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HAWK'S EYE CLUB HOUSE COMMUNITY CONDOMINIUM

PURCHASER INFORMATION BOOKLET

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CERTIFICATION 9-17-2004 SES

- by certify that a coording to our records all taxes and to this office are paid for five years preceding the date to this instrument. This does not include taxes in the process of collection.
- S ry A. Comben, Antrim County Treasurer

200407174030 Filed for Record in ANTRIM COUNTY MICHIGAN PATTY NIEPOTH - 268 09-17-2004 At 12:06 pm. MASTER DEED 114.00 OR Liber 722 Page 258

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Recorded in Liber 122 Pages 258 through 291.

Hawk's Eye Club House Condominium

Master Deed

(Act 59, Public Acts of 1978, as amended)

This Master Deed is made and executed this 12th day of September, 2004, by Hawk's Eye Golf Club, L.L.C., a Michigan Limited Liability Company, hereinafter referred to as "Developer", whose office is situated at 5820 Shanty Creek Rd., Bellaire, Michigan 49615, represented herein by one of its officers who is fully empowered and qualified to act on behalf of the Corporation, in pursuance of the provisions of the Michigan Condominium Act (being Act 59 of the Public Acts of 1978, as amended), hereinafter referred to as the "Act".

WITNESSETH:

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

NOW, THEREFORE, the Developer does, upon the recording hereof, establish Hawk's Eye Club House Condominium as a Condominium Project under the Act and does declare that Hawk's Eye Club House Condominium (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, Exhibit "A" and Exhibit "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 said real property, their grantees, successors, heirs, executors, administrators and assigns. In furtherance of the establishment of said Condominium Project, it is provided as follows:

Article I TITLE AND NATURE

The Condominium Project shall be known as Hawk's Eye Club House Condominium, Antrim County Subdivision Plan No. 19. The County of Antrim approved the architectural plans for the Condominium Project. The Condominium Project is established in accordance with the Act. The buildings and units contained in the Condominium Project, including the number, boundaries, dimensions and area of each unit is capable of individual utilization on account of having its own entrance from and exit to Common Elements of the Condominium Project. The Co-Owners/Owners of each Unit in the Condominium Project shall have an exclusive right to their unit and shall have undivided and inseparable rights to share with the other Co-Owners/Owners the Common Elements of the Condominium Project as designated by this Master Deed.

Master Deed, Page 1 of 9

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Article II LEGAL DESCRIPTION

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

A parcel of land situated in Kearney Township, Antrim Count, Michigan, and more fully describes as follows:

That part of the Northwest ¼ of Section 34, Town 30 North, Range 7 West, described as: Commencing at the West ¼ corner of said Section 34, thence North 00'57'57" East along the West line of said section 34 and the centerline of Del Maison Road 1334.00 feet to a point on the North 1/8 line of said section 34; thence South 89'07'18" East along said 1/8 line 774.84 feet; thence North 00'57'57" East 84.41 feet to a point on the Northerly right of way of Hawk's Eye Drive for the point of beginning; thence along said right of way 18.21 feet doing the arc of 275.00 feet radius curve to the left whose long chord bears North 80'39'53" East 18.20 feet; thence along said right of way North 78'46'06" East 138.64 feet; thence along said right of way 124.75 feet along the arc of a 1125.00 feet radius curve to the right whose long chord bears North 81'56'42" East 124.65 feet; thence North 01'17'10" West 153.26 feet; thence North 49'24'12" West 178.85 feet; thence South 64'32'04" West 107.32 feet; thence North 39'46'17" West 141.85 feet; thence North 78'43'15" West 83.94 feet; thence South 18'23'37" East 417.67 feet to the point of beginning and containing 2.12 acres of land.

Together with and subject to the following:

Easements, right-of-ways, reservations and restrictions of record.

Article III DEFINITIONS

Certain terms are utilized not only in this Master Deed, Exhibit "A" and Exhibit "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 Corporate Bylaws, Rules and Regulations of Hawk's Eye Club House Condominium Association, a Michigan Nonprofit Corporation, and deeds, mortgages, liens, land contracts, easements and other instruments affecting the establishment of, or transfer of, interests in Hawk's Eye Club House Condominium, as a condominium. Wherever used in such documents or any other pertinent instrument the terms set forth below shall be defined as follows:

- A. "The Act" or "Act" means the Michigan Condominium Act, being Act 59 of the Public Acts of 1978 as amended.
- B. "Arbitration Association" means the American Arbitration Association or its successor.
- C. "Association" shall mean the non-profit corporation organized under Michigan Law of which all Co-Owners shall be members and which shall administer, operate, manage and maintain the condominium. Any action required or permitted to the Association shall be exercisable by its Board of Directors unless specifically reserved to its members by the Condominium Documents or by the laws of the State of Michigan.
- D. "Association Bylaws" means the Corporate Bylaws of Hawk's Eye Club House Condominium Association, the Michigan Nonprofit Corporation organized to manage, maintain and administer the Condominium.
- E. "Common Elements", where used without modification, shall mean both the General and Limited Common Elements described in Article IV hereof.
- F. "Condominium Bylaws" means Exhibit "A" hereof, being the Bylaws setting forth the substantive rights and obligations of the Co-Owners.
- G. "Condominium Documents" wherever used means and includes this Master Deed, Exhibit "A" and Exhibit "B" hereof, the Articles of Incorporation, Bylaws, Rules and Regulations of the Association, if any, the Disclosure Statement and any other instrument referred to in the Master Deed or Bylaws which affects the rights and appurtenances belonging to Hawk's Eye Club House Condominium as described above.
- H. "Condominium Premises" means and includes the land and the buildings, all improvements and structures thereof, and all easements, rights and appurtenances belonging to Hawk's Eye Club House Condominium

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as described above.

- I. "Condominium Project", "Condominium" or "Project" means Hawk's Eye Club House Condominium as an approved Condominium Project established in conformity with the Provisions of the Act.
- J. "Condominium Subdivision Plan" means Exhibit "B" hereto.
- K. "Consolidating Master Deed" means the final amended Master Deed, which shall describe Hawk's Eye Club House Condominium as a completed Condominium Project. The Consolidating Master Deed, when recorded in the office of the Antrim County Register of Deeds, shall supersede the previously recorded Master Deed and all amendments thereto for Hawk's Eye Club House Condominium.
- L. "Co-Owner" means a person, firm, corporation, partnership, association, trust or other legal entity or any combination thereof who or which own part of a unit, all of a unit or more than one unit, or in any combination thereof, in the Condominium Project. The term "Owner", wherever used, shall be synonymous with the term "Co-Owner".
- M. "Developer" shall mean The Real Estate Place of Bellaire, Inc., a Michigan Corporation, which has made and executed this Master Deed, and its successors and assigns.
- N. "Unit", "Condominium Unit" or "Apartment" each mean the enclosed space constituting a single complete residential unit in Hawk's Eye Club House Condominiums 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.
- P. "Master Deed" shall mean the condominium document recording the Condominium Project to which are attacked as exhibits and incorporated by reference the Bylaws for the Condominium Project and the Condominium Subdivision Plan for the Condominium Project.
- O. 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.

Article IV COMMON ELEMENTS

The Common Elements of the Condominium Project described in Exhibit "B" attached hereto and the respective responsibilities for maintenance, decoration, repair or replacement of the General Common Elements and the Limited Common Elements are as follows:

A. The General Common Elements are:

- 1. The land and beneficial easements described in Article II hereof.
- 2. The electrical wiring network throughout the Condominium Project, including that contained within unit walls, up to the point of connection with but not including electrical fixtures, plugs and switches within any Unit.
- 3. The gas line network throughout the Condominium Project, including that contained within walls, up to the point of connection with gas fixtures within any unit.
- 4. The telephone wiring network throughout the Condominium Project up to the point of entry to each unit.
- 5. The water distribution system throughout the Condominium Project, including that contained within unit walls, up to the point of connection with plumbing fixtures within any unit.
- 6. The water and waste disposal system throughout the Condominium Project up to the point of entry to each dwelling unit.

7. Foundations, supporting columns, walls, all as shown on Exhibit "B" hereof (but not including the interior surfaces of windows and doors therein) roofs, ceilings, floor construction between units of separate levels, chimneys and basements.

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- 8. The television cable systems, including the signal splitters and electrical outlets up to the point of connection with the television cable systems in each unit.
- 9. The exterior and interior stairs, walkways and landings servicing the units.
- 10. The Fire Suppression, Fitness Room, Board Room, Restrooms and Lobbies, all as shown on Exhibit "B" hereof, but not including any restroom contained in Units 3, 4, 5, 6, 7, 8, 9, 10, and 11.
- 11. Such other elements of the Condominium 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 necessary to the existence, upkeep and safety of the Condominium Project.

B. The Limited Common Elements are:

- 1. The deck or decks adjoined to each unit shall be subject to the exclusive use and enjoyment of the Co-Owner of such unit.
- 2. The interior surfaces of walls, windows, doors, ceilings and floors contained within a unit shall be subject to the exclusive use and enjoyment of the Co-Owner of such unit.
- C. The respective responsibilities for the maintenance, decoration, repair and replacement are as follows:
 - 1. The costs of maintenance, repair and replacement of each deck described in Article IV(B)(1) above shall be borne by the Association, except in cases of Co-Owners fault.
 - 2. The costs of decoration, maintenance and repair, but not replacement except in cases of Co-Owners fault, of all surfaces referred to in Article IV(B)(2) above shall be borne by the Co-Owners of each unit to which such Limited Common Elements are appurtenant.
 - 3. 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.

No Co-Owner shall use his Unit or the Common Elements in any manner inconsistent with the purposes of the Condominium Project, (said purpose includes the operation of commercial business in Unit 1 and Unit 2 of the Condominium), or in any manner, which will interfere with, or impair the rights of, any other Co-Owner in the use and enjoyment of his Unit or the Common Elements.

The Developer reserves the right to construct additional Condominium Units in the General Common Elements. Any such additional Units shall be part of the expansion of the Condominium Project as described herein. The location, design and appearance of any additional Units located in the General Common Elements shall be determined by the Developer in its sole discretion.

Article V UNIT DESCRIPTION AND PERCENTAGE OF VALUE

A. Each unit in the Condominium Project is described in this paragraph with reference to the Condominium Subdivision Plan of Hawk's Eye Club House Condominium as surveyed by Eagle Land Surveying, 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. Architectural Plans are on file with the Antrim County Building Department.

B. The percentage of value assigned to each unit shall be as follows:

UNIT NO.	% VALUE	UNIT NO.	% VALUE
l	14.8	7	7.7
2	15.9	8	7.7
3	7,7	Ò	7.7
4	7.7	, 10	7.7
5	7.7	11 :	7.7.
6	7.7	TOTAL	100%

The Developer determined the percentage of value attributable to each unit by evaluating the square footage of each unit and determining the sum of the square footage of all units. It was then determined what percentage of the total spare footage each unit represented. An adjustment of, increasing Unit 1 and Unit 2 by one percent (1%), was made, thereby adjusting Units 3, 4, 5, 6, 7, 8, 9, 10, and 11's percentage of value proportionately, Said adjustment was made to take into consideration of the increased burden Units 1 and 2 will have on portions of the common elements.

At such time the Developer should build additional Units in Hawk's Eye Club House Condominium, the Developer shall cause the percentage value assigned to each unit to be amended by appropriate amendment to this Master Deed, executed solely by the Developer without the consent of any Co-Owners, mortgagees, or other interested party. The Developer, using its sole judgment, shall adjust the percentage value using appropriate unit market valuations, unit square footage and unit location to equitably distribute percentage of value among all the units in the Condominium Project.

Article VI EXPANSION OF CONDOMINIUM

The Condominium Project established pursuant to the initial Master Deed of Hawk's Eye Club House Condominium consists of eleven (11) units and may be the first stage of an expansion Condominium Project, which may contain forty-five (45) units in its entirety. The Developer expressly reserves the right to expand the Condominium Project. The Developer's right to expand the Condominium Project is not restricted, nor is it subject to the consent of any of the Co-Owners. Additional units, if any, may be constructed upon a portion of the General Common Elements as described above, or upon some portion of the following described land: Antrim County, Michigan. ("Future Development")

Therefore, any other provisions of the Master Deed notwithstanding, the number of units in the Condominum Project may, at the option of the Developer or its successors or assigns, from time to time, within a period ending no later than six (6) years after the recording of this Master Deed, be increased by the addition of any portion of the future development to this condominium and the construction of residential units thereon. The nature, appearance and location of all such additional units, as may be constructed thereon, shall be determined by Developer in its sole judgment, as may be subject to approval by the County of Antrim.

The addition of future development land to the Condominium Project does not trigger any requirement that all the future development be added to the Condominium Project, or that any particular portion of the future development be added to the Gondominium Project. The Developer may add particular portions of the future development to the Condominium Project which it deems necessary and proper to the expansion. Furthermore, the Developer may add, without restriction, portions of the future development to the Condominium Project at any time, in any order and with any boundaries that the Developer deems necessary in order to facilitate the expansion of the Condominium Project.

The Developer has sole judgment in the determination of the aesthetic appearance of the buildings located in the future development, as may be subject only to architectural approval by the County of Antrim or other municipal authority with jurisdiction over the project.

Improvements may be made on any portion of the future development, the location of any such improvement is not restricted. Such improvements may include, but are not limited to, landscaping, swimming pools, whirlpools, tennis courts, other activity facilities, walkways, exterior lighting, and any other improvement that the Developer deems necessary to the Co-Owners' enjoyment and use of the Condominium Project. The Developer is not required, or in any way obligated, by this Article VI of the Master Deed to make any of the aforementioned improvements. However, the Developer must make improvements necessary to access units constructed in the future development. These improvements include: roads, parking areas, sidewalks and walkways to access the units.

The Developer expressly reserves the right to create limited common elements within any portion of the original Condominium Project or within any portion of the future development and to designate common elements which may subsequently be assigned as limited common elements. The Developer has the right to change the nature of any common element previously included in the Condominium Project for any purpose reasonably necessary to achieve the purposes of this Article, including, but not limited to, the connection of roadways and sidewalks in the Condominium Project to any roadways or sidewalks that may be located on, or planned for the future development, and to provide access to any unit that is located on, or located in the Condominium Project.

The Condominium Project will be expanded by a series of successive amendments to the Master Deed. Each expansion will add land to the Condominium Project from the future development and will incorporate only that portion of the future development into the Condominium Project. Each amendment will readjust the percentages of value set forth in Article V proportionately so as to preserve a total value of one hundred percent (100%) for the entire Condominium Project. The precise determination for the readjustments of percentages of value shall be within the sole judgment of the Developer. However, such readjustments shall be determined by following the basis for such determination set forth in Article V of this Master Deed. Such amendment or amendments to the Master Deed shall also contain such further definitions and re-definitions of general or limited common elements as may be necessary to adequately describe and service the additional units being added to the Condominium Project by such amendment. In connection with any such amendment(s), the Developer shall have the right to change the nature of any common element previously included in the Condominium Project for any purpose reasonably necessary to achieve the purposes of this Article.

A change of this Condominium Project shall be given effect by an appropriate amendment or amendments to this Master Deed in the manner provided by law. Such amendment or amendments shall be prepared by and at the discretion of the Developer or its successors and assigns. All of the Co-Owners and mortgagees of units and any other persons interested or to become interested in the Condominium Project from time to time shall be deemed to have irrevocably and unanimously consented to such amendment(s) of this Master Deed to effectuate the foregoing and, subject to the limitations set forth herein, to any proportionate reallocation of percentages of value of existing units which the Developer determine necessary in conjunction with such amendment(s). All such interested persons irrevocably appoint the Developer as agent and attorney for the purpose of execution of such amendment(s) to the Master Deed and all other amendments necessary to effectuate the foregoing. Such amendment(s) may be effective without the necessity of rerecording an entire Master Deed or the Exhibits hereto, provided that a consolidating Master Deed, when recorded, shall supersede the previously recorded Master Deed and all amendment(s) thereto.

Nothing contained herein shall in any way obligate the Developer to enlarge the Condominium Project beyond what is described in this Master Deed. The Developer may, in its discretion, establish a portion of said future development as a rental development, a separate Condominium Project(s), to otherwise expand the Condominium Project other than as explicitly set forth herein, or use it in any way it deems proper.

Article VII EASEMENTS

In addition to the easements shown on the attached Exhibit "B", as may be amended, the following easements are hereby placed on the Condominium:

Section 1. EASEMENT FOR MAINTENANCE OF ENCROACHMENTS.

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 also exist easements of support with respect to any unit interior wall which supports a Common Elements.

Section 2. GRANT OF EASEMENTS BY ASSOCIATION.

The Association, acting through its lawfully constituted Board of Directors (including any Board of Directors acting prior to the Transitional Control Date) shall be empowered and obligated to grant such easements, licenses, rights of entry and rights of way over, under and across the Condominium Premises for utility purposes, access purposes or other lawful purposes as may be necessary for the benefit of the Condominium, subject, however, to the approval of the Developer so long as the Construction and Sales Period has not expired. No-easements created under the Condominium

Documents may be modified or obligations with respect thereto varied without the consent of each person benefited thereby.

Section 3. EASEMENTS FOR MAINTENANCE, REPAIR AND REPLACEMENT.

The Developer and all public or private utilities shall have such easements as may be necessary over the Condominium Premises, including all Units and Common Elements to fulfill any responsibilities of maintenance, repair, decoration or replacement which are required or permitted to be performed under the Condominium Documents. 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 dwelling on any Unit or its appurtenant Limited Common Element.

Section 4. UTILITY EASEMENT.

Developer also hereby reserves for the benefit of itself, its successors and assigns, and all future owners of any land adjoining the Condominium or any portion or portions thereof, perpetual easements to utilize, tap, tie into, extend and enlarge all utility mains located on the Condominium Premises, including but not limited to, water, gas, storm and sanitary sewer mains. In the event Developer, its successors or assigns, thus utilizes, taps, ties-in, extends or enlarges any such utility, the increased costs of maintenance, repair and replacement of said utilities shall be shared by the owner or owners of any land adjoining the Condominium Premises, which is benefited by said utility utilization, tap, tie, extension or enlarment, and all costs shall be borne by all such persons proportionately based upon t the number of residential and or commercial units, dwellings or sites, which benefit from the sharing of said utility.

Developer reserves the right at any time prior to the Transitional Control Date 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 state, county or local governments. Any such easement or transfer of title may be conveyed by Developer without the consent of any Co-owner, mortgagee or other person and shall be evidenced by an appropriate amendment to the Master Deed and to Exhibit "B" hereto, recorded in the Antrim 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 easement or transfer of title.

Section 5. EASEMENTS RETAINED BY DEVELOPER.

Developer reserves an easement for the benefit of itself, its successors and assigns, over all of the General Common Elements of the Project. Developer or its assigns may use this easement and grant rights to this easement through contract, deed or other legal instrument for any purpose it deems appropriate, including, but not limited to, ingress and egress to other developments adjacent to, or in the proximity of the Project, for installation of public or private utilities, or for any other purpose it deems necessary. Any such uses are not required to benefit the Condominium in any way.

Further, Developer reserves for the benefit of itself, its successors and assigns, perpetual easements for the unrestricted use all walkways and Condominium general common elements in the Condominium Project for the purposes of ingress and egress to and from all, or any portion of, the land described in Article II of this Master Deed, or any portion or portions thereof, and any other land contiguous to the Condominium Project which may be now owned or hereafter acquired by the Developer or its successors and assigns, or upon which the Developer or its successors now or hereafter benefit from an easement. The Developer also hereby reserves for the benefit of itself, its successors and assigns, and all future owners of the land described in Article II of this Master Deed, or any portion(s) thereof and any other land contiguous to the Condominium Project which may be now owned, or hereafter acquired, by the Developer perpetual easements to utilize, tap and tie into all utilities located on the Condominium Project. The Developer reserves to itself, its successors and assigns, the right to terminate and revoke any utility easements granted in Exhibit "B" at such time as the particular easement becomes unnecessary. This may occur, by way of example and not limitation, when water or sewer systems are connected to municipal systems. No utility easement may be terminated or revoked unless and until all units served by it are adequately served by an appropriate substitute or replacement utility. Any termination or revocation of any such easement shall be effected by the recordation of an appropriate instrument of termination.

Developer also reserves easements over the common elements of the Condominium to facilitate the operation of the commercial enterprises in Unit 1 and Unit 2. Said easement shall include all such uses which is incidental to those commercial operations, including, but not limited to: ingress and egress for customers and employees, use for special events and, generally, use in all ways reasonably related to the operation of the commercial enterprises.

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 subscriber service fees as may be necessary convenient or desirable to provide for telecommunication, video text, broad band cable, satellite dish, earth antenna and similar services (collectively "Telecommunications") to the Project or any Unit therein. Notwithstanding the foregoing, in no event shall the Board of Directors enter into any contract or agreement or grant any easement, license or right of entry or do any other act or thing which will violate any provision of any federal, state, or local law or ordinance. Any and all sums paid by any Telecommunications or other company or entity in connection with such service, including fees, if any, for the privilege of installing same or sharing periodic subscriber service fees, shall be paid over to and shall be the property of the Association.

Section 7. PARKING & ACCESS EASEMENT.

The Developer grants a non-exclusive easement for the purpose of ingress and egress for each Co-Owner to the common element of the Condominium from West Hawk's Eye Drive and for parking in the immediate vicinity of the Condominium for the Co-Owners. Each Co-Owner will have access to the Condominium via the access road and parking lots constructed by the Developer in the general vicinity of the Condominium. The Co-owners shall abide by reasonable rules established by the Developer with regard to the use of this easement. Developer also reserves the sole right to modify the access roads and parking areas in the future, including the location of them.

In return for this easement, the Co-Owners will be responsible for paying for the maintenance and upkeep of the access road and parking facilities in keeping with their percentage of ownership in the Condominium, as provided by this Master Deed. Said expense shall be treated as an Association expense and, therefore, shall be included in the dues of the respective Co-Owners. This easement is intended to run with the land.

Article VIII AMENDMENT

This Master Deed and the Condominium Subdivision Plan (Exhibit "B") may be amended by the Co-Owners and the unit mortgagees with the consent of sixty-six and two thirds (66 2/3%) percent of the Co-Owners and of the unit mortgagees (allowing one vote for each mortgage held) except as hereinafter set forth:

- A. No unit dimensions may be modified without the consent of the Co-Owner of such unit nor may the nature of extent of Limited Common Elements or the responsibility for maintenance, repair or replacement thereof be modified without the written consent of the Co-Owner of any unit to which the same are appurtenant.
- B. The Developer may, without the consent of any Co-Owner or any other person, amend this Master Deed, the Condominium Bylaws and the Plans 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-Owner or mortgagee in the Condominium Project, including, but not limited to, amendments for the purpose of facilitating conventional mortgage loan financing for existing or prospective Co-Owners and to enable the purchase of such mortgage loans by the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association and/or and other agency of the Federal Government or the State of Michigan.
- C. 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.
- D. The Condominium Project may not be terminated, vacated, revoked, or abandoned without the written consent of ninety-five (95%) percent of all Co-Owners and all mortgagees (allocating one (1) vote for each mortgage held).
- E. Article VI, Article VII, Article VIII, and this Article IX shall not be amended nor shall the provisions Master Deed, Page 8 of 9

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 Project for sale or for so long as there remains, under such provisions, any further possibility of expansion of the Condominium Project.

