptly after receipt, transmit to Escrow Agent all sums deposited with it under a Purchase Agreement, together with a fully executed copy of such Agreement and a receipt signed by the Purchaser for the recorded Master Deed, The Condominium Buyer's Handbook and the Disclosure Statement.

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

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

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

(ii) In the event that a Purchaser duly withdraws from a Purchase Agreement prior to the time that said Agreement becomes binding under paragraph 12 thereof, Escrow Agent shall, within 3 business days from the date of a receipt of notice of such withdrawal, release to Purchaser all of Purchaser's deposits held thereunder.

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

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

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

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

If the elements or facilities referred to in paragraphs 2C(i) and 2C(ii) above are not substantially complete, only sufficient funds to finance substantial completion of such elements or facilities shall be retained in escrow and the balance may be released. All funds required to be retained in escrow may be released, however, if other adequate security shall have been arranged as provided in paragraph 2F below.

Determination of amounts necessary to finance substantial completion shall likewise be determined by the certificate of a licensed professional architect or engineer. For purposes of paragraph 2C(i) above, the portion of the Condominium Project in which Purchaser's Unit is located shall be "substantially complete" when all utility mains and leads, 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 as evidenced by certificates of substantial completion issued by a licensed professional architect or engineer as described in Section 3 below. Improvements of the type described in paragraph 2C(ii) above shall be substantially complete when certificates of substantial completion have been issued therefor by a licensed professional architect or engineer, as described in Section 3.

D. Release of Funds Escrowed For Completion of Incomplete Improvements. Upon furnishing Escrow Agent a certificate from a licensed professional architect or engineer 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 the amount of such funds 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 insurer of such certificate to finance substantial completion of any remaining incomplete items for which funds or other security have been deposited in escrow, only the amount in escrow in excess of such estimated cost to substantially complete shall be released by Escrow Agent to Developer.

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

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

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

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

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

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

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

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

3. Proof of Occurrences; Confirmation of Substantial Completion; Determination of Cost to Complete. Escrow Agent may require reasonable proof of occurrence of any of the events, actions or conditions stated herein before releasing any sums held by it pursuant to any Purchase Agreement either to a Purchaser thereunder or to Developer. Whenever Escrow Agent is required hereby to receive the certification of a licensed professional architect or engineer that a facility element, structure, improvement or identifiable portion of any of the same is substantially complete in accordance with the pertinent plans therefor, it may base such confirmation entirely upon the certificate of the Developer to such effect coupled with the certificate to the same effect of a licensed professional architect or engineer. Likewise, all estimates and determinations of the cost to substantially complete any incomplete elements, facilities, structures and improvements for which escrowed funds are being specifically maintained under paragraph 2D above shall be made entirely by a licensed professional engineer 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 determination and estimates as are furnished by such engineer or architect. No inspections of the Project or any portion thereof by an representative of Escrow Agent shall be deemed necessary hereunder, nor must any cost estimates or determinations be made by Escrow Agent and Escrow Agent may rely entirely upon certificates, determinations and estimates as described above in retaining and releasing all escrowed funds hereunder.

4. Limited Liability of Escrow Agent: Right to Deduct Expenses From Escrow Deposits. Upon making delivery of the funds deposited with Escrow Agent pursuant to any Purchase Agreement

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

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

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

Developer hereby agrees to indemnify and hold harmless Escrow Agent for any loss or damage sustained by Escrow Agent, including, but not limited to, attorney fees, resulting from any litigation arising from the performance of Escrow Agent's obligation and services, provided such litigation is not a result of Escrow Agent's wrongful act or negligence.

Notwithstanding any other provision herein to the contrary, Escrow Agent shall be under no obligation to release funds deposited hereunder to any party until it can satisfactorily ascertain that the funds deposited have been paid, settled and fully collected as such terms are defined under the

provisions of MCL 440.4100, et seq.

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

EATON ASSOCIATES, INC., a  
Michigan Corporation

TRANSAMERICA TITLE INSURANCE  
COMPANY, a California  
Corporation

BY: SALVATORE LoPICCOLO  
Treasurer

BY: JAMES NEIGHBORS  
Assistant Regional Manager  
of Operations

535 South Main Street  
Suite 1  
Plymouth, Michigan 48170

33762 Schoolcraft Road  
Livonia, Michigan 48150