This article shall not inhibit or restrict the Developer's rights, needs, or obligations to amend this Master Deed as set forth herein.

Article IX 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, proposed action, or any other matter or thing, may be assigned by the Developer to any other entity or to the Association. Any such assignment or transfer shall be made by appropriate instrument in writing and duly recorded in the office of the Antrim County Register of Deeds.

BY SIGNING below, Hawk's Eye Golf Club, L.L.C. hereby establishes the Condominium on the date first stated herein.

SIGNED:

HAWK'S EYE GOLF CLUB, L.L.C.

II. Cromt Dovid

Its: Managing Member

STATE OF MICHIGAN)

SS

COUNTY OF ANTRIM)

On this 12th day of September, 2004, the foregoing Master Decci was acknowledged before me by H. Grant Rowe, Managing Member of Hawk's Eye Golf Club, L.L.C., a Michigan Limited Liability Company, on behalf of the Company.

Susan Terres, Notary Public

Antrim County, Michigan

My Commission Expires: /

Instrument drafted by:

Thomas B. Rowe 5820 Shanty Creek Road Bellaire, Michigan 49615

EXHIBIT "A"

CONDOMINIUM BYLAWS For HAWK'S EYE CLUB HOUSE CONDOMINIUM

Article I ASSOCIATION OF CO-OWNERS

Section 1.

Hawk's Eye Club House Condominium, a residential and commercial Condominium Project located in the Township of Kearney, County of Antrim, State of Michigan, shall be administered by Hawk's Eye Club House Condominium Association, a Michigan Nonprofit Corporation, hereinafter referred to as "Association", organized under the applicable laws of the State of Michigan, and responsible for the management, maintenance, operation and administration of the Condominium, the Common Elements, the easements and the other affairs of the Condominium Project subject to the Master Deed, these Bylaws, the Articles of Incorporation, the Association Bylaws, duly adopted Rules and Regulations of the Association (collectively referred to as the "Condominium Documents") and the laws of the State of Michigan. 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.

Section 2.

Membership in the Association and voting by members of the Association shall be in accordance with the following provisions:

- (a) Each Co-owner shall be a member of the Association and no other person or entity shall be entitled to membership other than the Developer.
- (b) 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 in the Condominium.
- (c) Except as limited in these Bylaws, each Co-owner shall be entitled to one (1) vote for each Condominium Unit owned when voting by number and one (1) vote, the value of which shall equal the total of the percentages allocated to the Unit owned by such Co-owner as set forth in Article V of the Master Deed, when voting by value. Voting shall be by value except in those instances when voting is specifically required to be both in value and in number.
- (d) No Co-owner, other than the Developer, shall be entitled to vote at any meeting of the Association until he has presented evidence of ownership of a Unit in the Condominium Project to the Association. No Co-owner, other than the Developer, shall be entitled to vote prior to the First Annual Meeting of Members held in accordance with Section 7 of this Article I. The vote of each Co-owner may only be cast by the individual representative designated by such Co-owner in the notice required in subparagraph "e" below or by a proxy given by such individual representative. The Developer shall be entitled to vote for each Unit which it owns and for each Unit for which it is paying full monthly assessments.
- (e) Each Co-owner shall file a written notice with the Association designating the individual representative who shall vote at meetings of the Association and receive all notices and other communications from the Association on behalf of such Co-owner. Such notice shall state the name and address of the designated individual representative, the number or numbers of the Condominium Unit or Units owned by the Co-owner, and the name and address of each person, firm, corporation, partnership, association, trust or other entity who is the Co-owner. Such notice shall be signed and dated by the Co-owner. The

designated individual representative may be changed by the Co-owner at any time by filing a new notice in the manner provided herein.

- (f) There shall be an annual meeting of the members of the Association commencing with the First Annual Meeting held as provided in Section 7 of this Article I. Other meetings may be provided for in the Bylaws of the Association. Notice of time, place and subject matter of all meetings, as provided in the Corporate Bylaws of the Association, shall be given to each Co-owner by mailing the same to each individual representative designated by the respective Co-owners.
- (g) The presence in person or by proxy of thirty-five percent (35%) in number and in value of the Coowners qualified to vote shall constitute a quorum for holding a meeting of the members of the Association, except for voting on questions specifically required herein to require a greater quorum. The written vote of any person furnished at or prior to any duly called meeting at which meeting said person is not otherwise present in person or by proxy shall be counted in determining the presence of a quorum with respect to the question upon which the vote is cast.
- (h) Votes may be cast in person or by proxy or by writing duly signed by the designated voting representative not present at a given meeting in person or by proxy. Proxies and any written votes must be filed with the Secretary of the Association at or before the appointed time of each meeting of the members of the Association. Cumulative voting shall not be permitted.
- (i) A majority, except where otherwise provided herein, shall consist of more than fifty percent (50%) in value of those qualified to vote and present in person or by proxy (or written vote, if applicable) at a given meeting of the members of the Association. Whenever provided specifically herein, a majority may be required to exceed the simple majority hereinabove set forth and may require such majority to be one of both number and value of designated Voting Representatives present in person or by proxy, or by written ballot, if applicable, at a given meeting of the members of the Association.
- (j) Other provisions as to voting by members, not inconsistent with the provisions contained herein, may be set forth in the Association Bylaws.

Section 3.

The Association shall keep detailed books of accounts showing all expenditures and receipts associated with the administration of the Association, which shall specify the maintenance and repair expenses of the Common Elements and any other expenses incurred by or on behalf of the Association and the Co-owners. Such accounts and all other Association records shall be open for inspection by the Co-owners and their mortgagees during reasonable working hours. The Association shall prepare and distribute to each Co-owner at least once a year a financial statement, the contents of which shall be defined by the Association. The books of account shall be audited at least annually by qualified independent auditors; provided, however, that such auditors need not be Certified Public Accountants nor does such auditor need to be a certified auditor. Any institutional holder of a first mortgage lien on any Unit in the condominium shall be entitled to receive a copy of such annual audited financial statement with 90 days following the end of the Association's fiscal year upon request therefore. The costs of any such audit and any accounting expenses shall be expenses of administration. The Association also shall maintain on file current copies of the Master Deed for the Project any amendments thereto and all other Condominium Documents and shall permit all Coowners, prospective purchasers and prospective mortgagees interested in the Condominium Project to inspect the same during reasonable hours.

Section 4.

The affairs of the Association shall be governed by a Board of Directors, all of whom shall serve without compensation and who must be members of the Association except for the First Board of Directors designated in the Articles of Incorporation of the Association and any successors elected by the Developer prior to the First Annual Meeting of Members held pursuant to Section 7 of this Article I. The number, terms of office, manner of election, removal and replacement, meetings, quorum and voting requirements and other duties or provisions of or relating to directors, not inconsistent with the following, shall be provided by the Association Bylaws.

- (a) The Board of Directors shall have all powers and duties necessary for the administration of the affairs of the Association and may do all acts and things not prohibited by the Condominium Documents or required by the Condominium Documents to be exercised and/or completed by the Co-owner. In addition to the foregoing general duties imposed by these Bylaws, or any further duties which may be set forth in the Association Bylaws, the Board of Directors shall be responsible specifically for the following:
 - 1. To manage and administer of the affairs of and maintenance of the Condominium Project and the Common Elements thereof.
 - 2. To collect assessments from the members of the Association and to use the proceeds thereof for the purposes of the Association.
 - 3. To carry insurance and collect and allocate the proceeds thereof.
 - 4. To rebuild improvements after casualty.
 - 5. To contract for and employ persons, firms, corporations, or other agents to assist in the management, operation, maintenance and administration of the Condominium Project.
 - 6. To acquire, maintain and improve, and to buy, operate, manage, sell, convey, assign, mortgage, or lease any real or personal property (including any Unit in the Condominium and easements, rights-of-way and licenses) on behalf of the Association in furtherance of any purposes of the Association, including (but without limitation) the lease or purchase of any Unit in the Condominium for use by a resident manager.
 - 7. To borrow money and issue evidences of indebtedness in furtherance of any and all of the purposes of the business of the Association, and to secure the same by mortgage, pledge, or other lien on property owned by the Association; provided, however, that any such action shall also be approved by affirmative vote of more than sixty percent (60%) of all of the members of the Association both in number and in value.
 - 8. To make rules and regulation in accordance with Article VI, Section 11 of these Bylaws.
 - 9. To establish such committees as it deems necessary, convenient or desirable and to appoint persons thereto for the purpose of implementing the administration of the Condominium and to delegate to such committees any functions or responsibilities which are not required by law or by the Condominium Documents to be performed by the Board.
 - 10. To make rules and regulations and/or enter into agreements with institutional lenders the purposes of which are to obtain mortgage financing for Unit Co-owners which is acceptable for purchase by the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association and/or any other agency of the federal government or the State of Michigan.
 - 11. To enforce the provisions of the Condominium Documents.
- (b) The Board of Directors may employ for the Association a professional management agent (which may include the Developer or any person or entity related thereto) at reasonable compensation established by the Board to perform such duties and services as the Board shall authorize including, but not limited to, the duties listed in Section 4(a) of this Article I, and the Board may delegate to such management agent other duties or powers which are not by law or by the Condominium Documents required to be performed by or have the approval of the Board of Directors or the members of the Association. In no event shall the Board be authorized to enter into any contract with a professional management agent, or any other contract providing for services by the Developer, sponsor or builder, in which the maximum

term is greater than three years or which is not terminable by the Association upon 90 days' written notice thereof to the other party and no such contract shall violate the provisions of Section 55 of the Act.

(c) All of the actions (including, without limitation, the adoption of these Bylaws and any Rules and Regulations for the corporation, and any undertakings or contracts entered into with others on behalf of the corporation) of the first Board of Directors of the Association named in its Articles of Incorporation or any successors thereto elected by the Developer before the First Annual Meeting of Members shall be binding upon the Association in the same manner as though such actions had been authorized by a Board of Directors duly elected by the members as long as such actions are within the scope of the powers and duties which may be exercised by any Board of Directors as provided in the Condominium Documents.

Section 5.

The Association Bylaws shall provide the designation, number, terms of office, qualifications, manner of election, duties, removal and replacement of the officers of the Association and may contain any other provisions pertinent to officers of the Association in furtherance of the provisions and purposes of the Condominium Documents and not inconsistent therewith. Officers may be compensated but only upon the affirmative vote of more than sixty percent (60%) of all Co-owners in number and in value.

Section 6.

Every director and every officer of the Corporation shall be indemnified by the Corporation against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him in connection with any proceeding to which he may be a party, or in which he may become involved, by reason of his being or having been a director or officer of the corporation, whether or not he is a director or officer at the time such expenses are incurred, except in such cases wherein the director or officer is adjudged guilty of willful or wanton misconduct or gross negligence in the performance of his duties; provided that, in the event of any claim for reimbursement or indemnification hereunder based upon a settlement by the director or officer seeking such reimbursement or indemnification the indemnification herein shall apply only if the Board of Directors (with the director seeking reimbursement abstaining) approves such settlement and reimbursement as being in the best interest of the corporation. The foregoing right of indemnification shall be in addition to, and not exclusive of, all other rights to which such director or officer may be entitled. At least ten (10) days prior to payment of any approved indemnification, the Board of Directors shall notify all Co-owners thereof.

Section 7.

- (a) Within one year after the initial conveyance of legal equitable title to a non-Developer. Co-owner of a Unit in the Project or within 120 days after conveyance of legal or equitable title to non-Developer Co-owners 1/3 of the Units that may be created, whichever first occurs, the Developer shall call a special meeting of members for the purpose of electing from among the non-Developer Co-owners, persons to serve on an Advisory Committee to the temporary Board of Directors. The purpose of the Advisory Committee shall be to facilitate communications between the initial Board of Directors and the non-Developer Co-owners until a meeting of members is held in accordance with the provisions of paragraphs (b) and (c) hereof, at which time the Advisory Committee shall cease to exist. The initial Board of Directors and the Advisory Committee shall meet with each other at such time as may be requested by the Advisory Committee; provided, however, that there shall be no more than four such meetings per year unless both entities agree. The Developer may call additional meetings of members of the Association for informative or other appropriate purposes.
- (b) Not later than 120 days after conveyance of legal or equitable title to non-Developer Co-owners of twenty-five percent (25%) of the Units that may be created, at least one (1) director and not less than twenty-five percent (25%) of the Board of Directors of the Association of Co-owners shall be elected by non-Developer Co-owners. Not later than 120 days after conveyance of legal or equitable title to non-Developer Co-owners fifty percent (50%) of the Units that may be created, not less than thirty three and one-third (33 1/3%) of the Board of Directors shall be elected by non-Developer Co-owners. Not later than 120 days after conveyance of legal or equitable title to non-Developer Co-owners

seventy-five percent (75%) of the Units that may be created, and before conveyance of ninety percent (90%) of such Units, the non-Developer Co-owners shall elect all directors on the Board, except that the Developer shall have the right to designate at least one (1) director as long as the Developer owns and offers for sale at least ten percent (10%) of the units in the project or as long as ten percent (10%) of the Units remain that may be created.

- (c) Notwithstanding the formula provided in Section 7 (b) above, 54 months after the first conveyance of legal or equitable title to a non-Developer Co-owner of a Unit in the Project, if title to not less than seventy-five percent (75%) of the Units that may be created has not been conveyed, the non-Developer Co-owners have the right to elect as provided in the Condominium Documents, a number of members of the Board of Directors of the Association of Co-owners equal to the percentages of Units they hold, and the Developer has the right to elect as provided in the condominium documents, a number of members of the Board equal to the percentage of Units which are owned by the Developer and for which all assessments are payable by the Developer. This election may increase, but shall not reduce, the minimum election and designation rights otherwise established in subsection (2). Application of this subsection does not require a change in the size of the Board as determined in the Condominium Documents.
- (d) If the calculation of the percentage of members of the Board that the non-Developer Co-owners have the right to elect under Section 7 (b) above, or if the product of the number of members of the Board multiplied by the percentage of units held by the non-Developer Co-owners under subsection (3) results in a right of non-Developer Co-owners to elect a fractional number of members of the Board, then a fractional election right of 0.5 or greater shall be rounded up to the nearest whole number, which number shall be the number of members of the Board that the non-Developer Co-owners have the right to elect. After application of this formula, the Developer shall have the right to elect the remaining members of the Board. Application of this subsection shall not eliminate the right of the Developer to designate 1 member as provided in Section 7 (b) above.

Article II ASSESSMENTS

Section 1.

The Association shall be assessed as the person or entity in possession of any tangible personal property of the Condominium Project owned or possessed in common by the Co-owners, and personal property taxes based thereon shall be treated as expenses of administration. The person designated to administer the affairs of the Association shall be assessed as the person in possession of any tangible personal property of the Condominium Project and Association owned or possessed in common by the Co-owners.

Section 2.

All costs incurred by the Association in satisfaction of any liability arising within, caused by, or connected with the Common Elements or the administration of the Condominium Project shall constitute expenditures affecting the administration of the Condominium Project, and all sums received as the proceeds of, or pursuant to, a 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 3.

Assessments shall be determined in accordance with the following provisions:

(a) 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 must be established in the budget and must be funded by regular monthly payments as set forth in Section 4 below rather

than by special assessments. At a minimum, the reserve fund shall be equal to ten percent (10%) of the Association's current annual budget on a non-cumulative basis. The minimum standard required by this Section may prove to be inadequate for a particular project. The Association of Co-owners shall carefully analyze their Condominium Project to determine if a greater amount should be set aside, or if additional reserve funds should be established for other purposes. Upon adoption of an annual budget by the Board of Directors, copies of said 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 the liability of any Co-owner for any existing of future assessments. Should the Board of Directors at any time determine, 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 \$1,000 annually, 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.

(b) Special assessments, in addition to those required in (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 capital improvements for additions of a cost exceeding \$1,000 per year, (2) assessments to purchase a Unit upon foreclosure of the lien for assessments described in Section 6 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 special assessments referred to in this subparagraph 3 (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 sixty percent (60%) of all Co-owners in value and in number.

Section 4.

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 3(a) above shall be payable by Co-owners in twelve (12) equal monthly installments, commencing with acceptance of a deed to a Unit or with 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 hereof, is not paid to the Association in full on or before the due date for such payment. Assessments in default shall bear interest at the rate of seven percent (7%) per annum until paid in full. Each Coowner (whether one or more persons) shall be, and remain, personally liable for the payment of all assessments pertinent to his Unit which may be levied while such Co-owner is the owner thereof.

Section 5.

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 6.

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 addition to the statutory lien imposed to secure the payment of delinquent assessments, the Association shall also have lien in the amount of the delinquent assessments, plus collection costs, by virtue of these Bylaws and, therefore, shall have the right to record such a lien against the real property owned by the delinquent Co-owner in the Condominium. However, the actual recording of such a lien shall not be required to secure the Association's interest in the delinquent Co-owner's property. Each Co-owner, and every other person who from time to time has any interest in the Condominium Project, shall be deemed to have granted to the Association the unqualified right to elect to foreclose such lien 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 Condominium 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 Condominium Project acknowledges that at the time of acquiring title to such Unit, he was notified of the provisions of this Section and that he voluntarily, intelligently and knowingly waived notice of any proceedings brought by the Association to foreclose by advertisement the lieu for non-payment of assessments and a hearing on the same prior to the sale of the subject Unit. Notwithstanding, a money judgment shall not be commenced, nor shall any notice of foreclosure by advertisement be published, until the expiration of ten (10) days after mailing, by first class mail, postage prepaid, addressed to the delinquent Co-owner (s) at his or their last known address of a written notice that one or more installments of the annual assessment levied against the pertinent Unit is or are delinquent and that the Association may invoke any of its remedies hereunder if the default is not cured within ten (10) days after the date of mailing. Such written notice shall be accompanied by a written affidavit of an authorized representative of the Association that sets forth (i) the affiant's capacity to make the affidavit, (ii) the statutory and other authority for the lien, (iii) the amount outstanding (exclusive of interest, costs, attorney 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 the 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 ten (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 representative designated above and shall inform such representative that he may request a judicial hearing by bringing suit against the Association. The expenses incurred in collecting unpaid assessments, including interest, collection fees, costs, actual attorney 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. 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 seven (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 Condominium Project and shall not be entitled to vote at any meeting of the Association so long as such default continues. 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.

Section 7.

Notwithstanding any other provisions of the Condominium Documents, the holder of any first mortgage covering any Unit in the Condominium 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 to all Units including the mortgaged Unit.)

Section 8.

- (a) The Developer shall be responsible for payment of its proportionate share of the expenses actually incurred by the Association for all completed units owned by it and shall also maintain, at its own expense, any incomplete units owned by it. "Completed Unit" shall mean a unit with respect to which a certificate of occupancy has been issued by the local public authority.
- (b) In addition to maintaining any incomplete units owned by it, the Developer shall be charged a portion of the established monthly Association assessment for each incomplete unit actually established in the Master Deed, whether constructed or not (not including units that may be built as part of the future expansion of the Condominium). Such portion shall be determined by the officers of the Association based upon the level of common expenses actually incurred with respect to such incomplete Units, and it may be altered on a month-to-month basis. Each incomplete Unit must, at a minimum, bear its prorata portion of the cost of all accounting and legal fees, public liability and casualty insurance (to the extent such incomplete units are covered by policies of insurance maintained by the Association), utility maintenance, if any, grounds maintenance (including landscaping), real estate taxes in the year of

the establishment of the Condominium Project, maintenance of all general and limited common elements actually servicing any incomplete units, management fee, if any is charged for incomplete units and a portion of the reserve for the repair and replacement of major common elements determined according to the timing of the actual installation of the materials for whose repair and replacement this reserve has been established.

(c) In the event the Association does not have the funds to pay requisite expenses attributable to the Condominium Project, the Developer will loan the funds to the Association. Such expenses shall be associated with the general maintenance of the Condominium Project, such as, but not limited to, snow removal, lawn and landscape maintenance and other expenses related to the limited common elements and common elements of the Condominium Project. The Developer will only loan funds to the Association that it deems necessary in its sole judgment, and this provision shall not be utilized to avoid a special assessment of the Co-owners of the Association nor shall this provision be interpreted as to impose any affirmative duties on the Developer. Any funds borrowed by the Association from the Developer shall be repaid to the Developer within two (2) years of completion of that phase of the Condominium Project that caused the need to borrow such funds. The Developer may charge a reasonable fee for this service.

Section 9.

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

Section 10.

A mechanic's lien otherwise arising under Act No. 179 of the Michigan Public Acts of 1981, as amended, shall be subject to Section 132 of the Act.

Section 11.

Pursuant to provisions of the Act, the Purchaser of any Condominium Unit may request a statement of the Association as to the outstanding 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 exists, said statement shall be binding upon the Association for 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 five 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 the first mortgages of record.

Article III ARBITRATION

Section 1.

Disputes, claims, or grievances arising out of or relating to the interpretation of the application of the Condominium Documents, or any disputes, claims or grievances arising among or between Co-owners and the Association shall, upon the election and written consent of the parties to any such disputes, claims or grievances and written notice to the Association, be submitted to arbitration and the parties thereto shall accept the arbitrator's decision as final and binding. The Commercial Arbitration Rules of the American Arbitration Association, as amended, shall govern any such arbitration.

Section 2.

No Co-owner or the Association shall be precluded from petitioning the courts to resolve any such disputes, claims or grievances.

Section 3.

Election 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.

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 of the Condominium Project, and such insurance, other than title insurance, shall be carried and administered in accordance with the following provisions:

- (a) All such insurance shall be purchased by the Association for the benefit of the Association, and the Coowners 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-owners responsibility to obtain insurance coverage for his personal property 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 the event of fire, and the Association shall have absolutely no responsibility for obtaining such coverage's. The Association and all Co-owners 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) 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 maximum insurable replacement value, excluding foundation and excavation costs, as determined annually by the Board of Directors of the Association. Such coverage shall also include interior walls within any Unit and the pipes, wires, 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 Association (or such replacements thereof as do not exceed the cost of such standard items). Any improvements made by a Co-owner within his Unit shall be covered by insurance obtained by, and at the expense of, said Co-owner; provided that if the Association elects to include such improvements under its insurance coverage, any additional premium cost to the Association attributable thereto shall be assessed to and borne solely by said Co-owner and collected as a part of the assessments against said Co-owner under Article II hereof.
- (c) All premiums upon insurance purchased by the Association pursuant to these Bylaws shall be expenses of administration.
- (d) 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 and in no event shall hazard insurance proceeds be used for any purpose other than for repair, replacement or reconstruction of the Project unless all of the institutional holders of first mortgages on Units in the Project have given their prior written approval.

Section 2.

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 therefore, 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.

If any part of the Condominium property shall be damaged, the determination of whether or not it shall be reconstructed or repaired shall be made in the following manner:

- (a) 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 Coowners in the Condominium that the Condominium shall be terminated and each institutional holder of a first mortgage lien on any Unit in the Condominium has given its prior written approval of such termination.
- (b) If the Condominium is so damaged that no Unit is tenantable, and if each institutional holder of a first mortgage lien on any Unit in the Condominium has given its prior written approval of the termination of the Condominium, the damaged property shall not be rebuilt and the Condominium shall be terminated, unless seventy-five percent (75%) or more of the Co-owners in value and in number agree to reconstruction by vote or in writing within ninety (90) days after the destruction.

Section 2

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.

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 Section 4 hereof. In all other cases, the responsibility for reconstruction and repair shall be that of the Association.

Section 4.

Each Co-owner shall be responsible for the reconstruction, repair and maintenance of the interior of its Unit, including, but not limited to, cabinets, fixtures, 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 5. 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 5.

The Association shall be responsible for the reconstruction, repair and maintenance of the Common Elements and any incidental damage to a Unit caused by such Common Elements or the reconstruction, repair or maintenance thereof. 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 existed 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 repair, or completion of such reconstruction or repair, the funds for the payment of the costs thereof are insufficient, assessments shall be made against all Co-cwners for the cost of reconstruction or repair of the damaged property in sufficient amounts to provide funds to pay the estimated or actual cost of repair.

Section 6.

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

- (a) In the event of any taking of an entire Unit by eminent domain, the award for such taking shall be paid to the owner of such Unit and the mortgagee thereof, as their interest may appear. After acceptance of such award by the 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 appear.
- (b) 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 interest in the Common Elements and the affirmative vote of more than fifty percent (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) In the event the 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 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 reaming 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, but only with the prior written approval of all holders of first mortgage liens on individual Units in the Project.
- (d) 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 its otherwise sought to be acquired by a condemning authority, the Association promptly shall so notify each institutional holder of a first mortgage line on any of the Units in the Condominium.

Section 7.

In the event any mortgage in the Condominium is held by the Federal Home Loan Corporation ("FHLMC") then the Association shall give FHLMC 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 purchase in whole or in part by FHLMC exceeds \$1,000.00.

Section 8.

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 Unit 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

Section 1.

The units in the condominium shall be used strictly for residential purposes, except Unit one (1) and Unit two (2) are specifically intended to be used for commercial enterprises. Accordingly nothing herein shall be deemed to limit the

ability to utilize Unit 1 and Unit 2 for any commercial purpose including, without limitation, the construction and operation of a golf pro shop and a restaurant. Accordingly, Unit 1 and Unit 2 shall not be subject to any restriction contained in this Article VI.

Section 2.

A Co-owner of a residential unit may lease in: Unit provided, that if the lease is for more than fourteen (14) days, the Co-owner provides a written disclosure of such lease transaction to the Board of Directors of the Association subject to the same restrictions specified in Section 13 of this Article VI. The terms of all leases and occupancy agreements 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.

Section 3.

No Co-owner shall make alterations in exterior appearances 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 (but not by way of limitation) exterior painting or the erection of antennas, lights, aerials, awnings, doors (including screen doors), shutters or other exterior attachments or modifications, nor shall any Co-owner damage or make modifications or attachments to Common Element walls between Units in any way which impairs sound conditioning provisions.

In order to maintain uniformity of Condominium exterior appearance, no Co-owner shall use any color of drape or drape liner on the exterior side of the windows of his Unit other than white, nor shall any Co-owner paint the exterior surface of any door or other exterior surface to his Unit in a color or shade not approved in writing by the Board of Directors. The Board of Directors may approve only such modifications as do not impair the soundness, safety, utility or appearance of the Condominium.

Section 4.

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 Coowners of the Condominium, nor shall any unreasonably noisy activity be carried on in any Unit or on the Common Elements. 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.

Section 5.

No animal, including household pets, except one dog and one cat per Unit, may be kept without the prior written consent of the Board of Directors which consent, if given, shall be revocable at any time by the Board for failure by pets or their owners to observe provisions of the Bylaws or Rules and Regulations of the Association pertaining to pets. Any pets permitted to be kept in the Condominium shall have such care and restraint as not to be obnoxious on account of noise, odor or unsanitary conditions. No savage or dangerous animal shall be kept. No animal may be permitted to run loose upon the Common Elements and any animal shall at all times be attended by some responsible person while on the Common Elements. Any person who causes or permits an animal to be brought or kept on the Condominium property shall indemnify and hold harmless the Association for any loss, damage or liability which the Association may sustain as a result of the presence of such animal on the Condominium property.

Section 6.

The Common Elements, Limited or General, shall not be used for storage of supplies, materials, personal property or trash or refuse of any kind, except as provided in duly adopted rules and regulations of the Association. Trash receptacles shall be maintained in areas designated by the Association 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. Automobiles may only be washed in areas approved by the Association. 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 spoils the appearance of the Condominium.

Section 7.

Sidewalks, yards, landscaped areas, driveways, roads, parking areas, decks, stairs and porches shall not be obstructed in any way nor shall they be used for purposes other than for which they are reasonably and obviously intended. No bicycles, vehicles, chairs or benches may be left unattended on or about the Common Elements. Use of any recreational facilities in the Condominium may be limited to such times and in such manner as the Association shall determine by duly adopted regulations.

Section 8.

No Co-owner shall use, or permit the use by any occupant, agent, employee, invitee, guest or member of his family of any firearms, air-rifles; pellet guns, B-B guns, bows and arrows or other similar dangerous weapons, projectiles or devices anywhere on or about the Condominium premises.

Section 9.

No signs or other advertising devices shall be displayed which are visible from the exterior of a Unit or on the Common Elements, including, without limitation, "For Rent" or "For Sale" signs, without written permission from the Association.

Section 10.

Reasonable regulations consistent with the Act, the Master Deed and these Bylaws, concerning the use of the Common Elements may be made and amended from time to time by the Board of Directors of the Association. Copies of all such regulations and amendments thereto shall be furnished to all Co-owners and shall become effective thirty (30) days after mailing or delivery thereof to the designated voting representative or each Co-owner. Any such regulation or amendment may be revoked at any time by the affirmative vote of more than fifty (50%) percent of all Co-owners in number and in value except that the Co-owners may not revoke any regulation or amendment prior to the First Annual Meeting of Members of the Association.

Section 11.

The Association or its duly authorized agents shall have access to each Unit and any Limited Common Elements appurtenant thereto from time to time, during reasonable working hours, upon notice to the Co-owner thereof, as may be necessary for the maintenance, repair or replacement of any of the Common Elements. The Association or its agents shall also have access to each Unit and any Limited Common Elements appurtenant thereto at all times without notice as may be necessary to make emergency repairs to prevent damage to the Common Elements or to another Unit. It shall be the responsibility of each Co-owner to provide the Association means of access to his Unit and any Limited Common Elements appurtenant thereto during all periods of absence and in the event of the failure of such Co-owner to provide means of access, the Association may gain access in such manner as may be reasonable under the circumstances and shall not be liable to such Co-owner for any necessary damage to his Unit and any Limited Common Elements appurtenant thereto caused thereby or for repair or replacement of any doors or windows damaged in gaining such access.

Section 12.

- (a) A Co-owner may rent his Unit to others, who shall occupy such Unit under and subject to all restrictions, conditions and terms of these Bylaws and other Condominium Documents. If not rented through a rental management company approved by the Board, then the Co-owner shall notify the Board or designated officer of the number and names of such tenants prior to the arrival of such tenants at the Condominium Project. If the Board has hired a professional management company, Co-owner shall notify said management company of the number and names of such tenants prior to the arrival of such tenants at the Condominium Project.
- (b) Tenants of Co-owner shall comply with all of the conditions of the Condominium Documents of the Condominium Project and all leases and rental agreements shall so state.
- (c) If the Association determines that the tenant or non Co-owner occupant has failed to comply with the conditions of the Condominium Documents, the Association shall take the following action:

- 1. The Association shall notify the Co-owner by certified mail advising of the alleged violation by tenant.
- 2. The Co-owner shall have 15 days after receipt of such notice to investigate and correct—the affeged breach by the tenant or advise the Association that a violation has not—occurred.
- 3. If after 15 days the Association believes that the alleged breach is not cured or may be repeated, it may institute on its behalf or derivatively by the Co-owners on behalf of the Association, if it is under the control of the Developer, an action for eviction against the tenant or non Co-owner and tenant or non Co-owner occupant for breach of the conditions of the Condominium Documents. The relief set forth in this section may be by summary proceeding. The Association may hold both the tenant and the Co-owner liable for any damages caused by the Co-owner or tenant in connection with the Condominium Unit.
- (d) When a Co-owner is in arrearage to the Association for assessments, the Association may give written notice of the arrearage to a tenant occupying a Co-owner's Condominium 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 be a breach of the rental agreement or lease by the tenant.

Section 13.

No Co-owner shall perform any landscaping or plant any trees, shrubs or flowers or place any ornamental materials upon the Common Elements unless approved by the Association in writing.

Section 14.

No unsightly condition shall be maintained upon any deck and only furniture and equipment consistent with ordinary residential and recreational use 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 on any deck during seasons when such areas are not reasonably in use.

Section 15.

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

Section 16.

None of the restrictions contained in this Article VI shall apply to the commercial activities or signs or billboards, if any, of the Developer during the development and sales period as defined hereinafter, or of the Association in furtherance of its powers and purposes set forth herein and in its Articles of Association and Bylaws as the same may be amended from time to time. For the purposes of this Section, the development and sales period shall be deemed to continue so long as Developer owns any Unit, which he offers for sale. Until all Units in the entire Condominium Project (including the initial stage and any successive stages) are sold by the Developer, Developer shall have the right to maintain a sales office, a business office, a construction office, model Units, storage areas, reasonable parking incident to the foregoing and such access to, from and over the Project as may be reasonable to enable development and sale of the entire Project by Developer. Developer shall restore the areas utilized to habitable status upon termination of use.

Section 17.

Nothing contained in the Condominium Documents shall be construed to prohibit Developer from recording and implementing separate restrictive and affirmative covenants for the use and enjoyment of the Units on a time-share common ownership basis. Developer shall have the exclusive light to record and implement such covenants and hereby declares its intention to do so.

Section 18.

No more than six (6) persons may occupy a unit at one time.

Article VII MORTGAGES

Section 1.

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

Section 2.

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

Section 3.

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

Article VIII AMENDMENTS

Section 1.

Amendments to these Bylaws may be proposed by the Board of Directors of the Association acting upon the vote of the majority of the Directors or by one-third (1/3) or more in number of the members or by instrument in writing signed by them.

Section 2.

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

Section 3.

Except as expressly limited in Section 5 and Section 6 of this Article VIII, these Bylaws may be amended by the Association at any regular annual meeting or special meeting called for such purpose, by an affirmative vote of not less than sixty-six and two thirds percent (66 2/3%) of all Co-owners in number and in value.

Section 4.

These Bylaws may be amended by the first Board of Directors upon proposal of amendments by Developer without approval from any person to make such amendments as shall not increase or decrease the benefits or obligations, or materially affect the rights of any member of the Association.

Section 5.

Any amendment to these Bylaws (but not the Association Bylaws) shall become effective upon recording of such amendment in the Office of the Register of Deeds in the county where the Condominium is located.

Section 6.

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

Article IX COMPLIANCE

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

Article X DEFINITIONS

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

Article XI REMEDIES FOR DEFAULT

Section 1.

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

- (a) Failure to comply with any of the terms or provisions of the Condominium Documents or the Act shall be grounds for relief, which may include without intending to the limit the same, an action to recover sums due for damages, injunctive relief, foreclosure of lien (if default in payment of assessment) or any combination thereof, and such relief may be sought by the Association or, if appropriate, by an aggrieved Co-owner or Co-owners.
- (b) In any proceeding arising because of an alleged default by any Co-owner, the Association, if successful, shall be entitled to recover the costs of the proceeding and such reasonable attorneys' fees, not limited to statutory fees, as may be determined by the Court, but in no event shall any Co-owner be entitled to recover such attorney's fees.
- (c) The violation of any of the provisions of the Condominium Documents shall also give the Association or its duly authorized agent the right, in addition to the rights set forth above, to enter upon the Common Elements, Limited or General, or into any Unit, where reasonably necessary, and summarily remove and abate, at the expense of the Co-owner in violation, any structure, thing or condition existing or maintained contrary to the provisions of the Condominium Documents.
- (d) The violation of any of the provisions of the Condominium Documents by any Co-owner shall be grounds for assessment by the Association, acting through its duly constituted Board of Directors, of monetary fines for such violations. No fine may be assessed unless Rules and Regulations establishing such fine have first been duly adopted by the Board of Directors of the Association and notice thereof given to all Co-owners in the same manner as prescribed in Article VII, Section 6 of the Association Bylaws. Thereafter, fines may be assessed only upon notice to the offending Co-owners as prescribed in said Article II, Section 4, and an opportunity for such Co-owner to appear before the Board no less

than seven (7) days from the date of the notice and offer evidence in defense of the alleged violation. All fines duly assessed may be collected in the same manner as provided in Articles II of these Bylaws. No fine shall be levied for the first violation. No fine shall exceed \$25.00 for the second violation, \$50.00 for the third violation or \$100.00 for any subsequent violation.

Section 2

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

Section 3.

All rights, remedies and privileges granted to the Association or any Co-owner or Co-owners pursuant to any terms, provisions, covenants or conditions of the aforesaid Condominium Documents shall be deemed to be cumulative and the exercise of any one or more shall not be deemed to constitute an election of remedies, nor shall it preclude any party thus exercising the same from exercising such other and additional rights, remedies or privileges as may be available to such party at law or in equity.

Article XII SEVERABILITY

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

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Filed for Record in
ANTRIM COUNTY MICHIGAN
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10-04-2006 At 01:36 pm.
MST D AMEND 17.00
OR Liber 757 Page 1869 - 1870

FIRST AMENDMENT TO THE

CONDOMINIUM BYLAWS FOR HAWK'S EYE CLUB HOUSE CONDOMINIUM

Pursuant to the authority established by Article VIII, Section 4 of the Condominium Bylaws of Hawk's Eye Club House Condominium (hereinafter referred to as "Bylaws") as recorded in Liber 722, Pages 267 through 283 in the Antrim County Register of Deeds, Hawk's Eye Golf Club, L.L.C. (hereinafter referred to as the "Developer") hereby wishes to amend the Bylaws as follows:

1. Amend Article VI to include the following Sections as per the request of Northwest Michigan Community Health Agency.

Section 19.

The initial and replacement drain field locations as depicted on the approved condominium subdivision plan/wastewater treatment & disposal system design dated 6-05-06 Aaron Nordman, PE (Lic. No. 49600), Performance Engineers, Inc. shall be preserved for that use by the condominium association.

Section 20.

Initial and replacement drain field areas are to be preserved by restricting vehicular traffic, filling or cutting of grade and placement of structures in those areas unless as otherwise directed by the Northwest Michigan Health Agency (the local public health agency).

Section 21.

The condominium association shall be responsible for the maintenance and proper operation of the wastewater treatment/disposal system serving the project. The procedures outlined in the approved "Operation and Maintenance Manual" prepared by Performance Engineers, Inc. shall be followed.

2. Amend Article VIII to include the following Section as per the request of Northwest Michigan Community Health Agency.

Section 7.

Article VI, Section(s) 19, 20 and 21 shall run in perpetuity and may only be waived by the Northwest Michigan Community Health Agency (the local public Health Agency).

3. Amend Article V Section 3 to read as follows.

No Co-owner shall make alterations in exterior appearances 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 (but not by way of limitation) exterior painting or the erection of antennas, lights, aerials, awnings, doors (including screen doors), shutters or other exterior attachments or modifications, nor shall any Co-owner damage or make modifications or attachments to Common Element walls between Units in any way which impairs sound conditioning provisions.

In order to maintain uniformity of Condominium exterior appearance, the exterior side of all drape and drape liners must be approved in writing by the Board of Directors. The Board of Directors may only approve drapes and drape liners that are white or of a natural color and the Board of Directors must take into consideration the uniformity of the exterior of the

building when making its decision. Co-owner shall not paint the exterior surface of any door or other exterior surface to his Unit in a color or shade not approved in writing by the Board of Directors. The Board of Directors may approve only such modifications as do not impair the soundness, safety, utility or appearance of the Condominium.

In all respects, other than as hereinabove indicated, the original Condominium Bylaws for Hawk's Eye Clubhouse Condominium are hereby ratified, confirmed and redeclared.

This instrument is dated October 4, 2006.

HAWK'S EYE GOLF CLUB, L.L.C., A MICHIGAN LIMITED LIABILITY COMPANY

By: XI. Grant Rowe

Its: MANAGING MEMBER

STATE OF MICHIGAN -)

) ss

COUNTY OF ANTRIM)

The foregoing First Amendment to the Condominium Bylaws of Hawk's Eye Club House Condominium citation was acknowledged before me this 4th day of October 2006, by H. Grant Rowe, Manager of Hawk's Eye Golf Club, L.L.C., a Michigan Limited Liability Company.

Susan Terres, Notary Public

Antrim County, Michigan

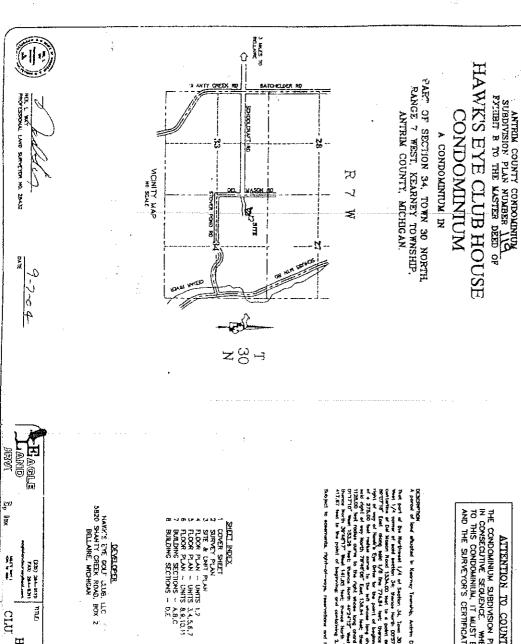
Acting in Antrim County, Michigan

My Commission Expires: October 2, 2011

Instrument drafted by:

David H. Rowe Attorney 5820 Shanty Creek Road Bellaire, Michigan 49615

First Amendment
To the
Condominium Bylaws
Page 1 3



ATTENTION TO COUNTY REGISTER OF DEEDS

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

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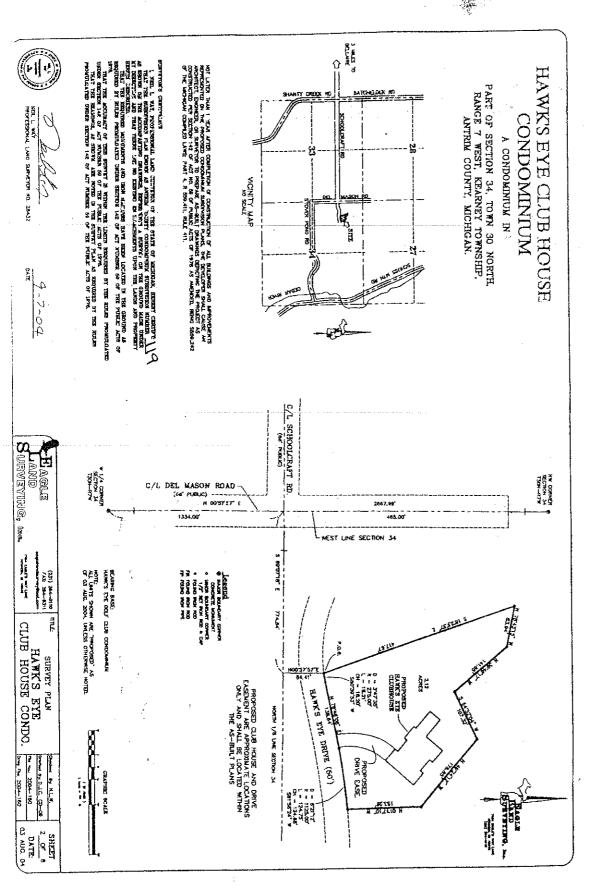
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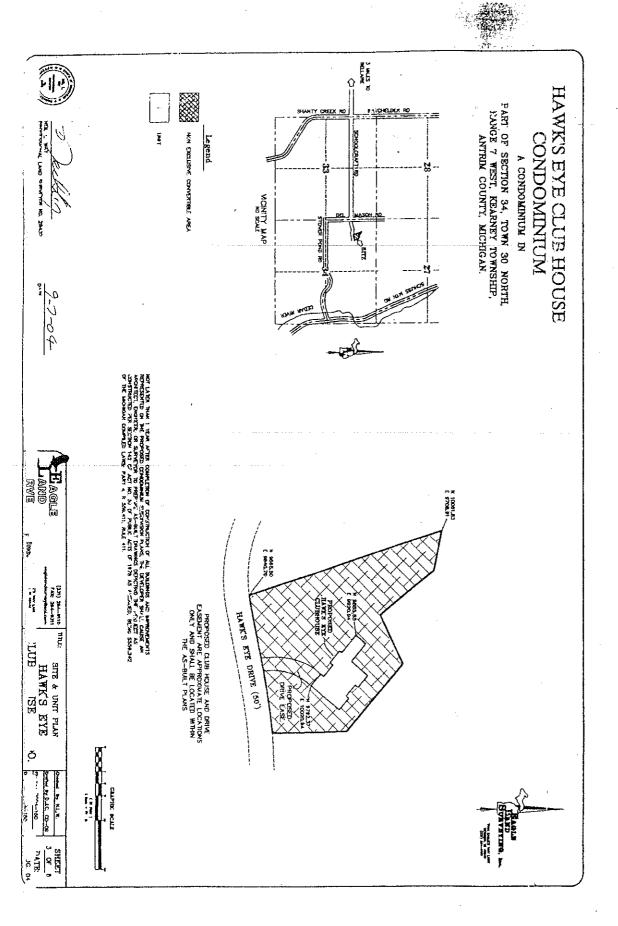
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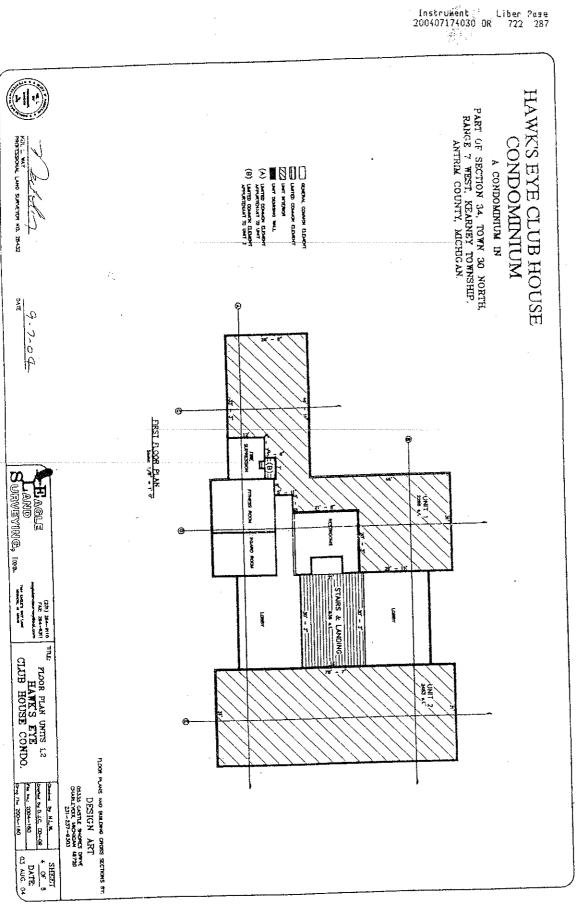
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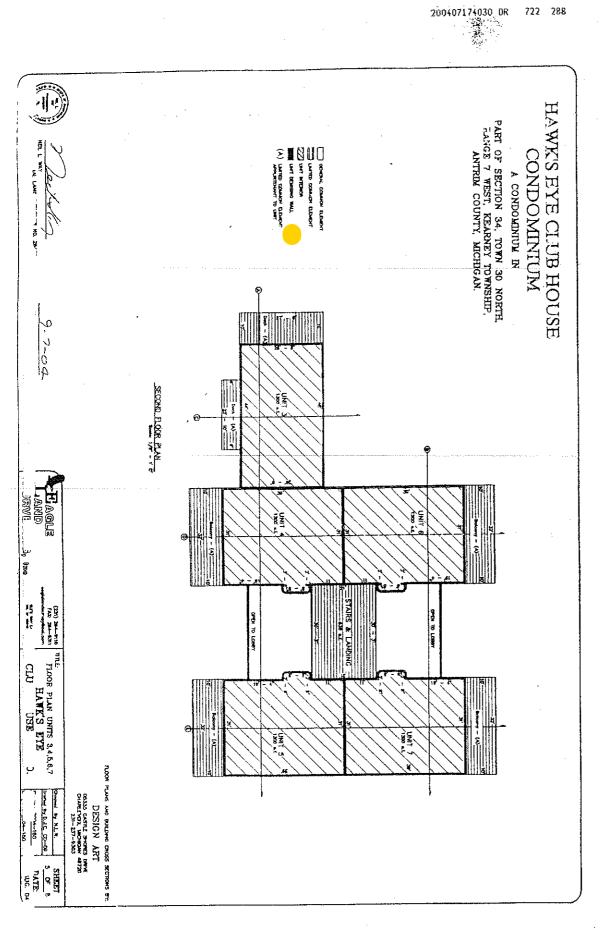
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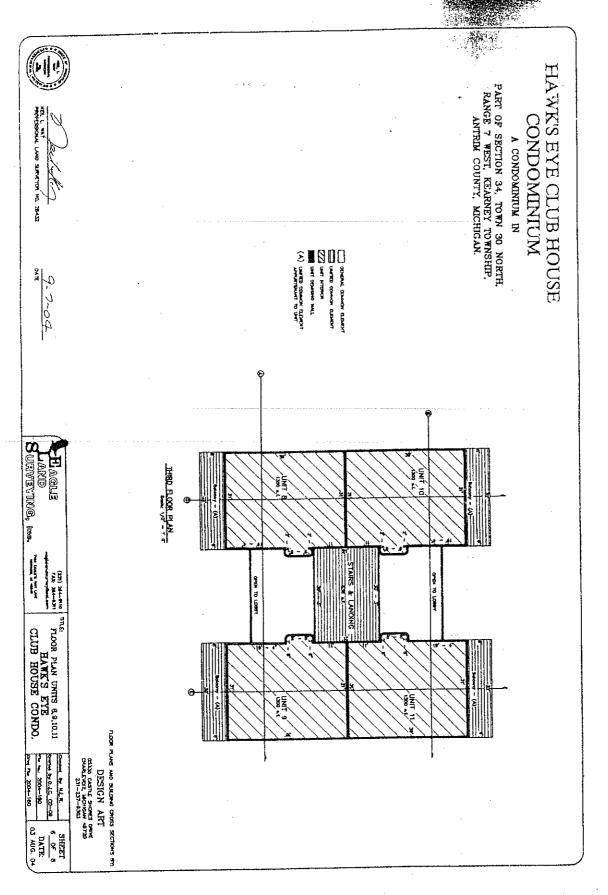
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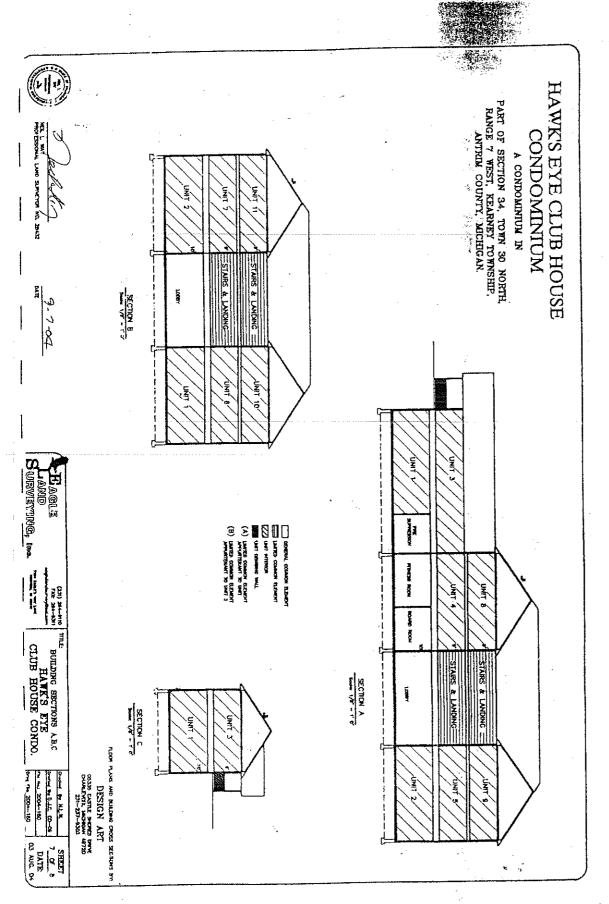












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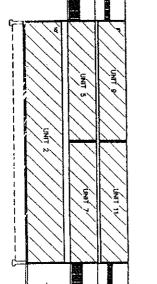
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reby certify that according to our records all taxes med to this office are paid for five years preceding the process of collection.

rry A. Comben, Antrim County Treasurer

FIRST AMENDMENT TO THE MASTER DEED OF HAWK'S EYE CLUB HOUSE CONDOMINIUM

Hawk's Eye Golf Club, L.L.C., a Michigan Limited Liability Company, whose address is 5820 Shanty Creek Road, Bellaire, Michigan 49615, being the Developer of Hawk's Eye Club House Condominium, a condominium project established pursuant to the Master Deed thereof, recorded in Liber 722, Pages 258 through 291, Antrim County Register of Deeds, Antrim County, Michigan and known as Antrim County Subdivision Plan No. 119. Hawk's Eye Golf Club, L.L.C. hereby amends the Master Deed of Hawk's Eye Club House Condominium pursuant to the authority set forth in Article VIII, Section B of said Master Deed to amend said Master Deed to correct survey or other errors. The Master Deed is hereby amended as follows:

1. Amend Condominium Subdivision Plan No. 119 (Exhibit "B") as follows:

Sheets 1, 5, 6, 7 and 8 of Condominium Subdivision Plan No. 119, being Exhibit "B" to the Master Deed of Hawk's Eye Club House Condominium as attached hereto, shall replace and supersede Sheets 1, 5, 6, 7, and 8 of the Condominium Subdivision Plan of Hawk's Eye Club House Condominium previously recorded, and the previously recorded Condominium Subdivision Plan No. 119 shall be of no further force or effect.

In all respects, other than as hereinabove indicated, the original Master Deed of Hawk's Eye Club House Condominium, including the Bylaws and the Condominium Subdivision Plan respectively attached thereto as Exhibits "A" and Exhibit "B" as aforesaid, is hereby ratified, confirmed and redeclared.

This instrument is dated November 19, 2004.

Hawk's Eye Golf Club, L.L.C., A MICHIGAN LIMITED LIABILITY COMPANY

3Y: __

H. GRANT ROWE

ITS: MANAGER

STATE OF MICHIGAN)

COUNTY OF ANTRIM

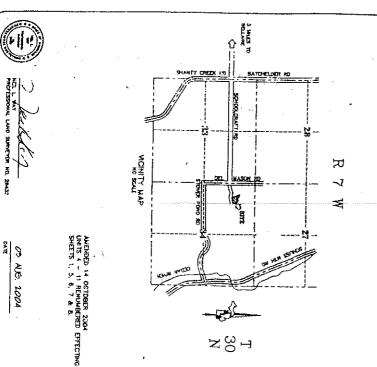
The foregoing First Amendment to the Master Deed of Hawk's Eye Club House Condominium was acknowledged before me this 19th day of November, 2004, by H. Grant Rowe, Manager of Hawk's Eye Golf Club, L.L.C., a Michigan Limited Liability Company.

Susan Terres, Notary Public Antrim County, Michigan

My Commission Expires: October 2, 2005

Instrument drafted by:

David H. Rowe Attorney 5820 Shanty Creek Road Bellaire, Michigan 49615



ANTRIM COUNTY CONDOMINIUM SUBDIVISION PLAN NUMBER 119 EXHIBIT B TO THE MASTER DEED OF

HAWK'S EYE CLUB HOUSE AMENDED

CONDOMINIUM A CONDOMINIUM IN

PART OF SECTION 34, TOWN 30 NORTH, RANGE 7 WEST, KEARNEY TOWNSHIP, ANTRIM COUNTY, MICHIGAN.

ASSCRIPTION A percel of land alterdad in Keerney Township, Anthin County, Michigan, and more fully described on Indiana

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

ATTENTION TO COUNTY REGISTER OF DEEDS

E LIBORITE AND SENTING AND ORING.

(23) 264-010 FAX: 264-13)1 explainment and com 78. 08.51 11. 14.

TITLE:

CLUP HOUSE CONDO.

2

DATE SHEET

COVER SHEET

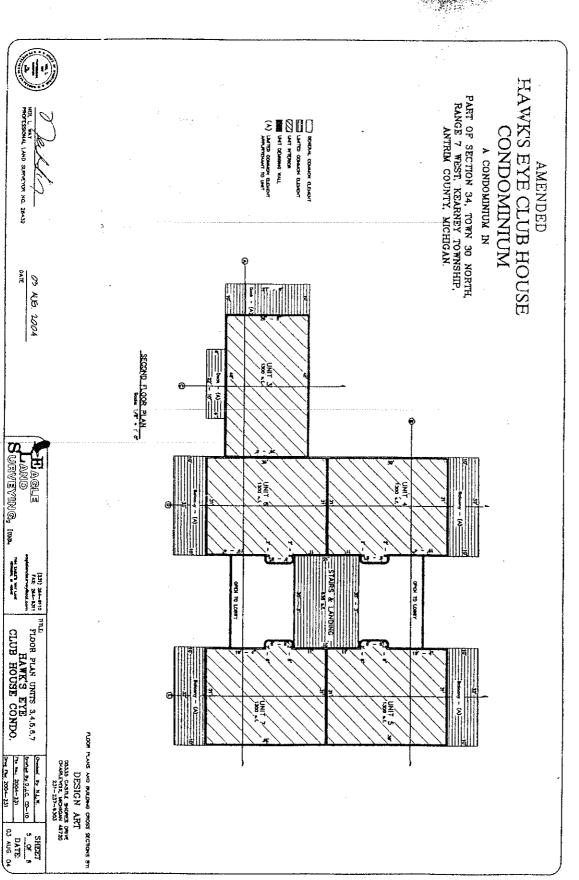
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FLOOR PLAN - UNITS 3,4,5,6,7
FLOOR PLAN - UNITS 8,9,10,11
BUILDING SECTIONS - D.E
BUILDING SECTIONS - D.E

FLOOR PLANS AND BUILDING CROSS SECTIONS BY:

DEVELOPS.

HAWK'S EYE O'DS CLUB, LLC
5820 SHÁHTY C'SEEK ROAD, BOX 2
BELLAIRE, MICHIGAN



AMENDED







03 N.G. 2004

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And the same

HAWKS EYE
CLUB HOUSE CONTO.

Demond by N.L.N.
Demond by O.-1.C. 99-10
Pr. No. 2004-231

DATE:

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CHARLEVEY, MICHELIN 48720
231-237-9303

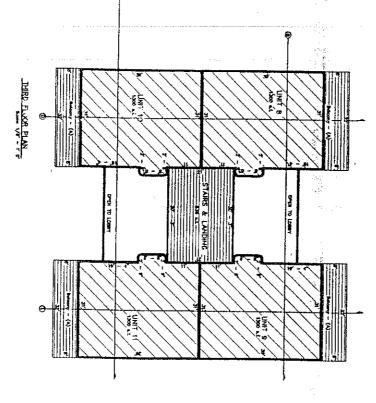
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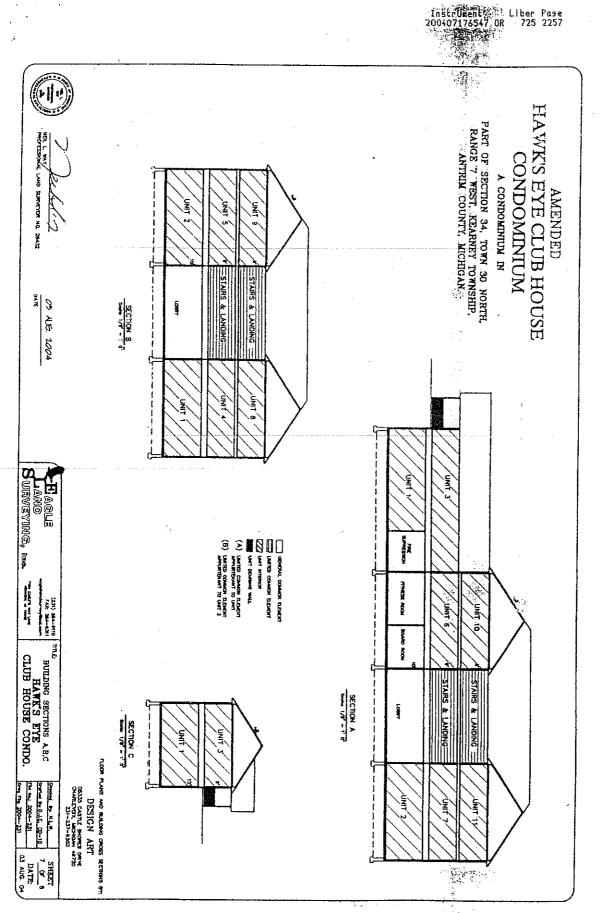
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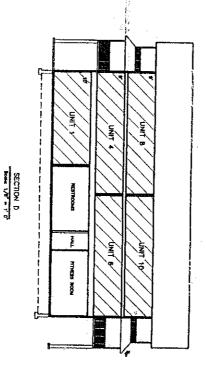
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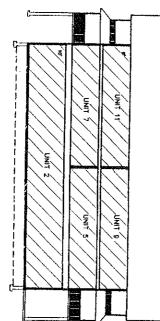
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HAWK'S EYE CLUB HOUSE PART OF SECTION 34, TOWN SO NORTH, RANGE 7 WEST, KEARNEY TOWNSHIP, ANTRIM COUNTY, MICHIGAN. CONDOMINIUM A CONDOMINIUM IN AMENDED

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THE STATE OF THE STATE OF (231) 384-0110 FAX: 284-8311 dandeu/reymod.com

BUILDING SECTIONS D.E
HAWK'S EYE
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SECTION E

PLOOR PLANS AND BUILDING CHOOSS SECTIONS BY:
DESIGN ART
DAXIS CARTLY SUDRES DAYS
CHARLEVOR, MCHONA 48720
231-237-9303

Coupe by HLM SHEET

COMM BY DAGE ID-10 B OF B

DATE

DATE

1 2004—1 13 AUG.

CEPTIFICATION 4 Add C. I hereby certify that according to our records all taxes returned to this office are paid for five years preceding the date to this instrument. This does not include taxes in the process of collection.

200600010367
Filed for Record in
ANTRIM COUNTY MICHIGAN
PATTY NIEPOTH - 268
10-04-2006 At 01:36 pm.
MST D AMEND 47.00
OE Liber 757 Page 1871 - 1882

Sherry A. Comben, Antrim County Treasurer

SECOND AMENDMENT TO THE MASTER DEED OF

HAWK'S EYE CLUB HOUSE CONDOMINIUM

Hawk's Eye Golf Club, L.L.C., a Michigan Limited Liability Company, whose address is 5820 Shanty Creek Road, Bellaire, Michigan 49615, being the Developer of Hawk's Eye Club House Condominium, a condominium project established pursuant to the Master Deed thereof, recorded in Liber 722, Pages 258 through 291, Antrim County Register of Deeds, Antrim County, Michigan and known as Antrim County Subdivision Plan No. 119 as amended. Hawk's Eye Golf Club, L.L.C. hereby further amends the Master Deed of Hawk's Eye Club House Condominium pursuant to the authority set forth in Article VIII, Section B of said Master Deed. The Master Deed is hereby amended as follows:

- 1. Amend Article V(B) to read as follows:
- B. The percentage of value assigned to each unit shall be as follows:

UNIT N	O. % VALUE	UNIT NO.	% VALUE	
1	17.9	7	7.4	
2	15.5	8	7.4	
3	7.4	9	7.4	
4	7.4	10	7.4	
5	7.4	11	7.4	
6	7.4	TOTAL	100%	

The Developer determined the percentage of value attributable to each unit by evaluating the square footage of each unit and determining the sum of the square footage of all units. It was then determined what percentage of the total spare footage each unit represented. An adjustment of, increasing Unit 1 and Unit 2 by one and one tenth percent (1.1%), was made, thereby adjusting Units 3, 4, 5, 6, 7, 8, 9, 10, and 11's percentage of value proportionately. Said adjustment was made to take into consideration the increased burden Units 1 and 2 will have on portions of the common elements.

At such time the Developer should build additional Units in Hawk's Eye Club House Condominium, the Developer shall cause the percentage value assigned to each unit to be amended by appropriate amendment to this Master Deed, executed solely by the Developer without the consent of any Co-Owners, mortgagees, or other interested party. The Developer, using its sole judgment, shall adjust the percentage value using appropriate unit market valuations, unit square footage and unit location to equitably distribute percentage of value among all the units in the Condominium Project.

2. Amend Article VII, Section 5 to read as follows:

Section 5. EASEMENTS RETAINED BY DEVELOPER.

Developer reserves an easement for the benefit of itself, its successors and assigns, over all of the General Common Elements of the Project. Developer or its assigns may use this easement and grant rights to this easement through contract, deed or other legal instrument for any purpose it deems appropriate, including, but not limited to, ingress and egress to other developments adjacent to, or in the proximity of the Project, for installation of public or private utilities, or for any other purpose it deems necessary. Any such uses are not required to benefit the Condominium in any way.

Further, without having any effect to limit any of Developer's easements identified herein, Developer and its assigns specifically reserve an easement to use the pool and the area directly surrounding the pool, restrooms, board room and fitness room as indicated in Exhibit "B" attached hereto. In the event Developer assigns the right to use the pool to any development, those developments shall pay their share of the expenses to maintain the pool. The expense allocated to each unit and/or home site shall be determined by dividing the cost of maintaining the pool by the total number of units and/or home sites assigned rights to use the pool. All costs for the use shall be billed directly to the overlying Association if one exists. If said bill is not paid in a timely manner, then the rights to use the pool shall be suspended until such time as the bill is maintained.

Further, Developer reserves for the benefit of itself, its successors and assigns, perpetual easements for the unrestricted use of all walkways and Condominium general common elements in the Condominium Project for the purposes of ingress and egress to and from all, or any portion of, the land described in Article II of this Master Deed, or any portion or portions thereof, and any other land contiguous to the Condominium Project which may be now owned or hereafter acquired by the Developer or its successors and assigns, or upon which the Developer or its successors now or hereafter benefit from an easement. The Developer also hereby reserves for the benefit of itself, its successors and assigns, and all future owners of the land described in Article II of this Master Deed, or any portion(s) thereof and any other land contiguous to the Condominium Project which may be now owned, or hereafter acquired, by the Developer perpetual easements to utilize, tap and tie into all utilities located on the Condominium Project. The Developer reserves to itself, its successors and assigns, the right to terminate and revoke any utility easements granted in Exhibit "B" at such time as the particular easement becomes unnecessary. This may occur, by way of example and not limitation, when water or sewer systems are connected to municipal systems. No utility easement may be terminated or revoked unless and until all units served by it are adequately served by an appropriate substitute or replacement utility. Any termination or revocation of any such easement shall be effected by the recordation of an appropriate instrument of termination.

Developer also reserves easements over the common elements of the Condominium to facilitate the operation of the commercial enterprises in Unit 1 and Unit 2. Said easement shall include all such uses which are incidental to those commercial operations, including, but not limited to: ingress and egress for customers and employees, use for special events and, generally, use in all ways reasonably related to the operation of the commercial enterprises.

3. Amend Article VII, Section 7 to read as follows:

Section 7. PARKING, ACCESS & GROUNDS EASEMENT.

The Developer grants a non-exclusive easement for the purpose of ingress and egress for each Co-Owner to the common element of the Condominium from West Hawk's Eye Drive and for parking in the immediate vicinity of the Condominium for the Co-Owners. Each Co-Owner will have access to the Condominium via the access road and parking lots and sidewalks constructed by the Developer in the general vicinity of the Condominium. The Co-owners shall abide by reasonable rules established by the Developer with regard to the use of this easement. Developer also reserves the sole right to modify the access roads, sidewalks and parking areas in the future, including the location of them.

In return for this easement, the Co-Owners will be responsible for paying for the maintenance and upkeep of the access road, parking facilities, walkways and lighting in keeping with their percentage of ownership in the Condominium, as provided by this Master Deed. Said expense shall be treated as an Association expense and, therefore, shall be included in the dues of the respective Co-Owners. This easement is intended to run with the land.

Co-Owners shall also directly benefit from landscaping and gardens in the area designated as Non Exclusive Convertible Area General Common Elements on Exhibit "B" attached hereto. Developer, its successor or assigns, shall have full discretion over landscaping of this area, including without limitation, the planting and maintenance of flower beds, movement of planting beds, planting of trees and scrubs, planting and maintenance of lawn areas, installation of recreational areas, lighting of these areas and seasonally decorating these areas. Co-Owners shall be responsible for all expense associated with the above, which shall be treated as an Association expense and shall be included in the dues of the respective Co-Owners.

4. Amend Condominium Subdivision Plan No. 119 (Exhibit "B") as follows:

The previously recorded sheets 1, 2, 3, 4, 5, 6, 7, and 8 of the Condominium Subdivision Plan No. 119, attached to previously recorded Exhibit "B" to the Master Deed of Hawk's Eye Club House Condominium as amended are hereby replaced and superceded by attached sheets 1, 2, 3, 4, 5, 6, 7, and 8.

Sheet 9 of Condominium Subdivision Plan No. 119 is hereby added to the previously recorded Exhibit "B" to the Master Deed of Hawk's Eye Club House Condominium, said sheet being attached hereto. Sheet 9 shall supplement the previously recorded Condominium Subdivision Plan No. 119, as amended and together shall be deemed to constitute the entire Condominium Subdivision Plan No. 119 being Exhibit "B" to the Master Deed of Hawk's Eye Clubhouse Condominium.

In all respects, other than as hereinabove indicated, the original Master Deed of Hawk's Eye Club House Condominium, including the Bylaws and the Condominium Subdivision Plan respectively attached thereto as Exhibits "A" and Exhibit "B" as aforesaid, is hereby ratified, confirmed and redeclared.

This instrument is dated October 4, 2006.

Hawk's Eye Golf Club, L.L.C.,

A MICHIGAN LIMITED LIABILITY COMPANY

H GRANT ROWE

ITS: MANAGING MANAGER

STATE OF MICHIGAN)

SS

COUNTY OF ANTRIM

The foregoing Second Amendment to the Master Deed of Hawk's Eye Club House Condominium was acknowledged before me this 4th day of October 2006, by H. Grant Rowe, Manager of Hawk's Eye Golf Club, L.L.C., a Michigan Limited Liability Company.

Susan Terres, Notary Public

Antrim County, Michigan

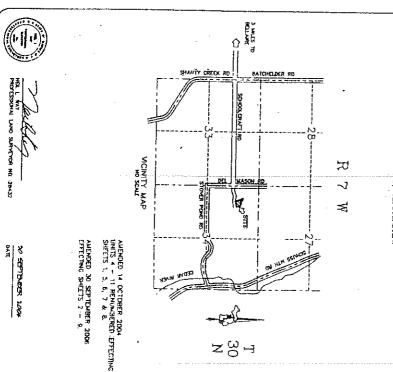
Acting in Antrim County, Michigan

My Commission Expires: October 2, 2011

Instrument drafted by:

David H. Rowe Attorney 5820 Shanty Creek Road Bellaire, Michigan 49615

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ANTRIM COUNTY CONDOMINIUM SUBDIVISION PLAN NUMBER 119 PEED OF EXHIBIT B TO THE MASTER DEED OF

HAWK'S EYE CLUB HOUSE 2ND AMENDMENT TO CONDOMINIUM

A CONDOMINIUM IN

PART OF SECTION 34, TOWN 30 NORTH.
RANGE 7 WEST, KEARNEY TOWNSHIP.
ANTRIM COUNTY, MICHIGAN.

ATTENTION TO COUNTY REGISTER OF DEEDS

THE CONDOMINIUM SUBDINISION PLAN NUMBER MUST HE ASSIGNED IN CONSECUTIVE SEQUENCE. WHEN A NUMBER HAS BEEN ASSIGNED TO THIS CONDOMINUM, IT MUST BE SHOWN ON THIS COVER SHEET AND THE SURVEYOR'S CERTIFICATE ON SHEET 2 & 3.

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5 FLOOR PLAN — UNITS 1,2

6 FLOOR PLAN — UNITS 3,4,5,6,7

7 FLOOR PLAN — UNITS 8,9,10,11

8 BUILDING SECTIONS — D.E.

8 BUILDING SECTIONS — D.E.

HAWK'S EYE GOLF CLUB, LLC 5820 SHANTY CREEK ROAD, HOX 2 BELLAIRL, MICHIGAN

THER PLANS AND BUILDING CROSS SECTIONS BY

DESIGN ART

05335 CASTLE SHORES DRIVE CHARLEVOIX, MICHGAN 49720 231-237-9303

DEVELOPER

XHELL INDEX

S WHYEVEN S

(23) 264-9110 FAX: 264-9311 empletoritum/mythod.com

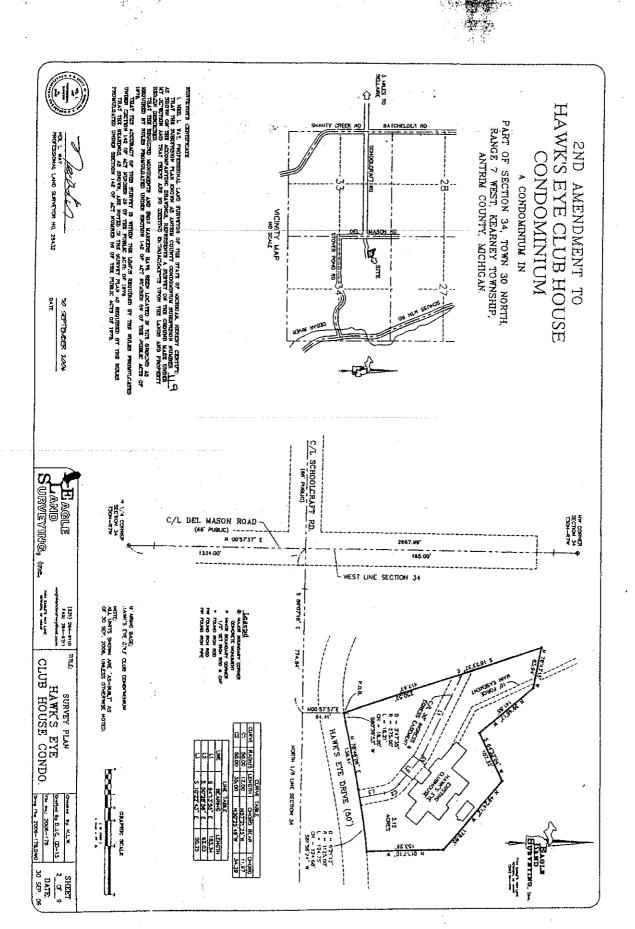
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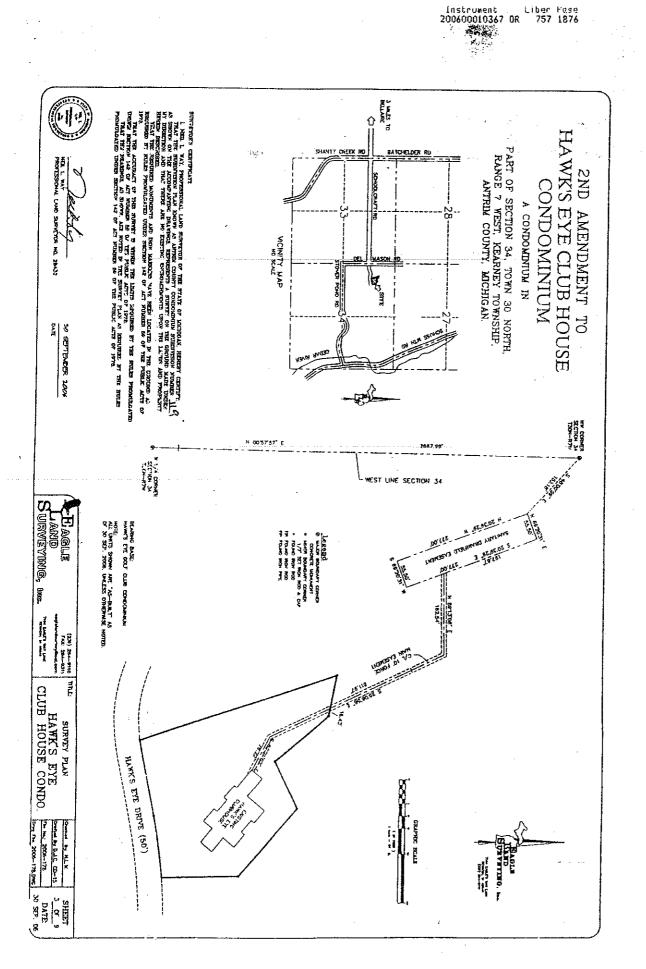
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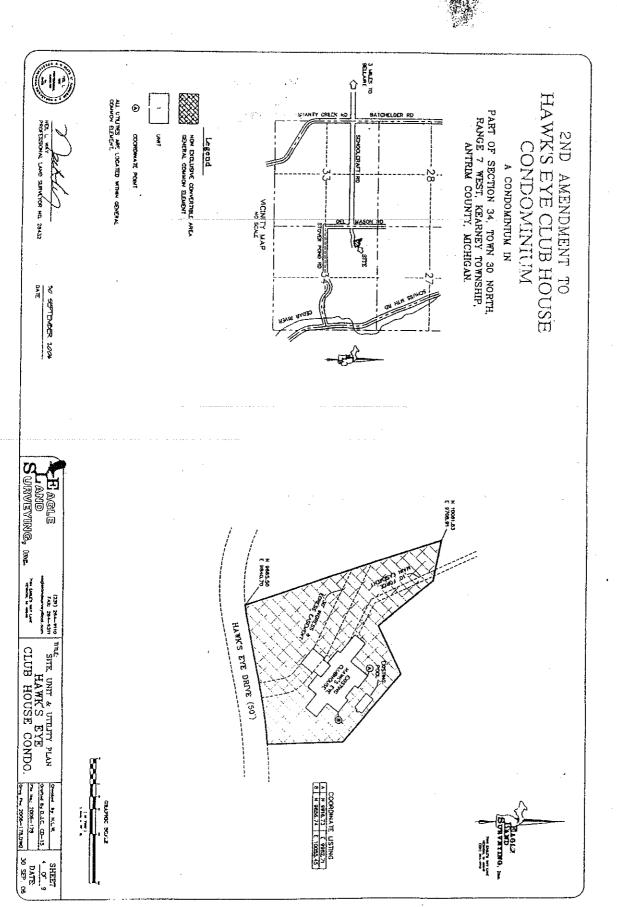
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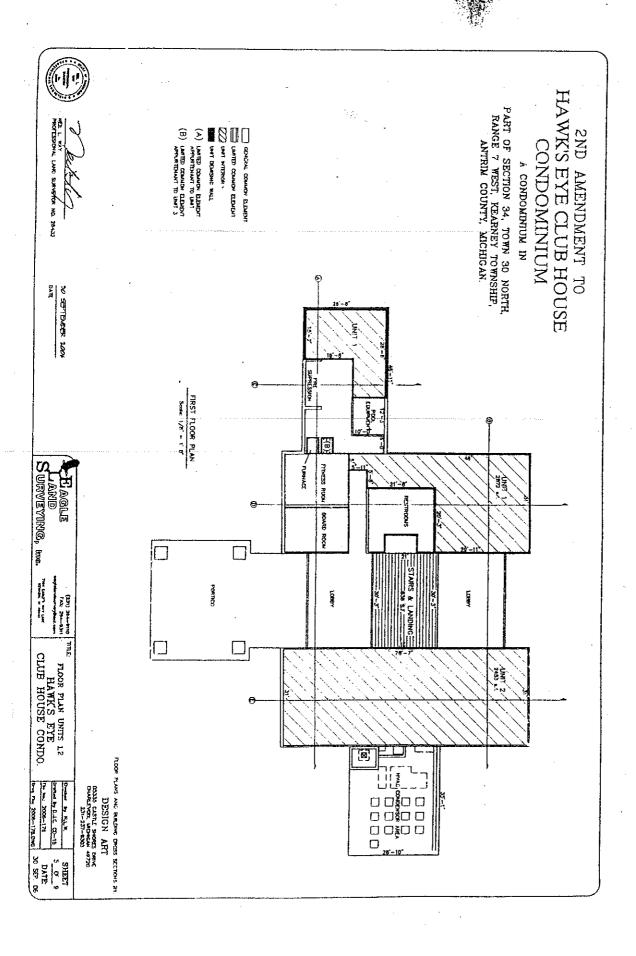
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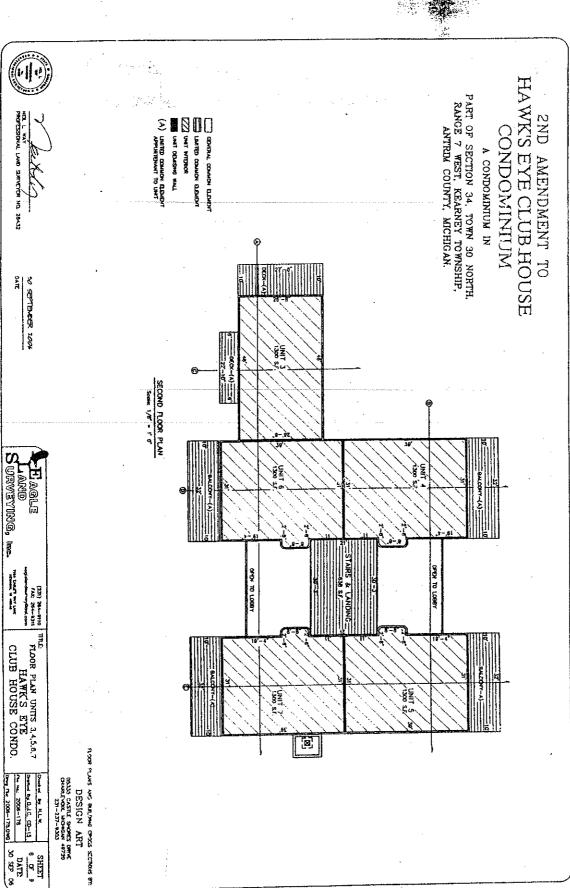
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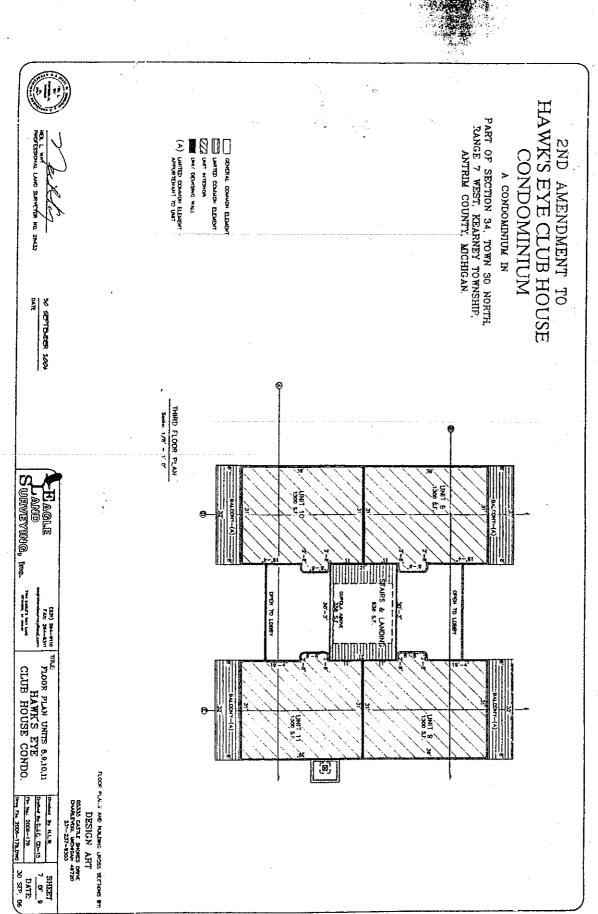


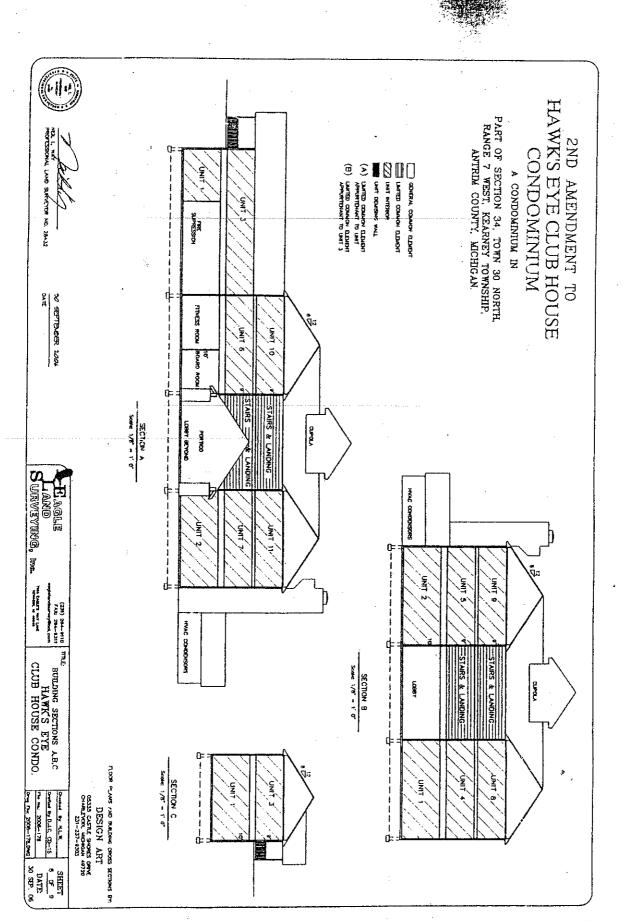


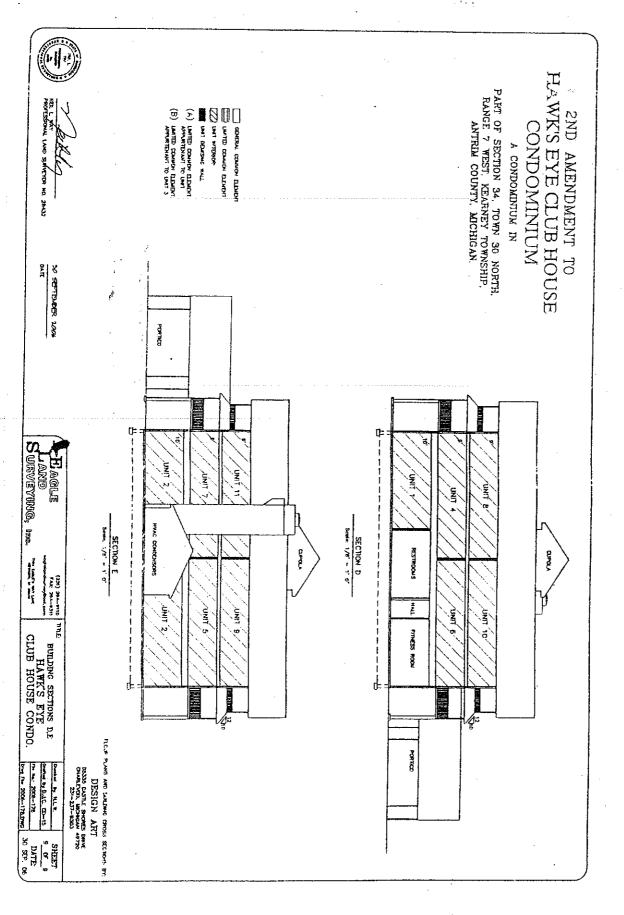












Michigan Department of Consumer and Industry Services

Filing Endorsement

This is to Certify that the ARTICLES OF INCORPORATION - NONPROFIT for

HAWK'S EYE CLUB HOUSE CONDOMINIUM ASSOCIATION

ID NUMBER: 780996

received by facsimile transmission on July 30, 2004, is hereby endorsed filed on August 4, 2004 by the Administrator. The document is effective on the date filed, unless a subsequent effective date within 90 days after received date is stated in the document.

In testimony whereof, I have hereunto set my hand and affixed the Sea! of the Department, in the City of Lansing, this 4th day of August, 2004.

. Director

Bureau of Commercial Services

	DEPARTMENT OF CONS			
Date Received	RPORATION AND LAND			
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homas B. Rowe	·			
^{ddress} 5820 Shanty Creek Ro	oad .			
ly Jellaire	State MI	Zip Code		
		49615	EFFECTIVE DATE:	
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Articles:		•		
ARTICLE I				
The name of the corp	poration is:			
THE HORSE STATE IN		ıb House Condomin	ium Association	
ARTICLE II				
The purpose or purpo	oses for which the corporation	n is organized are:		
See Exhibit "A"	,	in organization		•
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·				7
ARTICLE III				
ARTICLE III	organized upon a			_basis.
ARTICLE III	organized upon a	Nonstock (Slock or Nonste		_basis.
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b. The description and value of its personal	property assets are: (if none, in	nsert "none")	5
None.			
c. The corporation is to be financed under t	he following general plan:		
Assessment of members.	•		
d. The corporation is organized on a	Membership		basis.
	(Membership or Directors	hip)	
ARTICLE IV			
The address of the registered office is:			4.
5820 Shanty Creek Road	Bellaire	, Michigan	49615
(Street Address)	(City)	, moragon	(ZIP Code)
2. The mailing address of the registered office,	if different than above:		_
Same as above		, Michigan	
(Street Address or P.O. Box)	(City)		(ZIP Code)
3. The name of the resident agent at the regist			
3. The name of the resident agent at the regist	ered office is: H. Grant Rowe,		447-614-10-10-10-10-10-10-10-10-10-10-10-10-10-
3. The name of the resident agent at the regist			
3. The name of the resident agent at the registr			· · · · · · · · · · · · · · · · · · ·
	H. Grant Rowe		
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See attached Exhibit	"A".			s i se		
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(We), the incorporator	(s) sign my_(oui	r) name(s) this	30th	dayof	July	2004
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L Const Davis Jac			·····			
. Grant Rowe, Inc	orporator					
						
-31					_	
Ą					,	

Name of person or organization remitting fees:

The Real Estate Place of Bellaire, Inc.

Preparer's name and business telephone number:

Thomas B. Bowe

(231) 533-8636

INFORMATION AND INSTRUCTIONS

- 1. The Articles of Incorporation cannot be filed until this form, or a comparable document, is submitted.
- Submit one original of this document. Upon filing, the document will be added to the records of the Corporation and Land
 Development Bureau. The original will be returned to your registered office address, unless you enter a different address in the box
 on the front of this document.

Since this document will be maintained on optical disk media, it is important that the filing be legible. Documents with poor black and white contrast, or otherwise illegible, will be rejected.

- 3. This document is to be used pursuant to the provisions of Act 162, P.A. of 1982, by one or more persons for the purpose of forming a domestic nonprofit corporation.
- 4. Article II The purpose for which the corporation is organized must be included. It is not sufficient to state that the corporation may engage in any activity within the purposes for which corporations may be organized under the Act.
- 5. Article III The corporation must be organized on a stock or nonstock basis. Complete Article III(2) or III(3) as appropriate, but not both. Real property assets are items such as land and buildings. Personal property assets are items such as cash, equipment, fixtures, etc. The dollar value and description must be included. If there is no real and/or personal property, write in "none".
- 6. A domestic nonprofit corporation may be formed on either a membership or directorship basis. A membership corporation entitles the members to vote in determining corporate action. If organized on a directorship basis the corporation may have members but they may not vote and corporate action is determined by the Board of Directors.
- 7. Article IV A post office box may not up designated as the address of the registered office.
- 8. Article V The Act requires one or more incorporators. Educational corporations are required to have at least three (3) incorporators. The address(es) should include a street number and name (or other designation), city and state.
- 9. This document is effective on the date endorsed "filed" by the Bureau. A later effective date, no more than 90 days after the date of delivery, may be stated as an additional article.
- 10. The Articles must be signed in ink by each incorporator listed in Article V. However, if there are 3 or more incorporators, they may, by resolution adopted at the organizational meeting by a written instrument, designate one of them to sign the Articles of Incorporation on behalf of all of them. In such event, these Articles of Incorporation must be accompanied by a copy of the resolution duly certified by the acting secretary at the organizational meeting and a statement must be placed in the articles incorporating that resolution into them.
- 11. FEES: Make remittance payable to the State of Michigan. Include corporation name on check or money order.

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\$20.00

To submit by mail:

Michigan Department of Consumer & Industry Services Corporation and Land Development Bureau Corporation Division 7150 Harris Drive P.O. Box 30054 Lansing, MI 48909 To submit in person:

6546 Mercantile Way Lansing, MI Telephone: (517) 241-6400

Fees may be paid by VISA or Mastercard when delivered in person to our office.

To submit electronically: (517) 334-8048 or (517) 334-6800

*To use this service complete a MICH-ELF application to provide your VISA or Mastercard number. Include your assigned Filer number on your transmission. To obtain an application for a filer number, contact (517) 241-6420 or visit our WEB site at http://www.cis.state.mi.us/corp/.

EXHIBIT "A"

Articles of Incorporation for HAWK'S EYE CLUB HOUSE CONDOMINIUM ASSOCIATION

ARTICLE II

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

- 1. To manage and administer the affairs of and to maintain Hawk's Eye Club House Condominium (hereinafter referred to as "Condominium");
- 2. To levy and collect assessments against and from the Members of the Corporation and to use the proceeds thereof to achieve what is desired by the Corporation;
- 3. To carry insurance and to collect and allocate the proceeds thereof;
- 4. To rebuild improvements after casualty;
- 5. To contract for and employ persons, firms, corporations or other entity to assist in the management, operation, maintenance and administration of said Condominium;
- 6. To make and enforce reasonable regulations concerning the use and enjoyment of said Condominium, subject to the provisions set forth in the corporate bylaws of the association;
- 7. To own, maintain, improve, buy, sell, convey, assign, mortgage or lease (as landlord or tenant) any real and/or personal property; including, but not limited to, any Unit in the Condominium, and easements, licenses or any other real property, whether or not contiguous to the Condominium, for the purpose of providing benefit to the Members of the Corporation and in furtherance of any of the purposes of the Corporation;
- 8. To borrow money and issue evidence of indebtedness in furtherance of any or all of the objects of its business; to secure the same by mortgage, pledge or other lien;
- 9. To enforce the provisions of the Master Deed, the Bylaws of the Condominium and these Articles of Incorporation and such Bylaws, Rules and Regulations of this Corporation as may hereinafter be adopted;
- 10. To do anything required of, or permitted to, it as administrator of said Condominium by the Master Deed or Bylaws or by Act No. 59 of the Public Acts of 1978, as amended; and
- In general, to enter into any kind of activity, to make and perform any contract and to exercise all powers necessary, coincidental or convenient to the administration, management, maintenance, repair, replacement and operation of said Condominium and to the accomplishment of any purposes thereof.

ARTICLE VI

The term of the corporation is perpetual.

ARTICLE VII

The qualifications of Members, the manner in which they are admitted to the Corporation, the termination of membership and voting by the Members shall be as follows:

- 1. Each Co-owner (including the Developer) of a Unit in the condominium shall be a Member of the Corporation. No other person or entity shall be a Member of the Corporation.
- 2. Membership in the Corporation (except with respect to the non-Co-owner incorporator, which shall cease to be a Member upon the qualification of Membership of any Co-owner) shall be established by acquisition of fee simple or equitable title to a Unit in the Condominium and by recording with the Register of Deeds of Antrim County, Michigan, a deed, land contract or other legal instrument establishing a change of title to such Unit and the furnishing of evidence of same satisfactory to the Corporation (except that the Developer of the Condominium Project shall become a Member immediately upon the establishment of the Condominium), the new Co-owner thereby becoming a Member of the Corporation, and the membership of the prior Co-owner thereby being terminated.
- 3. The share of a Member in the funds and assets of the Corporation cannot be assigned, pledged, encumbered or transferred in any manner except as an appurtenance to her Unit in the Condominium.
- 4. Voting by Members shall be in accordance with the provisions of the Bylaws of this Corporation.

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HAWK'S EYE CLUB HOUSE CONDOMINIUM

MANAGEMENT AGREEMENT

THIS AGREEMENT entered into this 17th day of November, 2004, by Hawk's Eye Club House Condominium Association (the "Association"), a Michigan Nonprofit Corporation established to maintain and to manage the affairs of Hawk's Eye Club House Condominium, a condominium project (the "Project") which association has its principal office at 5820 Shanty Creek Road, Bellaire, Michigan 49615 and by The Real Estate Place of Bellaire, Inc., a Michigan Corporation, (the "Agent"), which has its principal office at 5820 Shanty Creek Road, Bellaire, Michigan 49615.

WITNESSETH:

In order to assure professional management of the condominium project and in consideration of the terms, conditions and covenants hereinafter set forth, the parties hereto agree as follows.

- 1. Appointment of Agent. Pursuant to its Articles of Incorporation and to the authority granted in the Condominium Bylaws, the Association hereby appoints the Agent and the Agent hereby accepts the appointment as exclusive managing agent of the condominium project subject to the terms and conditions set forth below.
- Management Fee. The Association agrees to pay Agent a fee of \$27.00 per unit per 2. month, as may be increased by the Agent from year to year to reflect a reasonable cost of living adjustment. Said cost of living adjustment shall not be greater than the rate as reflected in the CPI Index. The fee shall be payable to the Agent monthly and shall equal the sum of charges per unit shown above for all units which were, as of the first of the month to which such charges relate, transferred by the developer and title in the name of the co-owner purchaser. The fee computed as aforesaid shall be payable by the tenth (10th) of each month for services rendered during the preceding month and shall constitute the Agent's total compensation for services performed by it under this Agreement during each month. It is understood by the Association that the management fee paid by the Association to Agent hereunder relates only to the management of those units which have been sold and conveyed by the Developer and that the Developer shall make its own compensatory arrangements with Agent for the payment of any management fees relative to the management of units owned by the developer during the term of this Agreement. It is further understood, however, that the management services of Agent will relate to the entire project.

3. <u>Duties of Agent</u>. The duties of the Agent shall be to:

- (a) Collect all regular assessments, late charges, and special assessments due from the co-owners pursuant to the Condominium Bylaws and Purchase Agreement; provided, however, that the Association shall cooperate with Agent in the collection of all such assessments and shall give Agent all such assistance as it may reasonably request in enabling the collection of such assessments.
- (b) Cause to be disbursed regularly and punctually from the funds collected under paragraph (a) of this Article and deposited in the special account, hereinafter provided: (1) Salaries and other compensation due and payable to the employees of the Association and the taxes payable under paragraph (h) of this Article; (2) Fire and other insurance premiums due under paragraph (g) hereof; and (3) Sums otherwise due and payable by the Association as operating expenses authorized to be

incurred by the Agent under the terms of this Agreement, including the Agent's salary.

All payments to be made by the Agent under this Agreement shall be made out of such sums as are available in the special account of the Association or as may be provided by the Association. The Agent shall not be obligated to make any advance to, or for, the account of the Association or to pay any sum, except out of the special account or other funds provided as aforementioned, nor shall the Agent be obligated to incur any liability or obligation for the account of the Association without assurance that the funds necessary for the discharge thereof will be provided.

- (c) Furnish the Board of Directors (or its designees) which a schedule of all delinquent accounts on or before the fifteenth (15th) day of each month, and, if specifically authorized by the Board of Directors (or its designees) take such action as shall be permitted by the Condominium Bylaws and the laws of the State of Michigan to collect such delinquent assessments.
- (d) Cause the building, grounds and appurtenances of the condominium project to be maintained according to such standards as may from time to time be established by the Board of Directors, including but not limited to, interior and exterior cleaning, painting and decorating, plumbing, steam fitting, carpentry, and such other normal maintenance and repair work as may be necessary, subject to those limitations imposed by the Master Deed and Condominium Bylaws in addition to those contained herein.
- (e) Enter into contracts for water, electricity, gas, elevator maintenance, equipment maintenance, and repairs, telephone, vermin extermination, trash removal, snow removal, supplies, chemical treatment and other necessary services, or such of them as the Board of Directors shall approve. Additionally, the Agent shall place orders for such equipment, tools, appliances, materials, and supplies as are necessary to properly maintain the condominium project. All such contracts and orders shall be made in the name of the Association and shall be subject to the limitations set forth in this Agreement. When taking bids or issuing purchase orders, the Agent shall act at all times in the best interests of the Association, but the Agent shall not be responsible for obtaining the lowest price available for the service or commodity purchases pursuant to this Agreement.
- (f) Take such action as may be necessary to comply promptly with any and all orders or requirements affecting the premises placed thereon by any federal, state, county or municipal authority having jurisdiction thereover, subject to the limitations contained in Paragraph (d) of this Article. The Agent, however, shall not take any action under this Paragraph (f) so long as the Association is contesting, or has affirmed its intention to contest any such order or requirement. The Agent shall promptly notify the Board of Directors in writing of all such orders and notices of requirements.
- (g) Cause to be placed and kept in force all of those insurance policies required by the laws of the state of Michigan and the Condominium Bylaws, which insurance coverage shall be carried and administered in accordance with Article IV of the Condominium Bylaws. The Agent shall promptly investigate and make a full written report as to all accidents and claims for damages relating to the management, operation and maintenance of the condominium project, including any damage or destruction to the condominium project, the estimated cost of repair, and shall cooperate and make any and all reports required by any insurance company in connection therewith.

- (h) Prepare (or cause to be prepared) in conjunction with an accountant or a similarly qualified professional, if necessary, for execution and filing by the Association all forms, reports and returns required by laws in connection with federal and state income tax, Michigan general corporation law, unemployment insurance, workmen's compensation insurance, disability benefits, social security and other similar taxes now in effect or hereafter imposed, and also requirements relating to the employment of personnel.
- (i) Prepare, with the assistance of an accountant or similarly qualified professional, if necessary, and in conformity with the provisions of the Condominium Bylaws, an operating budget for the forthcoming fiscal year. Each such budget shall be submitted to the Board of Directors in a final draft at least thirty (30) days prior to the commencement of the annual period for which it has been made. Copies of the budget, upon adoption by the Board of Directors, shall be furnished to each coowner as provided in the Condominium Bylaws. The Agent shall use its best efforts to operate within the budget as adopted. In the event the Agent foresees a budget overrun, it shall notify the Board of Directors in writing.
- (j) Bond, in a manner satisfactory to the Association, all employees of the Agent who handle or who are responsible for handling the Association's funds, without expense to the Association.
- (k) Investigate, hire, pay, supervise and discharge the personnel necessary to be employed in order to properly maintain and operate the condominium project. Such employees shall be employees of the Association and not the Agent. Compensation for the services of such employees shall be expenses of administration.
- (1) Maintain a complete set of books and records relative to the operation of the condominium project in accordance with reasonable accounting practices. All such records shall be available for examination by the Directors of the Association or their representatives during working hours. No independent audit of the Association's records shall be required. In the event any such audit is required by the Association, the cost of providing the same shall be paid entirely by the Association.
- (m) Report at reasonable intervals to the Board of Directors regarding the maintenance and condition of the project and to attend meetings of the Association or Board of Directors at any time or times requested by the Board of Directors.
- (n) Maintain records showing the complaints and service request made by each coowner together with the action taken with respect to each such request. The Agent, in its discretion, or upon the request of the Board of Directors, shall report all such requests to the Board of Directors with appropriate recommendations.
- (o) Establish and maintain, in a bank authorized to do business in Michigan, a separate bank account as agent and trustee for the Association for the deposit of the Association's funds. The Agent shall have authority to draw thereon for any payments to be made by the Agent to discharge any liabilities or obligations incurred pursuant to this Agreement and for the payment of the management fee.
- (p) Do all other things which are reasonably required to maintain the condominium project in conformity with such standards as the Board of Directors may from time to time establish and with the Condominium Bylaws and the laws of the state of Michigan permit the Board of Directors to authorize and to delegate.

- 4. Indemnification and Liability of the Agent. The Association hereby agrees to indemnify and save harmless Agent from all losses, expenses or damages of any nature whatsoever in connection with the management of the condominium project and from liability for injury to any person or property on, about, or in connection with the condominium project from any cause whatever, unless such costs, expenses, damages or liabilities be caused by the Agent's own gross negligence or willful misconduct. The Agent shall not be liable to the Association or to any other person for any error in judgment or for doing or omitting to do any matter or thing pursuant to the terms of this Agreement except in case of willful misconduct or negligence.
- Relationship of Agent to Other entities. Agent, its officers, employees, partners, directors and others connected therewith are, or may be, officers, employees, partners, directors of or otherwise related to the: (a) Association, (b) the developer of Hawk's Eye Club House Condominium, or (c) contractors or agencies hired by Agent which are furnishing services or supplies to Hawk's Eye Club House Condominium. The Association, on behalf of itself and members, acknowledges and expressly consents to any and all of such relationships.
- 6. <u>Assignabillity.</u> The Agent may assign this Management Agreement to any other person or entity so long as such assignee shall undertake in writing to assume and perform the obligations of Agent hereunder.
- 7. Effective Date. This Agreement shall take effect on the 17th day of November, 2004, and shall-remain in full force and effect until ninety (90) days after the first Annual Meeting of co-owners as set forth in the Condominium Bylaws and thereafter for a period of two (2) years unless sooner terminated as herein provided. This Agreement shall be automatically renewed at the expiration of such period unless, within said ninety (90) day period, the Association terminates this Agreement.

8. <u>Termination</u>.

- a. This Agreement shall be terminable by either party at the end of any calendar month upon sixty (60) days prior written notice by either party to the other, without cause, or upon thirty (30) days prior written notice by either party to the other for cause.
- b. In the event a petition in bankruptcy is filed by or against Agent, or in the event that he shall make an assignment for the benefit of creditors or take advantage of any insolvency act, either party hereto may terminate this Agreement, without notice to the other, but prompt advice of such action shall be given to the other party.
- 9. <u>Final Accounting.</u> Upon termination, the contracting parties shall account to each other with respect to all matters outstanding as to the date of termination and the Association shall furnish the Agent security satisfactory to the Agent, against any outstanding obligations or liabilities, which the Agent may have incurred hereunder.
- 10. <u>Effect of Agreement.</u> This Agreement shall constitute the entire Agreement between the contracting parties and no variance or modification thereof shall be valid and enforceable, except by supplemental agreement in writing, executed and approved in the manner as this Agreement.

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

HAWK'S EYE CLUB HOUSE COMDOMINIUM ASSOCIATION, INC., A MICHIGAN NONPROFIT CORPORATION

H. G. Rowe, President

THE REAL ESTATE PLACE OF BELLAIRE, INC., A MICHIGAN CORPORATION

By:

H. Grant Rowe, President

ESCROW AGREEMENT

for HAWK'S EYE CLUB HOUSE CONDOMINIUM

THIS AGREEMENT is entered into this 8th day of June, 2004, between HAWK'S EYE GOLF CLUB, L.L.C., ("Developer") and the Alden State Bank of Alden, Michigan. ("Escrow Agent")

WHEREAS, the Developer is going to establish "Hawk's Eye Club House Condominium", a residential Condominium Project under applicable Michigan law.

WHEREAS, the Developer is selling Condominium Units of Hawk's Eye Club House Condominium and is entering into Hawk's Eye Club House Condominium Purchase Agreements ("Purchase Agreement") 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.

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

WHEREAS, the Escrow Agent is acting as an independent party hereunder pursuant to the provisions of this Escrow Agreement and the Michigan Condominium Act (Act No. 59, Public Acts of 1978, as amended, hereinafter the "Act") for the benefit of the 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:

- A. Initial Deposit of Funds. The 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. Developer shall also provide Escrow Agent with a receipt signed by the Purchaser for: the recorded Master Deed, the Condominium Buyer's Handbook and the Disclosure Statement upon Developer's receipt of same.
- B. Release of Funds. The sums paid to the Escrow Agent under the terms of any Purchase Agreement shall be held and released to the Developer or to the Purchaser only upon the conditions hereinafter set forth:
 - 1. Release of Escrow Funds to Purchaser. Escrow funds of the Purchaser, held by the Escrow Agent pursuant to a Purchase Agreement for Hawk's Eye Club House Condominium, shall be released by the Escrow Agent to the Purchaser when any of the following occur:
 - a. The Purchaser cancels a Preliminary Reservation Agreement.
 - b. The Purchaser withdraws from a Purchase Agreement, which is contingent upon the Purchaser obtaining a mortgage and Purchaser fails to obtain such mortgage.

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- c. The Purchaser withdrawals from a Purchase Agreement prior to the time that said Agreement becomes binding under paragraph six (6) of the General Provisions thereof. Upon such withdrawal the Escrow Agent shall release to the Purchaser all of the Purchaser's deposits held thereunder within three (3) business days from the date of receipt of notice of such withdrawal.
- d. The Purchaser duly terminates a Purchase Agreement executed under the provisions of Subsection 88 of the Act pursuant to paragraph 7 or paragraph 8 of the General Provisions of the Purchase Agreement.
- 2. Release of Escrow Funds to Developer. Escrow funds held by the Escrow Agent shall be released by the Escrow Agent to the Developer when:
 - a. Purchaser under a Purchase Agreement defaults in making any payments required by said Purchase Agreement or in fulfilling any other obligations thereunder for a period of ten (10) days after written notice by the Developer to the Purchaser. Upon such default the Escrow Agent shall release all sums held by it pursuant to the Purchase Agreement to the Developer in accordance with the terms of said Purchase Agreement; or
 - b. Except as provided under paragraph D of this Escrow Agreement, amounts required to be retained in escrow in connection with the purchase of a Hawk's Eye Club House Condominium Unit shall be released to the Developer pursuant to paragraph E of this Escrow Agreement only upon all of the following:
 - 1. Issuance of a certificate of occupancy for the unit;
 - 2. Conveyance of legal or equitable title to the Unit to the Purchaser;
 - 3. Receipt by the Escrow Agent of a certificate signed by a licensed professional engineer or architect either confirming that those portions of the phase of the Condominium Project in which the unit is located and which on the condominium subdivision plan are labeled "must be built" are substantially complete, or determining the amount necessary for substantial completion thereof; and
 - 4. Receipt by the Escrow Agent of a certificate signed by a licensed professional engineer or architect either confirming that recreational or other facilities which on the condominium subdivision plan are labeled "must be built", whether located within or outside of the phase of the Condominium Project in which the unit is located, and which are intended for common use, are substantially complete, or determining the amount necessary for substantial completion thereof.

C. Determining Costs for Substantial Completion of "Must Be Built" Facilities.

1. Substantial completion and the estimated cost for substantial completion of the items described in paragraph B(2)(b)(3) and in paragraph B(2)(b)(4) and in paragraph E of this Escrow Agreement shall be determined by a licensed professional engineer or architect, as provided in paragraph C(2) of this Escrow Agreement, subject to the following:

- a. Items referred to in paragraph B(2)(b)(3) shall be substantially complete only after all utility mains and leads, all major structural components of buildings, all building enteriors and all sidewalks, driveways, landscaping and access roads, to the extent such items are designated on the condominium subdivision plan as "must be built", are substantially complete in accordance with the pertinent plans therefor.
- b. If the estimated cost of substantial completion of any of the items referred to in paragraph B(2)(b)(3) and paragraph B(2)(b)(4) cannot be determined by a licensed professional engineer or architect due to the absence of plans, specifications, or other details that are sufficiently complete to enable such a determination to be made, such cost shall be the minimum expenditure specified in the recorded Master Deed of Hawk's Eye Club House Condominium, or amendment for completion thereof. To the extent that any item referred to in paragraph B(2)(b)(3) and (4) is specifically depicted on the condominium subdivision plan, an estimate of the cost of substantial completion prepared by a licensed professional engineer or architect shall be required in place of the minimum expenditure specified in the recorded Master Deed of Hawk's Eye Club House Condominium.
- 2. A structure, element, facility or other improvement shall be deemed to be substantially complete when it can be reasonably employed for its intended use and, for purposes of certification under this paragraph, shall not be required to be constructed, installed, or furnished precisely in accordance with the specifications for the Condominium Project. A certificate of substantial completion shall not be deemed to be a certification as to the quality of the items to which it relates.
- D. Substitute for Escrow Deposit. In place of retaining funds in escrow under paragraph B(2) herein, the Developer may furnish the Escrow Agent with evidence of adequate security, including, without limitation, an irrevocable letter of credit, lending commitment, indemnification agreement, or other resource having a value, in the judgment of the Escrow Agent, of not less than the amount retained pursuant to paragraph B(2).
- E. Escrow Funds Will Be Released To The Developer Upon Substantial Completion. Upon receipt of a certificate issued pursuant to paragraph B(2)(b)(3) and paragraph B(2)(b)(4) determining the amounts necessary for substantial completion, the Escrow Agent may release to the Developer all funds in escrow in excess of the amounts determined by the issuer of such certificate to be necessary for substantial completion. In addition, upon receipt by the Escrow Agent of a certificate signed by a licensed professional engineer or architect confirming substantial completion in accordance with the pertinent plans of an item for which funds have been deposited in escrow, the Escrow Agent shall release to the Developer the amount of such funds specified by the issuer of the certificate as being attributable to such substantially completed item. However, if the amounts remaining in escrow after such partial release would be insufficient in the opinion of the issuer of such certificate for substantial completion of any remaining incomplete items for which funds have been deposited in escrow, only the amount in escrow in excess of such estimated cost to substantially complete shall be released by the Escrow Agent to the Developer. Notwithstanding a release of escrowed funds that is authorized or required by this paragraph, the Escrow Agent may refuse to release funds from an escrow account if the Escrow Agent, in its judgement, has sufficient cause to believe the certificate confirming substantial completion or determining the amount necessary for substantial completion is fraudulent or without factual basis.

- F. Notice To The Developer of Amount of Funds In Escrow. Not earlier than nine (9) months after closing the sale of the first unit in a phase of Hawk's Eye Club House Condominium for which escrowed funds have been retained under paragraph B(2)(b)(3) or for which security has been provided under paragraph D, the Escrow Agent, upon request of Hawk's Eye Club House Condominium Association or any interested Co-Owner, shall notify the Developer of the amount of funds deposited under paragraph B(2)(b)(3) or security provided under paragraph D for such purpose that remains, and the date determined under this paragraph upon which those funds can be released. In the case of a recreational facility or other facility intended for general common use, not earlier than nine (9) months after the date on which the facility was promised in the condominium documents to be completed by the Developer, the Escrow Agent, upon the request of the Association or any interested Co-Owner, shall notify the Developer of the amount of funds deposited under paragraph B(2)(b)(4) or security provided under paragraph D for such purpose that remains, and of the date determined under this paragraph upon which those funds can be released. Three (3) months after receipt of a request pertaining to funds described in paragraph B(2)(b)(3) or paragraph B(2)(b)(4), funds that have not yet been released to the Developer may be released by the Escrow Agent for the purpose of completing incomplete improvements for which the funds were originally retained, or for a purpose specified in a written agreement between the Association and the Developer entered into after the transitional control date. The agreement may specify that issues relating to the use of the funds be submitted to arbitration. The Escrow Agent may release funds in the manner provided in such an agreement or may initiate an interpleader action and deposit retained funds with a court of competent jurisdiction. In any interpleader action, the circuit court shall be empowered, in its discretion, to appoint a receiver to administer the application of the funds. Any notice or request provided for in this paragraph shall be in writing.
- G. Interest On Escrow Funds. Any interest earned on funds held in escrow by the Escrow Agent refunded to depositor upon withdrawal will be paid to the Developer.
- H. Limited Liability of Escrow Agent; Right to Deduct Expenses from Escrow Deposits. Upon making delivery of the funds deposited with the Escrow Agent pursuant to the Purchase Agreement and performance of the obligations and services stated therein and herein, the 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, the 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. The 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, the Escrow Agent is not a guarantor of performance by the Developer under the Condominium Documents or any Purchase Agreement, and the 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.

Except in instances of gross negligence or willful misconduct, the 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 with the Escrow Agent may incur in the administration of such funds or otherwise hereunder,

including, without limitation, reasonable attorneys' fees and litigation expenses paid in connection with the defense, negotiation or analysis of claims against it, by reason of litigation or otherwise, arising out of the administration of such escrowed funds, all of which costs the Escrow Agent shall be entitled without notice to deduct from amounts on deposit hereunder.

I. Standard Of Care for Architect Or Engineer Making Certification. A licensed professional architect or engineer undertaking to make a certification under this paragraph shall be held to the normal standard of care required of a member of that profession in determining substantial completion and the estimated cost of substantial completion under the Act, but such architect or engineer shall not be required to have designed the improvement or item or to have inspected or to have otherwise exercised supervisory control thereof during the course of construction or installation of the improvement or item with respect to which the certificate is delivered. The certification by a licensed professional architect or engineer shall not be construed to limit Developer's liability for any defect in construction.

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.

DEVELOPER:

HAWK'S EYE GOLF CLUB, L.L.C. A MICHIGAN LIMITED LIABILITY COMPANY

by: ____

H. Grant Rowe, President

5820 Shanty Creek Road Bellaire, Michigan 49615 **ESCROW AGENT:**

ALDEN STATE BANK

By:_

Blain D. Russell, President

P. O. Box 39

Alden, Michigan 49612

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Filed for Record in
ANTRIM COUNTY MICHIGAN
PATTY NIEPOTH - 268
07-28-2006 At 09:59 am.
RESTRICTION - 35.00
OR Liber 754 Page 2010 - 2017

RESTRICTIVE COVENANT Hawk's Eye Club House Condominium

WHEREAS, The Hawk's Eye Golf Club, L.L.C., ("Developer") is the Developer of Hawk's Eye Club House Condominium ("Development") located in Kearney Township, Antrim County, Michigan and is legally described on Exhibit A of this Covenant hereto; and

WHEREAS, Hawk's Eye Club House Condominium will be served by a privately owned, public sewerage system; and

WHEREAS, the sewerage system is comprised of a collection system and drainfield; and

WHEREAS, the collection system and drainfield are owned by the Hawk's Eye Golf Club, L.L.C.

WHEREAS, pursuant to Part 41 of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended, the Michigan Department of Environmental Quality ("DEQ") has developed a Policy dated June 10, 2004 signed by the Chief of the Water Bureau that was established as a direct result of an adverse ruling from the Michigan Court of Appeals invalidating Rule 33(4), 1975 ACS R 299.2933(4) promulgated pursuant to Part 41. Specifically, the court determined that the DEQ could not require persons who are requesting a permit for constructing and operating a sewerage system designed for public use to first obtain a resolution from the LUG as a guarantee that the LUG would assume responsibility for the operation and maintenance of the system in the event that the private owner fails to perform these functions; and

WHEREAS, pursuant to the Michigan Court of Appeals adverse ruling, the DEQ was charged with establishing and implementing an alternative process for ensuring that public sewerage systems governed under Part 41 are operated and maintained to avoid the unauthorized discharge of raw or untreated sewage into the waters of the state.

WHEREAS, the DEQ is granted statutory authority to regulate public sewerage systems under the provisions of Section 4102 of Part 41; and

WHEREAS, under Section 4107 of Part 41 the DEQ is authorized to require specific conditions in the sewerage system design plans and specifications, including method of operation, to ensure that the public health is adequately protected before the owner is issued a construction permit to build the system; and

WHEREAS, the DEQ is authorized under Section 4107 of Part 41 to require a developer or sewerage system owner to comply with recommendations or orders from the DEQ with respect to the method of operation of the proposed sewerage system.

WHERFAS, Rule 41, promulgated under Part 41, provides that either proper devices are or will be in satisfactory operation before discharges to the waters of the state will occur; or a definite program or agreement, approved by the department, which governs the operation of the system must be in place before the DEQ is required to issue a construction permit.

WHEREAS, Rule 55, promulgated under Part 41, requires that the owner of the sewerage system operate and maintain it at all times to avoid any unlawful discharges or upsets.

WHEREAS, the placement of this Restrictive Covenant on Hawk's Eye Club House Condominium is required by the DEQ to ensure that the sewerage system will be operated and maintained in accordance with Part 41 of the NREPA at all times; and

WHEREAS, the Developer has established Hawk's Eye Club House Condominium Association (Association) that has responsibilities for and rights in the property of Hawk's Eye Club House Condominium, including the Collection System portion of the Sewerage System; and

WHEREAS, each owner of a unit in Hawk's Eye Club House Condominium is a member of the Association and has individual responsibilities for paying a proportionate share of the costs of the Sewerage System; and

WHEREAS, the purpose of this covenant is to establish those responsibilities for the Sewerage System and to establish procedures to ensure their compliance.

NOW, THEREFORE, in consideration of the mutual benefits to be derived by the Developer and Association, the undersigned, for itself, its successors, and assigns, does hereby declare and make known to all purchasers and Owners of the Units using the sewerage system, that Units will and shall be used, held, and/or sold subject to the following restriction, covenants, and agreements, which, by acceptance of a deed, purchase agreement, or option for a Unit, shall be deemed accepted by present and future purchasers and Owners of Units and shall run with the land and be binding upon grantees of Units jointly as to all obligations hereunder, and on their respective heirs, personal representatives, successors, assigns and grantees.

1. Responsibility for Construction, Maintenance and Repair.

- The Developer and/or its contractual assignee will be responsible for the initial construction and installation of the collection system portion of the Sewerage System and drainfield portion of the Sewerage System, to be located within Hawk's Eye Club House Condominium and accessed via the sewer easement granted for such purpose. The Association shall thereafter be responsible for the maintenance, repair and ultimate replacement of the Sewerage System, all of which shall be performed in strict conformance with all applicable statutes, ordinances, rules and regulations of the State of Michigan, Antrim County, and other governmental agencies thereof having jurisdiction and in strict conformance with this section, unless and until easements to the Sewerage System have been granted to, and accepted by, a public agency whereupon the responsibility for such maintenance, repair and necessary replacements shall be that of the public agency having jurisdiction. All costs of such maintenance, repair and/or replacement shall be costs of the Association and shall be assessed as costs of administration of the Association, and shall be jointly and severally borne by the sum of all Co-owners, which are served thereby, and shall be assessed to the Co-owners in accordance with the attached Exhibit B, Financial Workbook for Private Wastewater Systems Operation and Maintenance, to this covenant. Exhibit B requires that the Association, and each of the Co-owners, on behalf of themselves and their respective heirs, devisees, personal representatives, successors and assigns, and with the express intent to bind and run with, their respective Units and Hawk's Eye Club House Condominium in perpetuity, irrevocable consent to grant the operator or operators of the Wastewater System, the authority to assess a user fee to each Unit using the system to be paid as part of each unit's Annual Assessment fees share equally in all costs associated with the Sewerage System.
- (b) Use of the Sewerage System may be expanded to other developments with the approval of the DEQ. The placement of waste into the Sewerage System, other than Hawk's Eye Club House Condominum or other approved development use, is prohibited. Any costs borne by the owner to pay for remediation due to the placement of harmful substances into the Sewerage System shall be fully reimbursed by the person or persons that placed the harmful substance in the system.
- 2. <u>Perpetual Funding Mechanism.</u> Co-Owner Responsibilities for the Perpetual Funding Mechanism for the Operation, Maintenance and Replacement of the Sewerage System:
- (a) Each Co-Owner will be responsible for payment of appropriate charges/fees made for the use of the sewerage treatment services and payment of appropriate charges/assessed fees made into the perpetual escrow fund or charges/fees for a letter of credit as may be required by DEO.
- (b) A perpetual funding mechanism shall be established and maintained solely for the use of operation, maintenance and possible replacement of those elements of the Sewerage System other than those elements defined herein as limited common elements in the amount of \$3,435 as stated in the attached Exhibit B, Financial Workbook for Private Wastewater Systems Operation and Maintenance. A perpetual funding mechanism is established solely for the use by the respective owner of the Sewerage System in the event that the owner is otherwise unable to sufficiently operate and maintain the sewerage system in accordance with all applicable laws and rules. A perpetual funding mechanism shall be separate from any other fund established and held for the Association.
- (c) The perpetual funding mechanism shall be initially established for a two year amount of operation, maintenance and needed replacement of the respective portions of the Sewerage System as certified by a Michigan licensed engineer and attached to this covenant as Exhibit B, Financial Workbook for Private Wastewater Systems Operation and Maintenance, reviewed by the MDEQ for administrative completeness in the permit application process for a sewerage system construction permit under the authority of Part 41 of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended. Additionally, not later than two years after the first day of operation of the sewerage system, this perpetual funding mechanism shall be increased to the amount as was certified by the Michigan

licensed engineer and reviewed for administrative completeness by the MDEQ for the 5 year amount of operation, maintenance and possible replacement of the sewerage system. This amount may be increased in the future as determined to be necessary by a Michigan licensed engineer, but shall never be decreased. If this fund is accessed for the sole purpose of continuing operation, maintenance and completing necessary replacements of the sewerage system in the event that the owner is otherwise unable to sufficiently operate and maintain the Sewerage System in accordance with all applicable laws and rules, notice shall be sent to the Association members, Hawk's Eye Golf Club, L.L.C., and the DEQ within 10 days of the initial withdrawal. The notice to the Association members shall include a description of the additional prorated fee for reimbursement of the escrow. Each Co-Owner consents and agrees to pay a prorated amount of money into the escrow account as is necessary to fully replenish it to the required amount as identified herein, in the event the escrow funds or portion thereof are utilized for the operation, maintenance, repair, replacement or for other sewage treatment purposes of the entire sewerage system. The certified 5-year amount shall be reimbursed not later than five years from the date of the initial withdrawal.

- Consent to Fees and Special Assessment for Sanitary Sewage System. Association, and each of the Co-owners, on behalf of themselves and their respective heirs, devisees, personal representatives, successors and assigns, and with the express intent to bind, and run with, their respective Units and the Hawk's Eye Club House Condominium in perpetuity, hereby irrevocably consent to grant the operator or operators of the Sewerage System, the authority to assess a user fee to each Unit using the system to be paid in monthly payments to the Owner and/or Operator of the Sewerage System at the rate as described herein, granting the Owner and/or Operator of the Sewerage System the authority to assess the user fee as indicated above until such time a governmental agency may need to assume the responsibility for the operation and maintenance of the Sewerage System under the terms described in a legally binding agreement between that governmental agency and all owners of the sewerage system. In addition, in case of agreement with a governmental agency to operate and maintain the Sewerage System, the Association and each of the Co-owners authorizes and consents to the establishment of a special assessment district ("SAD") to assist the governmental agency in its recovery of such expenditures, if necessary. In connection therewith, the Association and every co-owner of the Sewerage System (Coowners) covenant and agree to enter into, and execute, any and all documentation from time to time determined by the governmental agency to be necessary for the establishment of such SAD. The Association and Co-owners acknowledge and agree that the sum of all fees assessed as provided hereunder, whether by the Operator of the Sewerage System or the governmental agency shall be equal to 100% of all costs of operation of the Sewerage System. The Association and co-owners further acknowledge and agree that in the event a Co-owner does not, for any reason, pay a required assessment that the Association will nevertheless be responsible for 100% of the costs of operation of the Sewerage System.
- 4. <u>Eagements for Maintenance, Repair and Replacement.</u> The Developer hereby grants an easement over the premises in Hawk's Eye Club House Condominium that shall run in duration with the Sewerage System, for access to the collection system and drainfield and to the remainder of the Sewerage System as necessary to allow an operator to maintain and operate the Sewerage System. The Developer and the Association shall have such easements as may be necessary over the premises in Hawk's Eye Club House Condominium, including all Units, to fulfill any responsibilities of maintenance, repair or replacement.
- 5. <u>Binding Nature.</u> This Covenant shall be recorded in the Antrim County Register of Deeds office; and by acceptance of a deed, purchase agreement, or option for a Unit in Hawk's Eye Club House Condominium, shall be deemed accepted by present and future purchasers and Owners of Units and shall run with the land and be binding upon grantees of Units and on their respective, heirs, personal representatives, successors, assigns and grantees.
- 6. Amendment. This covenant may only be amended by written document with the express, consent of the Owners of the Unit it is recorded on and the DEQ.

DEVELOPER:

Hawk's Eye Golf Club, L

H. Grant Rowe

Its: General Manager

(State of Michigan) (County of Antrim)

The foregoing document was acknowledged before me on this 21th day of July , 2006 by H. Grant Rowe, General Manager of Hawk's Eye Golf Club, L.L.C., on behalf of the Hawk's Eye Club House Condominium.

Rebecca L Jerry, Notary Prolic Kalkaska County, Michigan Acting in Antrim County My Commission Expires: 3-22-2007

Hawk's Eye Club House Condominium

Association

By: H: Grant Row Its: Incorporator

(State of Michigan) (County of Antrim)

The foregoing document was acknowledged before me on this 27H day of July by H. Grant Rowe, on behalf of the Hawk's Eye Club House Condominium Association.

, 2006

Rebecca L. Jerry, Notary Public Kalkaska County, Michigan Acting in Antrim County
My Commission Expires: 3-22-2007

Drafted by and when recorded return to:

David H. Rowe Vacation Properties Network 5820 Shanty Creek Road Bellaire, MI 49615 231.533.8636

EXHIBIT A

LEGAL DESCRIPTION

A parcel of land situated in Kearney Township, Antrim County, Michigan, and more fully described as follows:

That part of the Northwest 1/4 of Section 34, Town 30 North, Range 7 West, described as:

Commencing at the West 1/4 corner of said section 34; thence North 00°57'57" East along the West line of said section 34 and the centerline of Del Mason Road 1334.00 feet to a point on the North 1/8 line of said section 34; thence South 89°07'18" East along said 1/8 line 774.84 feet; thence North 00°57'57" East 84.41 feet to a point on the Northerly right of way of Hawk's Eye Drive for the point of beginning; thence along said right of way 18.21 feet along the arc of a 275.00 feet radius curve to the left whose long chord bears North 80°39'53" East 18.20 feet; thence along said right of way North 78°46'06" East 138.64 feet; thence along said right of way 124.75 feet along the arc of a 1125.00 feet radius curve to the right whose long chord bears North 81°56'42" East 124.68 feet; thence North 01°17'10" West 153.26 feet; thence North 49°24'12" West 178.85 feet; thence South 64°32'04" West 107.32 feet; thence North 39°46'17" West 141.85 feet; thence North 78°43'15" West 83.94 feet; thence South 18°23'37" East 417.67 feet to the point of beginning; and containing 2.12 acres of land.

Subject to easements, right-of-ways, reservations and restrictions of record.

EXHIBIT B

TOTAL ESCROW AMOUNTS NEEDED

I, Aaron Nordman, P.E. a licensed professional engineer and certified wastewater treatment plant operator, in the State of Michigan, have personally examined the design
specifications and operational plans for the sewerage system proposal for the Hawk's Eye
Club House Condominium, located on Hawk's Eye Drive in Kearney Township, County
of Antrim. The type of sewerage system proposed for the Hawk's Eye Club House
Condominium is a privately owned, public sewerage system with a common septic tank,
pump chamber, piping, and disposal field, capable of receiving and treating up to 8,600
gallons per day. A discharge permit to a public water body is required not required
(please circle) with expected effluent limits of (please fill in if applicable)
NA . I hereby certify that the amount of the escrow sufficient to operate, maintain and perform needed replacements of the
wastewater system for a period of two years is \$3,435. The amount of escrow sufficient
to operate, maintain and perform needed replacements of the wastewater system for a
period of five years is \$ 10,705. These amounts were calculated considering reasonable
inflationary costs as provided in the attached evaluation document. This certification
determined on the 6 th day of April, 2006, using the attached documents that summarize
each cost of operation, maintenance and needed replacement.
(Signature of certified engineer) 4-6-56 (Date)
(Date)
Licensed Professional Engineer (No.: 49600)
Certified WWTP Operator (No.: W 5753)
(List credentials here)
,
Hawk's Eye Club House Condominium, C/O Performance Engineers, Inc. (Location)
(,
406 Petoskey Ave., Charlevoix, Michigan, 49720 (Address)
(231) 547-2121

(Phone number)

Exhibit B

TABLE 1 PROJECTED EXPENSES AND REVENUES

Project expenses and revenues for the next 5 years

	Operating Expenses	Year 1	Year 2	Year 3	Year 4	Year 5
	<i>'</i>					
a.	Personnel services	\$. \$	\$	\$	\$
b.	Professional services	\$	\$.	\$	\$	\$
c.	Supplies	\$	\$	\$	\$	\$.
d.	Contractual services	\$ 800	\$ 1200	\$ 1200	\$ 1500	\$ 1500
е.	Repairs and maintenance	\$ 100	\$ 300	\$ 450	\$ 450	\$ 600
f.	Equipment rental	\$	\$	\$	\$	\$
g.	Insurance	\$	\$	\$	\$	\$
h.	Utilities	\$ 15	\$ 20	\$ 20	\$ 25	\$ 25
i.	Administration	\$	\$	\$	\$. \$
j.	Replacement of equipment	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500
k.	Other	\$	\$	\$	\$	\$
l.	Total Expenses	\$ 1,415	\$ 2,020	\$ 2,170	\$ 2,475	\$ 2,625
		<u> </u>				
	Operating Revenues	Year 1	Year 2	Year 3	Year 4	Year 5
m.	Wastewater rates	\$	\$	\$	\$	\$
n.	Wastewater charges	\$ 2,200	\$ 2,200	\$ 2,200	\$ 2,200	\$ 2,200
0.	Penalties and shutoffs	\$	\$	\$	\$	\$
p.	Surcharges	\$	\$	\$	\$	\$
q.	Other	\$	\$	\$	\$	\$
	Non-Operating Revenues					
τ.	Interest Income	\$	\$	\$	\$	\$
S.	Transfers in	\$	\$	\$	\$	\$
t.	Total Revenues	\$ 2,200	\$ 2,200	\$ 2,200	\$ 2,200	\$ 2,200

^{*} Please add the "Total Expenses" boxes at the end of year 1 and 2 to determine the amount of money that must be in a perpetual funding mechanism prior to the attainment of a construction permit for the sewerage system. Please add years 1 through 5 for the five year amount. Then put both amounts on the engineer's certification on page 4 of this packet of worksheets.

Exhibit B

TABLE 2 OPERATING REVENUES CALCULATOR For Table 1, Items m, n and q

a.	Wastewater	Rates \$	_ x Flow Amount	= Revenue\$
b.	 Wastewater	Charge \$_200	_x Number of Use	ers <u>11</u> = Revenue\$ <u>2,200</u>
e.	Other	\$	X	= Revenue\$

DISCLOSURE STATEMENT

for HAWK'S EYE CLUB HOUSE CONDOMINIUM

DEVELOPER

Hawk's Eye Golf Club, L.L.C., a Michigan Limited Liability Company 5820 Shanty Creek Road
Bellaire, Michigan 49615
(231) 533-8636

Hawk's Eye Club House Condominium is a residential and commercial condominium containing eleven (11) units, and may be expanded to forty-five (45) units on or before six (6) years from the date of recording of the Master Deed.

THIS DISCLOSURE STATEMENT IS NOT A SUBSTITUTE FOR THE MASTER DEED, THE CONDOMINIUM BUYER'S HANDBOOK OR OTHER APPLICABLE LEGAL DOCUMENTS AND BUYERS SHOULD READ ALL SUCH DOCUMENTS TO FULLY ACQUAINT THEMSELVES WITH THE PROJECT AND THEIR RIGHTS AND RESPONSIBILITIES RELATING THERETO.

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

Effective Date: September 12, 2004

Amended: December 2005 Amended: December 2006

I. INTRODUCTION

Condominium development in Michigan is governed largely by statute. Prior to July 1, 1978, condominium development was regulated under Act 229 of the Michigan Public Acts of 1963, and since that date has been governed by Act 59 of the Michigan Public Acts of 1978, as amended (the Condominium Act). The Corporation and Securities Bureau of the Michigan Department of Commerce administers the law under which Condominium Projects are developed in this State.

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

II. THE CONDOMINIUM CONCEPT

A condominium is a form of real property. A condominium unit has the same legal attributes as any other form of real property under Michigan Law and may be sold, mortgaged or leased, subject only to such restrictions as are contained in the condominium documents.

Each Owner receives a conveyance to his individual condominium unit. Each Owner owns, in addition to his unit, an undivided interest in the common facilities ("Common Elements") which service the project. Title to the Common Elements is included as part of, and is inseparable from, title to the individual condominium units. Each Owner's proportionate share of the Common Elements is determined by the percentage of value assigned to his unit in the Master Deed described in Section VI of this Disclosure Statement.

All portions of the project not included within the units constitute the Common Elements. Limited Common Elements are those Common Elements which are set aside for use by less than all unit Owners. General Common Elements are all Common Elements other than Limited Common Elements.

Except for the year in which the project is established (or, in the case of units added to an expanding project by subsequent amendment to the Master Deed, the year in which any such amendment is recorded), real property taxes and assessments are levied individually against each unit in the project. The separate taxes and assessments cover the unit and its proportionate share of the Common Elements. No taxes or assessments are levied independently against the Common Elements. In the year in which the project is established or in which an expansion amendment is recorded, taxes and assessments for the units covered by the Master Deed or expansion amendment are billed to the Association and are paid by the Owners of such units in proportion to the percentages of value assigned to the units owned by them.

Although the foregoing is generally accurate as applied to most condominium developments, the

details of each development may vary substantially. Accordingly, each purchaser is urged to carefully review all of the documents contained in the Hawk's Eye Club House Condominium Purchaser Information Booklet as well as any other documents that have been delivered to the purchaser in connection with this development. Any purchaser having questions pertaining to the legal aspects of the project is advised to consult his own lawyer or other professional advisor.

III. DESCRIPTION OF THE CONDOMINIUM PROJECT

A. Size, Scope and Physical Characteristics of the Condominium Project.

Hawk's Eye Club House Condominium is an expandable residential Condominium Project located in Kearney Township, Antrim County, Michigan. The project, which now consists of eleven (11) units, is intended to have up to forty-five (45) units when completed. The Developer shall determine what type of structures, if any, will be constructed in the expandable area and in the general common elements of the condominium and reserves the right to determine any such construction in its sole discretion.

Therefore, the number of units in project may, at the option of the Developer or its successors or assigns, from time to time, within a period ending no later than six (6) years from the date of recording of the Master Deed, be increased by the addition to this condominium any portion of the future development and the construction of an additional 34 units thereon. The nature, appearance, and location of all such additional units as may be constructed thereon shall be determined by the Developer in its sole judgment as may be approved by the Township of Kearney. Such increase in size of this Condominium Project shall be given effect by an appropriate amendment or amendments to the Master Deed in the manner provided by law, which amendment or amendments shall be prepared by and at the discretion of the Developer or its successors and in which the percentages of value set forth in Section VI hereof shall be proportionately readjusted in order to preserve a total value of one hundred (100) for the entire Condominium Project resulting from such amendment or amendments to the Master Deed. The precise determination of the readjustments in percentages of value shall be within the sole judgment of the Developer. Such readjustments, however, shall reflect a continuing reasonable relationship among percentages of value based upon relative size of various units, provided, however, that in no such amendment or amendments shall the percentage of value assigned to each unit be increased, nor shall the percentage of value assigned to each unit be diminished to less than .10 percent by such amendment or amendments. Such amendment or amendments to the Master Deed shall also contain such further definitions and redefinition's of general or limited common elements as may be necessary to adequately describe and service the additional units being added to the Condominium Project by such amendment.

Access to the project is gained by way of Schoolcraft Road which is a publicly maintained road, thence to West Hawk's Eye Drive which is a private road maintained by Hawk's Eye Golf Club Condominium and thence to a non-exclusive easement. Thence to the General Common Element of the Condominium Project.

Within the boundaries of the project, as may be amended from time to time, the roads, driveways and parking areas are privately maintained by the Hawk's Eye Club House Condominium Association, the Association of Co-Owners.

B. Utilities.

Utility services to the condominium premises are provided as follows:

- 1. Water a private water system or by Mancelona Sewer and Water Authority, which shall be determined prior to completion and occupancy.
- 2. Electricity Consumers Power Company
- 3. Gas None.
- 4. Telephone Verizon
- 5. Heat Individually metered.
- 6. Sewer private septic system that serves all the units in the condominium.

C. Timesharing in Unit Ownership

The Developer has reserved the right in the Condominium Bylaws to record the Declaration or Declarations for Interval Interests for any unit in the condominium and to create and convey interests in Hawk's Eye Club House Condominium on an "interval interest", "use period", "timeshare" basis. These forms of ownership involve conveying units in a condominium to several different purchasers based on different periods of time, i.e. weeks, months or days. Therefore, the Developer, in its sole discretion, may sell some, or all, of the units in the Condominium Project on a timeshare basis.

IV. LEGAL DOCUMENTATION.

A. General.

Hawk's Eye Club House Condominium was established by Hawk's Eye Golf Club, L.L.C., a Michigan Limited Liability Company, as a Condominium Project pursuant to the Master Deed recorded in the Antrim County Records and contained in Hawk's Eye Club House Condominium Purchaser Information Booklet. The Master Deed includes the Condominium Bylaws as Exhibit "A" and the Condominium Subdivision Plan as Exhibit "B".

B. Master Deed.

The Master Deed contains the definitions of terms used within the Condominium Project, the percentage of value assigned to each apartment in the Condominium Project, a general description of the units and General and Limited Common Elements included in the Condominium Project and a statement regarding the relative responsibilities for maintaining the Common Elements. Article II and Article VIII of the Master Deed describe easements pertaining to the Condominium Project. Article IX reserves in favor of the Developer the right to amend the condominium documents to make immaterial changes therein, to provide for the correction of errors and to comply with the requirements of certain lending institutions. Article VI of the Master Deed provides for the expansion of the Condominium Project. Article VII provides the Developer the right, at its option, to install a pool that would service this and other Condominium Projects. This shall not be interpreted to mean Developer will install pool facilities; it simply may in its sole discretion.

C. Condominium Bylaws.

The Condominium Bylaws contain provisions relating to the operation, management and fiscal affairs of the condominium, and in particular set forth the provisions relating to assessments of Association members for the purpose of paying the costs of operation of the Condominium Project. Article VI contains certain restrictions upon the Ownership, occupancy and use of the Condominium Project. Article VI also contains provisions permitting the adoption of rules and regulations governing the Common Elements. At the present time, no rules and regulations have been adopted by the Board of Directors of the Association.

V. THE DEVELOPER AND OTHER SERVICE ORGANIZATIONS.

A. Developer's Background and Experience.

The Developer, Hawk's Eye Golf Club, L.L.C., is principally owned by The Real Estate Place of Bellaire, Inc., a Michigan Corporation, of which Mr. H. Grant Rowe is its principal stockholder and its President.

Mr. H. Grant Rowe, has been engaged in real estate development and brokerage business in Northern Michigan since 1968. In 1969, he was one of the founders of Ski & Shore Properties, Inc., a regional real estate company, and remained with that firm until 1974, serving as Director and Vice President of the company. In 1974, he founded The Real Estate Place of Bellaire, Inc., of which he is a principal shareholder, a Director and President.

B. Affiliates.

Sales in Hawk's Eye Club House Condominium are being handled by The Real Estate Place of Bellaire, Inc., a Michigan Corporation, formed in 1974 of which company Mr. H. Grant Rowe is the President, a principal shareholder and a Director of the company. The company, which is a licensed real estate broker, is engaged in land development in the area immediately adjacent to the site of Hawk's Eye Club House Condominium. It is also engaged in the sales of general real estate brokerage and in the sales of other Condominium Projects in the immediate vicinity of Hawk's Eye Club House Condominium. Such other Condominium Projects include: The Chief Golf Cottages Condominium, Hawk's Eye Golf Club Condominium, Trappers Lodge, Ridgewalk, Timberline Shops, Windcliff, Snowshoe, Points West II, Sawtooth, Timber Ridge, The Chief Condominium, The Legend Condominium, The Legend Condominium, East Pointe Condominium, Golf Meadows Condominium, Points West II Condominium, Spring Ridge Condominium, Westwind Condominium, Forest Condominium, Crosswinds Condominium, Legend II, Toy Boxes Condominiums and The Northern at Shanty Creek Condominium.

Hawk's Eye Club House Condominium is being managed by The Real Estate Place of Bellaire, Inc. pursuant to a written agreement, a copy of which is included in the Hawk's Eye Club House Condominium Purchaser Information Booklet.

C. Legal Proceedings Involving the Condominium Project or the Developer.

The Developer is not presently aware of any pending judicial or administrative proceedings involving the Condominium Project, or the Developer, which would have any effect upon a prospective purchaser.

VI. OPERATION AND MANAGEMENT OF THE CONDOMINIUM PROJECT.

A. The Condominium Association.

The responsibility for management and maintenance of the project is vested in Hawk's Eye Club House Condominium Association, which will be incorporated as a Michigan Nonprofit Corporation under applicable Michigan law. The Articles of Incorporation and Bylaws of the Association are contained in the Purchaser Information Booklet and govern the procedural operations of the Association. The Association is governed by its Board of Directors whose initial members are designees of the Developer.

Within one (1) year after the initial conveyance of legal equitable title to a non-Developer Co-Owner of a unit in the Condominium Project or within one hundred twenty (120) days after conveyance of legal or equitable title to non-Developer Co-Owners of one-third (1/3) of the units that may be created, whichever first occurs, the Developer shall call a special meeting of members for the purpose of electing from among the non-Developer Co-

Owners, persons to serve on an Advisory Committee to the temporary Board of Directors. The purpose of the Advisory Committee shall be to facilitate communications between the initial Board of Directors and the non-Developer Co-Owners until a meeting of members is held in accordance with the provisions of the Master Deed, at which time the Advisory Committee shall cease to exist. The initial Board of Directors and the Advisory Committee shall meet with each other at such time as may be requested by the Advisory Committee; provided, however, that there shall be no more than four (4) such meetings per year unless both entities agree. The Developer may call additional meetings of members of the Association for informative or other appropriate purposes.

Not later than one hundred twenty (120) days after conveyance of legal or equitable title to non-Developer Co-Owners of twenty-five (25%) percent of the units that may be created, at least one (1) director and not less than twenty-five (25%) percent of the Board of Directors of the Association of Co-Owners shall be elected by non-Developer Co-Owners. Not later than one hundred twenty (120) days after conveyance of legal or equitable title to non-Developer Co-Owners fifty (50%) percent of the units that may be created, not less than thirty-three and one-third (33-1/3%) percent of the Board of Directors shall be elected by non-Developer Co-Owners. Not later than one hundred twenty (120) days after conveyance of legal or equitable title to non-Developer Co-Owners of seventy-five (75%) percent of the units that may be created, and before conveyance of ninety (90%) percent of such units, the non-Developer Co-Owners shall elect all directors on the Board, except that the Developer shall have the right to designate at least one (1) director as long as the Developer owns and offers for sale at least ten (10%) percent of the units in the project or as long as ten (10%) percent of the units remain that may be created.

Notwithstanding the formula provided above, fifty-four (54) months after the first conveyance of legal or equitable title to a non-Developer Co-Owner of a unit in the Condominium Project, if title to not less than seventy-five (75%) percent of the units that may be created has not been conveyed, the non-Developer Co-Owners have the right to elect as provided in the condominium documents, a number of members of the Board of Directors of the Association of Co-Owners equal to the percentages of units they hold, and the Developer has the right to elect as provided in the condominium documents, a number of members of the Board equal to the percentage of units which are owned by the Developer and for which all assessments are payable by the Developer. This election may increase, but shall not reduce, the minimum election and designation rights otherwise established in accordance with the provisions of the Act.

If the calculation of the percentage of members of the Board that the non-Developer Co-Owners have the right to elect under the above, or if the product of the number of members of the Board multiplied by the percentage of units held by the non-Developer Co-Owners results in a right of non-Developer Co-Owners to elect a fractional number of members of the Board, then a fractional election right of 0.5 or greater shall be rounded up to the nearest whole number, which number shall be the number of members of the Board that the non-Developer Co-Owners have the right to elect. After application of this formula, the

Developer shall have the right to elect the remaining members of the Board. Application of this subsection shall not eliminate the right of the Developer to designate one (1) member as provided above.

B. Percentages of Value.

The percentage of value assigned to each unit shall be based on the relative square footage, relative use of the common elements and the location of the units in the Condominium Project.

The percentage of value assigned to each unit determines, among other things, the value of each Co-Owner's vote and his proportionate share of regular and special Association assessments and of the proceeds of administration of the project.

C. Project Finances.

1. Budget.

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

2. Assessments.

Each Co-Owner of a unit included within the project must contribute to the Association to defray expenses of administration. Assessments are based upon the percentages of value assigned to the units. The Board of Directors may also levy special assessments in accordance with the provisions of Article II of the Condominium Bylaws. The Developer, although a member of the Association, is not required to pay Association assessments. Instead the Developer must contribute only its proportionate share of the Association's expenses actually incurred, as described in Article II, of the Condominium Bylaws. Without limiting the generality of the foregoing, such costs would include liability insurance, real estate taxes, legal and accounting and other professional fees, road maintenance, common elements utilities and insurance on buildings containing units owned by the Developer once any unit in that building has been conveyed. After the issuance of a certificate of occupancy as to a unit, the Developer must contribute to the Association in

accordance with the percentages of value assigned to the completed units owned by him. The Developer is, of course, required to maintain at its expense all incomplete units owned by it.

3. Other Possible Liabilities.

Each purchaser is advised of the possible liability of each unit Owner under Section 58 of the Condominium Act:

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

D. Condominium Association Management Contracts.

The Association has entered into a management agreement with The Real Estate Place of Bellaire, Inc., a Michigan Corporation for a term beginning November 17, 2004, until ninety (90) days after the first Annual Meeting and thereafter for a term of two (2) years at a fee of twenty-seven and 00/100 (\$27.00) dollars per unit per month, as may be increased from year to year in an amount not to exceed a reasonable cost of living adjustment, which shall not exceed the rate as reflected in the CPI Index. Said agreement is terminable upon ninety (90) days notice. Professional management is not required by the condominium documents.

E. Insurance.

The condominium documents require that the Association carry fire and extended coverage for vandalism and malicious mischief and liability insurance and workmen's compensation insurance, if applicable, with respect to all of the Common Elements of the project. The insurance policies have deductible clauses and, to the extent thereof, losses will be borne by the Association. The Board of Directors is responsible for obtaining insurance coverage for the Association. Each Co-Owner's pro rata share of the annual Association insurance premiums is included in the monthly assessment. The Association insurance policies are available for inspection during normal working hours. A copy of the certificate of insurance with respect to the Condominium Project will be furnished to each Owner upon closing the sale of his unit. Each Co-Owner is responsible for obtaining insurance coverage with respect to the interior and contents of his unit to the extent indicated in Article IV of the Condominium Bylaws and for liability for injury within his unit and upon Limited Common Elements assigned to his unit. The Association should periodically, review all insurance coverage to be assured of its continued adequacy and Co-Owners should each do the same with respect to their personal insurance.

F. Restrictions on Ownership, Occupancy and Use.

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

- 1. Units 3 thru 12 are to be used for residential purposes only. Units 1 and 2 may be used for the commercial purposes determined by the Developer, in its sole discretion.
- 2. No animals may be maintained by any Co-Owner within a unit without the approval of the association, except as provided in the Bylaws.
- 3. There are substantial and severe limitations upon physical changes which may be made to the Common Elements and to the units in the condominium, and upon the uses to which the Common Elements and units may be put as well.
- 4. Reasonable regulations may be adopted by the Board of Directors of the Association concerning the use of Common Elements without vote of the Co-Owners.

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

VII. RIGHTS AND OBLIGATIONS AS BETWEEN DEVELOPER AND CO-OWNERS.

A. Before Closing:

The respective obligations of the Developer and the purchaser of a condominium unit in the project prior to closing are set forth in the Purchase Agreement and the Escrow Agreement. Both of those documents should be closely examined by all purchasers in order to ascertain disposition of earnest money deposits advanced by purchaser at the time of closing, anticipated closing adjustments, and the obligations of both parties with respect to modifications to the standard unit and extra installations.

B. At Closing:

Each purchaser will receive by warranty deed fee simple title to his unit or by land contract equitable title to his unit subject to no liens or encumbrances other than the condominium documents and those other easements and restrictions as are specifically set forth in the condominium documents and title insurance commitment.

C. After Closing:

1. General:

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

2. Condominium Project Warranties:

The Developer warrants each of the units against defects in workmanship and materials for a period of one (1) year from the date of issuance of a certificate of occupancy to the pertinent unit. Except for emergencies or in other extraordinary circumstances, all warranty claims must be submitted in writing to the Developer at its address appearing on the cover of this Disclosure Statement within the applicable one (1) year warranty period. In the case of emergencies or in other extraordinary circumstances where written communications would be inappropriate, purchasers should contact the Developer by telephone at the number appearing on the cover sheet of this Disclosure Statement. This warranty is extended only to the first purchaser of each unit and is not transferable.

D. Escrow Arrangements

Deposits in escrow with an escrow agent required under Sections 83 and 84 of the Act and shall be released pursuant to those sections upon cancellation of a preliminary reservation agreement or withdrawal from a purchase agreement, and in all other cases shall be retained by the agent as follows:

- 1. Except as provided in Paragraphs 2, 3 and 4 below, amounts required to be retained in escrow in connection with the purchase of a unit shall be released to the Developer only upon all of the following:
 - a. Issuance of a certificate of occupancy for the unit, if required by local ordinance;
 - b. Conveyance of legal or equitable title of the unit to the purchaser;
 - c. Confirmation by the escrow agent that those portions of the phase of the Condominium Project in which the condominium unit is located which under the terms of the condominium documents are labeled "must be built" are substantially complete or that sufficient funds to finance substantial completion of those portions of the phase of the Condominium Project in which the unit is located shall be

evidenced by a certificate of substantial completion executed by a licensed professional engineer or architect, or a building inspector, stating that all utility mains and leads, all major structural components of buildings, all building exteriors, and sidewalks and driveways, landscaping and at least one access road, located within or serving that phase of the Condominium Project are substantially complete in accordance with the pertinent plans and specifications for that phase of the Condominium Project; and

- d. Confirmation by the escrow agent that uncompleted recreational facilities or other similar facilities which under the terms of the condominium documents that are labeled "must be built", whether located within or outside of the phase of the project in which the subject unit is located and which are intended for common use, are substantially complete, or sufficient funds to finance substantial completion of such facilities are being retained in the escrow account. Substantial completion or the estimated cost of completing the uncompleted recreational facilities and other facilities intended for common use shall be determined by a licensed professional engineer or architect.
- 2. In place of retaining funds in escrow under Paragraph 1 above, the Developer may furnish an escrow agent with evidence of adequate security, including without limitation, an irrevocable letter of credit, lending commitment, indemnification agreement, or other resource having a value in the judgment of the escrow agent of not less than the amount specified in Paragraph 1(c) above.
- 3. An amount equal to a specified portion of the amounts retained in escrow under Paragraph 1 or the security given to an escrow agent under Paragraph 2 that is attributable to the cost of completion of a structure, improvement, facility or identifiable portion thereof that serves more than (1) unit in the project including without limitation the structures improvements, facilities, or identifiable portions therefore specified in Paragraphs 1(c) and 1(d), shall be released to the Developer upon providing evidence to the escrow agent that the structure, improvement, facility or the portion thereof is substantially completed. Substantial completion of a structure, improvement, facility or identifiable portion thereof shall mean completion for which a certificate of completion executed by a licensed professional engineer or architect, or a building inspector stating that the structure, improvement, facility or identifiable portion thereof is substantially complete in accordance with the pertinent plans and specifications therefore.
- 4. Not earlier than nine (9) months after closing the sale of the first unit in a phase of a Condominium Project for which escrowed funds have been retained under Paragraph 1(c) or for which security has been provided under Paragraph 2, an escrow agent, upon the request of the Association or any interested Co-Owner, shall notify the Developer of the amount of funds deposited or security provided for such purpose that remains, and of the date determined under this subsection upon which those funds will be used for completion of specified improvements. Three (3) months after receipt of a request pertaining to funds

that have not yet been released to the Developer may be released for the purpose of completing incomplete improvements for which the funds were originally retained. Completion of such improvements shall be administered by the escrow agent for the benefit of all interested parties.

5. If interest is paid on any amounts escrowed under this act, that interest shall be released in the same manner as provided for the release funds in this section except that interest on funds refunded upon the Purchaser upon the occasion of his withdrawal shall be paid to the Developer.

VIII. LOCAL GOVERNMENT, TAXES AND UTILITY SERVICE

A. Local Government

The Condominium Project is located in the State of Michigan, County of Antrim, Township of Kearney and in the Bellaire School District.

B. Real Property Taxes

Taxes upon the condominium units are assessed by the Township of Kearney, the County of Antrim, and the Bellaire School District. Pursuant to Michigan Law, taxes are required to be assessed on the basis of fifty (50%) percent of true cash value. During the year in which the condominium Master Deed was initially recorded or when any amendment adding units to the project is recorded, real property taxes attributable to each newly added unit constitute an expense of administration to be shared by the Co-Owners of such units in proportion to their respective percentages of value. In that initial year, the Association will receive one tax bill with respect to the newly added units which must be paid by the Association rather than by the individual Co-Owner of such units. The Developer will contribute to payment of taxes its proportionate share for such units as it owns at the time the taxes fall due. In subsequent years, each Co-Owner will receive an individual tax bill attributable to his unit only. It is impossible to determine with accuracy the amount of real property taxes which fall due in subsequent years since those taxes are a function of both property values and tax rates which may either rise or fall.

C. Building Inspections

Approval of the building plans for the project will be by the County of Antrim and inspection of construction will be conducted by such County.

VIII. UNUSUAL CIRCUMSTANCES.

The Condominium Project may be sold completely, or partially, on a Timeshare basis. This is an unusual, and acceptable, use for the Condominium Project.

Also, the Developer will be responsible for its proportion of the costs actually incurred by the Association based on its proportionate ownership of the Condominium Project at the time the costs were incurred by the Association, and will not be responsible for its proportionate share of the assessments of the Association. Prior to the sale of all the units in the Condominium Project, the Developer will fund the Association in the event that the Association does not have sufficient funds to pay necessary costs incurred in the operation of the Association in the amount these costs exceed the funds of the Association, and shall be reimbursed for any funds extended to the Association, exceeding its proportionate share of the necessary Association costs, by the Association. Upon the sale of all the Units in the Condominium Project the Developer shall not be obligated or required to extend any moneys to the Association.

This Condominium is a mixed-use condominium, containing both residential and commercial space. Developer will not be liable for any interference with the residential owners with their right to use and quiet enjoyment of their property caused by the use and operation of the commercial areas in the Condominium.

IX. PURPOSE OF DISCLOSURE STATEMENT.

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

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

The descriptions of the Master Deed and other instruments contained herein are summary only and may or may not completely and adequately express the content of the various condominium documents. Each purchaser is referred to the original Master Deed and other instruments as contained within the Purchaser Information Booklet.

HAWK'S EYE CLUB HOUSE CONDOMINIUM ASSOCIATION

ANNUAL BUDGET January 1, 2007 - December 31, 2007

Insurance	\$7,786
Management Fee	\$3,564
Maintenance	\$5,000
Outside Lighting	\$7,500
Office Expense	\$150
Pool Amenity	\$532.17
Sewer	\$7,717.50
Snow Removal	\$2,000
Lawn & Landscape	\$7,100
Water	\$0
Sub-Total	\$41,350.00
Reserve	\$4,135.00
TOTAL BUDGET	\$45,485.00

- 1. Each Co-Owner will pay monthly assessments based on the percentage of value represented by his or her unit. Assessments are payable by the first day of the month in which they become due. Thus, the January assessment would be due January 1st. Purchasers will be required to pay a monthly assessment for the month in which they purchase their unit. The Developer is also obligated to pay the portion of assessments actually incurred by the Association on unsold units when such assessments are due. The Developer's obligation to pay assessments is limited to those unsold units for which a certificate of occupancy has been issued. The Association may impose a ten (\$10.00) dollar late charge on Co-Owners who fail to pay assessments when due. Co-Owners who are in arrears more than thirty (30) days may have a lien imposed upon their unit and are subject to other penalties. For further information, please refer to the Master Deed.
- 2. The amount for insurance is the cost of the Association's policy. For a further discussion of insurance coverage and the type of insurance each Co-Owner should secure see heading "Insurance" of this Disclosure Statement.
- 3. Included within the budget is a general operating reserve to cover unanticipated expenses or increased costs of labor supplies.
- 4. Other than as herein set forth, there are no fees, payments or services which are paid or furnished directly or indirectly by the Developer which will later become an expense which must be borne by the Co-Owners.

5.	The management agreement provides that the Association shall pay the manager as its twenty seven and 00/100 (\$27.00) Dollars per month per Unit, as may be increased from year to year by the management company by a percentage not to exceed a reasonable confliving adjustment.						
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